88R12602 KFF-F

By:  Johnson of Dallas H.B. No. 4034

A BILL TO BE ENTITLED

AN ACT

relating to certain disability and death benefits payable by the public retirement systems for police and fire fighters in certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 6.04(f), Article 6243a-1, Revised Statutes, is amended to read as follows:

(f)  Subject to Subsections (f-1), (f-3), and (g) of this section, the disability pension of a Group B member shall be calculated as follows:

(1)  for a member who began active service before March 1, 2011, the member's disability pension shall be the sum of:

(A)  the member's number of years of pension service earned before September 1, 2017, prorated for fractional years, times three percent of the average computation pay determined over the 36 consecutive months of pension service in which the member received the highest computation pay; plus

(B)  the number of years of pension service, including pension service credit imputed under Section 6.05(c) of this article, earned on or after September 1, 2017, prorated for fractional years, times 2.5 percent [~~the applicable percentage prescribed by Section 6.02(b-1) of this article~~] of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay; or

(2)  for a member who began active service on or after March 1, 2011, the member's disability pension shall be the number of years of pension service, including pension service credit imputed under Section 6.05(c) of this article, prorated for fractional years, times 2.5 percent of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay.

SECTION 2.  Section 6.08, Article 6243a-1, Revised Statutes, is amended by amending Subsections (b) and (b-2) and adding Subsections (b-4) and (b-5) to read as follows:

(b)  Subject to Subsection (b-2) of this section, death benefits shall be computed as follows for the qualified survivors of Group B members who die while on active service:

(1)  the death benefit of a qualified survivor who is the spouse of a member who began active service:

(A)  before March 1, 2011, shall be the sum of:

(i)  the number of years of pension service earned before September 1, 2017, prorated for fractional years, times, except as provided by Subsection (b-4) of this section, 1.5 percent of the average computation pay determined over the 36 consecutive months of pension service in which the Group B member received the highest computation pay; plus

(ii)  the number of years of pension service, including pension service credit imputed under Section 6.05(c) of this article, after September 1, 2017, prorated for fractional years, times, except as provided by Subsection (b-4) of this section, 1.25 percent [~~the applicable percentage rate set forth below~~] of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay[~~:~~

|  |  |  |
| --- | --- | --- |
| [~~Age of Member When Retirement Pension Begins~~ |  | ~~Percent~~ |
| [~~58 and older~~ |  | ~~1.25%~~ |
| [~~57~~ |  | ~~1.2%~~ |
| [~~56~~ |  | ~~1.15%~~ |
| [~~55~~ |  | ~~1.10%~~ |
| [~~54~~ |  | ~~1.05%~~ |
| [~~53 and younger~~ |  | ~~1.0%~~]; or |

(B)  on or after March 1, 2011, shall be the number of years of pension service, including pension service imputed under Section 6.05(c) of this article, prorated for fractional years, times, except as provided by Subsection (b-4) of this section, 1.25 percent of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay;

(2)  the death benefit of qualified survivors who are a member's children shall be computed in the same manner as a spouse's benefit is computed under Subdivision (1)(A) or (B) of this subsection, as applicable, and shall be divided equally among all of the children who are qualified survivors; and

(3)  the death benefit of each qualified survivor who is a member's dependent parent shall be computed in the same manner as a spouse's Group B benefit is computed under Subdivision (1)(A) or (B) of this subsection, as applicable.

(b-2)  The death benefit calculated under Subsection (b) of this section may not exceed the greater of:

(1)  except as provided by Subsection (b-4) of this section, 45 percent of the member's average computation pay determined over the 36 or 60 consecutive months, as applicable, in which the Group B member received the highest computation pay; or

(2)  the vested and accrued death benefit as determined on August 31, 2017.

(b-4)  If a member dies in the line of duty, as determined by the board under Subsection (b-5) of this section, the percentage rate applied to the member's average computation pay under:

(1)  Subsection (b)(1)(A)(i) of this section is 3 percent instead of 1.5 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both;

(2)  Subsection (b)(1)(A)(ii) of this section is 2.5 percent instead of 1.25 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both;

(3)  Subsection (b)(1)(B) of this section is 2.5 percent instead of 1.25 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both; and

(4)  Subsection (b-2)(1) is 90 percent instead of 45 percent.

(b-5)  A member is considered to have died in the line of duty if the member's death is caused by the performance of the member's duties for the member's department. The board shall determine whether a member died in the line of duty. In making a determination under this subsection, the board may consider as guidance the determination of the same or similar issue made by another governmental entity.

SECTION 3.  The changes in law made by this Act apply only to a disability pension or death benefit for which an application is filed on or after the effective date of this Act. A disability pension or death benefit for which an application is filed before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 4.  This Act takes effect September 1, 2023.