

By: Price, Smithee

H.B. No. 2464

A BILL TO BE ENTITLED

AN ACT

relating to optional annuity increases for certain retirees and beneficiaries of the Texas Municipal Retirement System.

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

SECTION 1. Section 853.404, Government Code, is amended by adding Subsections (f) and (f-1) to read as follows:

(f) Subject to Subsection (f-1) and notwithstanding conflicting provisions of Subsection (c) or Section 854.203, the governing body of a participating municipality that adopts an ordinance under Section 854.203 providing for increased annuities effective January 1 of 2024, 2025, or 2026 may elect to compute the annuity increase, including an annual annuity increase authorized under Subsection (c), as the sum of prior and current service annuities, as increased in subsequent years under Section 854.203 or Subsection (c), of the person on whose service the annuities are based on the effective date of the annuity increase, multiplied by:

(1) the percentage change in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor, during the 12-month period ending in December of the year that is 13 months before the effective date of the ordinance providing the increase; and

(2) 30 percent, 50 percent, or 70 percent, as specified by the governing body in the ordinance.

(f-1) Subsection (f) applies only with respect to:

(1) a participating municipality that as of January 1, 2023:

(A) does not provide by ordinance an annual annuity increase under Subsection (c) because the municipality:

(i) passed an ordinance before January 1, 2023, that rescinded a previous ordinance authorizing annual increases under Subsection (c); or

(ii) has not passed an ordinance authorizing annual increases under Subsection (c); or

(B) does provide by ordinance an annual annuity increase under Subsection (c) if the governing body of the municipality elects to provide increased annuities recomputed in accordance with Subsection (f) for purposes of maintaining or increasing the amount of the annuity increase otherwise authorized by the ordinance; and

(2) the annuity of:

(A) a retiree who retired not later than the last day of December of the year that is 13 months before the effective date of the ordinance providing the increase; or

(B) a beneficiary of a deceased retiree whose death occurred not later than the last day of December of the year that is 13 months before the effective date of the ordinance providing the increase.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2023.