

1-1 By: Johnson of Dallas, et al. H.B. No. 4034
 1-2 (Senate Sponsor - Johnson)
 1-3 (In the Senate - Received from the House May 3, 2023;
 1-4 May 4, 2023, read first time and referred to Committee on Finance;
 1-5 May 16, 2023, reported adversely, with favorable Committee
 1-6 Substitute by the following vote: Yeas 16, Nays 1; May 16, 2023,
 1-7 sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23		X		
1-24	X			
1-25	X			
1-26	X			

1-27 COMMITTEE SUBSTITUTE FOR H.B. No. 4034 By: West

1-28 A BILL TO BE ENTITLED
 1-29 AN ACT

1-30 relating to certain disability and death benefits payable by the
 1-31 public retirement systems for police and fire fighters in certain
 1-32 municipalities.

1-33 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-34 SECTION 1. This Act may be cited as the David Walters Act.

1-35 SECTION 2. Section 6.04(f), Article 6243a-1, Revised
 1-36 Statutes, is amended to read as follows:

1-37 (f) Subject to Subsections (f-1), (f-3), and (g) of this
 1-38 section, the disability pension of a Group B member shall be
 1-39 calculated as follows:

1-40 (1) for a member who began active service before March
 1-41 1, 2011, the member's disability pension shall be the sum of:

1-42 (A) the member's number of years of pension
 1-43 service earned before September 1, 2017, prorated for fractional
 1-44 years, times three percent of the average computation pay
 1-45 determined over the 36 consecutive months of pension service in
 1-46 which the member received the highest computation pay; plus

1-47 (B) the number of years of pension service,
 1-48 including pension service credit imputed under Section 6.05(c) of
 1-49 this article, earned on or after September 1, 2017, prorated for
 1-50 fractional years, times 2.5 percent [~~the applicable percentage~~
 1-51 ~~prescribed by Section 6.02(b-1) of this article~~] of the average
 1-52 computation pay determined over the 60 consecutive months of
 1-53 pension service in which the member received the highest
 1-54 computation pay; or

1-55 (2) for a member who began active service on or after
 1-56 March 1, 2011, the member's disability pension shall be the number
 1-57 of years of pension service, including pension service credit
 1-58 imputed under Section 6.05(c) of this article, prorated for
 1-59 fractional years, times 2.5 percent of the average computation pay
 1-60 determined over the 60 consecutive months of pension service in

2-1 which the member received the highest computation pay.

2-2 SECTION 3. Section 6.08, Article 6243a-1, Revised Statutes,
 2-3 is amended by amending Subsections (b) and (b-2) and adding
 2-4 Subsections (b-4) and (b-5) to read as follows:

2-5 (b) Subject to Subsection (b-2) of this section, death
 2-6 benefits shall be computed as follows for the qualified survivors
 2-7 of Group B members who die while on active service:

2-8 (1) the death benefit of a qualified survivor who is
 2-9 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
 2-11 earned before September 1, 2017, prorated for fractional years,
 2-12 times, except as provided by Subsection (b-4) of this section, 1.5
 2-13 percent of the average computation pay determined over the 36
 2-14 consecutive months of pension service in which the Group B member
 2-15 received the highest computation pay; plus

(ii) the number of years of pension
 2-18 service, including pension service credit imputed under Section
 2-19 6.05(c) of this article, after September 1, 2017, prorated for
 2-20 fractional years, times, except as provided by Subsection (b-4) of
 2-21 this section, 1.25 percent [the applicable percentage rate set
 2-22 forth below] of the average computation pay determined over the 60
 2-23 consecutive months of pension service in which the Group B member
 2-24 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
 2-33 of years of pension service, including pension service imputed
 2-34 under Section 6.05(c) of this article, prorated for fractional
 2-35 years, times, except as provided by Subsection (b-4) of this
 2-36 section, 1.25 percent of the average computation pay determined
 2-37 over the 60 consecutive months of pension service in which the Group
 2-38 B member received the highest computation pay;

(2) the death benefit of qualified survivors who are a
 2-40 member's children shall be computed in the same manner as a spouse's
 2-41 benefit is computed under Subdivision (1)(A) or (B) of this
 2-42 subsection, as applicable, and shall be divided equally among all
 2-43 of the children who are qualified survivors; and

(3) the death benefit of each qualified survivor who
 2-45 is a member's dependent parent shall be computed in the same manner
 2-46 as a spouse's Group B benefit is computed under Subdivision (1)(A)
 2-47 or (B) of this subsection, as applicable.

(b-2) The death benefit calculated under Subsection (b) of
 2-49 this section may not exceed the greater of:

(1) except as provided by Subsection (b-4) of this
 2-51 section, 45 percent of the member's average computation pay
 2-52 determined over the 36 or 60 consecutive months, as applicable, in
 2-53 which the Group B member received the highest computation pay; or

(2) the vested and accrued death benefit as determined
 2-55 on August 31, 2017.

(b-4) If a member dies in the line of duty, as determined by
 2-57 the board under Subsection (b-5) of this section, the percentage
 2-58 rate applied to the member's average computation pay under:

(1) Subsection (b)(1)(A)(i) of this section is 3
 2-60 percent instead of 1.5 percent at such time as there are qualified
 2-61 survivors who are either the member's children or surviving spouse,
 2-62 but not both;

(2) Subsection (b)(1)(A)(ii) of this section is 2.5
 2-64 percent instead of 1.25 percent at such time as there are qualified
 2-65 survivors who are either the member's children or surviving spouse,
 2-66 but not both;

(3) Subsection (b)(1)(B) of this section is 2.5
 2-68 percent instead of 1.25 percent at such time as there are qualified
 2-69 survivors who are either the member's children or surviving spouse,

3-1 but not both; and
3-2 (4) Subsection (b-2)(1) is 90 percent instead of 45
3-3 percent.

3-4 (b-5) A member is considered to have died in the line of duty
3-5 if the member's death is caused by the performance of the member's
3-6 duties for the member's department. The board shall determine
3-7 whether a member died in the line of duty. In making a determination
3-8 under this subsection, the board may consider as guidance the
3-9 determination of the same or similar issue made by another
3-10 governmental entity.

3-11 SECTION 4. Section 6.04(f), Article 6243a-1, Revised
3-12 Statutes, as amended by this Act, applies only to a disability
3-13 pension for which an application is filed on or after the effective
3-14 date of this Act. A disability pension for which an application is
3-15 filed before the effective date of this Act is governed by the law
3-16 in effect immediately before the effective date of this Act, and the
3-17 former law is continued in effect for that purpose.

3-18 SECTION 5. (a) In this section, "board" and "member" have
3-19 the meanings assigned by Section 2.01, Article 6243a-1, Revised
3-20 Statutes.

3-21 (b) Subject to Subsection (c) of this section, Section 6.08,
3-22 Article 6243a-1, Revised Statutes, as amended by this Act, applies
3-23 only to a death benefit payable on or after the effective date of
3-24 this Act.

3-25 (c) If a member died in the line of duty before September 1,
3-26 2023, as determined by the board in accordance with Section
3-27 6.08(b-5), Article 6243a-1, Revised Statutes, as added by this Act,
3-28 the death benefit payable on or after September 1, 2023, to the
3-29 member's surviving spouse or children shall be adjusted in
3-30 accordance with Section 6.08(b-4), Article 6243a-1, Revised
3-31 Statutes, as added by this Act, as applicable. The surviving spouse
3-32 or children of a member described by this subsection are not
3-33 entitled to payment of any adjusted benefits relating to death
3-34 benefits paid before September 1, 2023.

3-35 SECTION 6. This Act takes effect September 1, 2023.

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