

SUBJECT: Increasing pension benefits for Houston police retirees

COMMITTEE: Pensions and Investments — favorable, without amendment

VOTE: 5 ayes — Telford, Woolley, Berlanga, Goolsby, Williams
0 nays
4 absent — Rangel, Sadler, Serna, Tillery

WITNESSES: For — William L. Jeffrion, City of Houston; John E. Lawson, Houston Police Officers Pension System; William Elkins, Houston Police Retired Officers Association; Stephen T. Sanders, Houston Police Patrolmen's Union; 19 individuals
Against — None

BACKGROUND : The Houston Police Officers Pension System (HPOPS) is a statutorily established public retirement system that provides retirement benefits for City of Houston police officers and their beneficiaries. The system currently has an actuarial surplus of \$41.79 million.

DIGEST: HB 1204 would recompute retirement pensions for any member who retired before September 1, 1997, or any person entitled to survivors' benefit as of September 1, 1997. The recomputation would increase benefits to at least 50 percent of final compensation, plus two percent of final compensation for each year of service over 20 years, not to exceed a maximum of 80 percent of final compensation. The recomputation could not provide benefits lower than what a retiree was receiving nor exceeding those to which an active member with the same amount of service and base salary would be entitled at retirement. The recomputation would not apply retroactively.

HB 1204 would allow members who were reemployed within a 24-month period after termination to pay back into the system their refunded contribution by assigning or pledging accumulated sick leave and vacation pay as well as cash. Members who retired before September 1, 1981, but were rehired within two years of their termination *and* were employed as of September 1, 1997, could receive credit for unrefunded service.

HB 1204 also would provide pension benefits to survivors of active members with fewer than 20 years of service who were killed while in military service.

HB 1204 would take effect September 1, 1997.

**SUPPORTERS
SAY:**

HB 1204 would help provide retired Houston police officers with adequate benefits for their retirement years. Most of these officers retired with 30 percent of their final salary, about \$1,000 per month. They do not receive Social Security benefits and the pension fund is their only source of retirement benefits. It is only fair to provide these loyal public servants with adequate retirement benefits.

HPOPS is a city-funded pension system; HB 1204 would not involve any state money. Furthermore, it would not increase the contribution required from the city; the bill would only allow the fund to use its sizeable surplus in a fiscally prudent manner to increase benefits for the people it was designed to serve.

Members who are reemployed within two years can already repay the pension fund for refunded contributions, but HB 1204 is needed to provide another option for payment. Furthermore, the bill would right an injustice currently suffered by survivors of active members killed while in military service. Current law does not provide for benefits to survivors unless the member has already retired, even if the member is past the 20-year service mark.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

HB 1203 by S. Turner, also dealing with HPOPS, was been reported favorably by the House Pensions and Investments Committee on April 15.