

SUBJECT: Retirement systems benefits for volunteer fire fighters and their beneficiaries

COMMITTEE: Pensions and Investments — committee substitute recommended

VOTE: 5 ayes — Ritter, Grusendorf, Martinez Fischer, Pena, Rose
0 nays
2 absent — Telford, McClendon

WITNESSES: For — Mike Higgins, Texas State Association of Firefighters
Against — None
On — Morris Sandefer, Firefighters' Pension Commissioner

BACKGROUND: The Firemen's Relief Pension Fund, V.T.C.A., Title 109, art. 6243e, was created by the 45th Legislature in 1937. In 1989, the 71st Legislature amended the act and renamed it the Texas Local Fire Fighters Retirement Act.

DIGEST: CSHB 2561 would amend the Texas Local Fire Fighters Retirement Act to add definitions for "determination date" and "vested accrued benefit." It would require written consent of the member, retiree, or eligible survivor of any benefit change that would deprive a member of the retirement system, a retiree, or an eligible survivor of a right to receive a vested accrued benefit. Current law requires only the member's written consent.

Regarding disability retirement, the bill would state that a vested accrued benefit of a retiree who was retired as of the determination date would be subject to terms established by the retirement system as those terms existed on the determination date and would be payable to the retiree only if that person met the eligibility requirements established by the board of trustees. A disability retirement benefit would not be a vested accrued benefit until a member became disabled under the terms of the retirement system.

Regarding death benefits, the bill would provide that the vested accrued benefit that an eligible survivor received as the result of the death of a

member or retiree on or before the determination date would be subject to the terms established by the retirement system as those terms existed on the determination date. A death benefit would not be a vested accrued benefit until the member or retiree died.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 2561 represents a joint effort between the legislative committee of the Texas Local Fire Fighters' Retirement Act, the Office of the Fire Fighters' Pension Commissioner, municipal pension board members, actuaries, and others to propose minor changes to the Texas Local Fire Fighters Retirement Act. The bill would clarify definitions for "determination date" and "vested accrued benefit" and add conforming language related to those terms. Also, the bill would state that a death benefit was not a vested accrued benefit until the member or retiree died. These changes were proposed so that pension plans affecting fire fighters across the state would be consistent, whether they were funded at the state or local level.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute differs from the bill as introduced by conforming it to Texas Legislative Council drafting style.

The companion bill, SB 1658 by Madla, was referred to Senate Intergovernmental Relations on March 20th, where it remains pending.

The Pensions and Investments Committee originally recommended sending CSHB 2561 to the Local and Consent Calendars Committee.