

AN ACT

relating to the application of changes in benefits received by members and retirees of retirement systems for paid, partly paid, and volunteer fire fighters and their beneficiaries.

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

SECTION 1. Section 2, Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by adding Subdivisions (10) and (11) to read as follows:

(10) "Determination date" means:

(A) the day before the effective date of an addition or change adopted by the board of trustees of a retirement system under Section 7 of this Act; or

(B) the date of divorce for a member or retiree whose benefits under this Act are subject to a qualified domestic relations order.

(11) "Vested accrued benefit" means the amount of the monthly benefit that a person is entitled to receive based on the person's service credit and compensation history as of the determination date under the benefit formula and other terms established by a retirement system, including a vested percentage where applicable, as those terms exist on the determination date. The vested accrued benefit of a member is calculated without regard to any optional form of payment the member may select at retirement. The term does not include cost-of-living increases that may be

1 applied to a benefit after the determination date.

2 SECTION 2. Section 7(e), Texas Local Fire Fighters
3 Retirement Act (Article 6243e, Vernon's Texas Civil Statutes), is
4 amended to read as follows:

5 (e) An addition or change adopted under this section may
6 not, without the [~~member's~~] written consent of the member, retiree,
7 or eligible survivor under Section 15 of this Act, deprive a member
8 of the retirement system, a retiree, or an eligible survivor of a
9 right to receive a vested accrued benefit.

10 SECTION 3. Section 14, Texas Local Fire Fighters Retirement
11 Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by
12 adding Subsections (g) and (h) to read as follows:

13 (g) The vested accrued benefit of a retiree under this
14 section who is retired as of the determination date is subject to
15 the terms established by the retirement system as those terms exist
16 on the determination date and is payable to the retiree only if the
17 retiree meets the eligibility requirements established by the board
18 of trustees under this section.

19 (h) Notwithstanding any other provision of this Act, a
20 disability retirement benefit is not a vested accrued benefit until
21 a member becomes disabled under the terms of the retirement system.

22 SECTION 4. Section 15, Texas Local Fire Fighters Retirement
23 Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by
24 adding Subsections (f) and (g) to read as follows:

25 (f) The vested accrued benefit that an eligible survivor
26 receives under this section as the result of the death of a member
27 or retiree on or before the determination date is subject to the

1 terms established by the retirement system as those terms exist on
2 the determination date.

3 (g) Notwithstanding any other provision of this Act, a death
4 benefit is not a vested accrued benefit until the member or retiree
5 for whom death benefits are payable dies.

6 SECTION 5. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2003.

David Dewhurst

President of the Senate

Jim Coady

Speaker of the House

I certify that H.B. No. 2561 was passed by the House on May 5, 2003, by the following vote: Yeas 141, Nays 0, 1 present, not voting.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 2561 was passed by the Senate on May 27, 2003, by the following vote: Yeas 31, Nays 0.

Patricia Spaul
Secretary of the Senate

APPROVED: 20 JUN 103

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:30 P.M. O'CLOCK

JUN 20 2003
Steph Shea
Secretary of State