

- SUBJECT:** Increasing ERS disability retirement benefits for peace officers
- COMMITTEE:** Pensions and Investments — committee substitute recommended
- VOTE:** 7 ayes — Greenberg, Tillery, Bonnen, Clark, George, Rangel, Williams
0 nays
2 absent — Salinas, Telford
- WITNESSES:** For — Wade Ford; Earl Gillem; Daniel Shown
Against — None
On — William Nail, Employees Retirement System
- BACKGROUND:** The Employees Retirement System (ERS) is the comprehensive retirement system for most state workers, state judges and certain court personnel, and peace officers of Texas. The system provides retirement, death, and disability benefits to qualifying members.
- Under current law, a police officer member of ERS who retires because of a disability incurred in the line of duty receives an annuity based on 50 to 100 percent of the officer's monthly compensation. The compensation depends on how long the officer has been working for the state. No provision exists for a cost-of-living adjustment to the annuity.
- DIGEST:** CSHB 2437 would amend the Government Code by increasing the ERS disability retirement benefits received by a peace officer injured while in the line of duty.
- The bill would increase the disability retirement annuity to a minimum of 70 percent of the monthly compensation being paid to an officer in the same classification as the officer, as adjusted periodically until the retired officer reached age 55, regardless of the amount of service credited to the officer in the ERS employee class.

If the peace officer could not return to gainful employment and had a total disability as determined by federal social security law, ERS would have to increase the officer's annuity to 100 percent of the monthly compensation paid to an officer in the same classification as the retired officer, as adjusted periodically until the retired officer reached 55.

This bill would take effect September 1, 1999. ERS would have to recompute an annuity that first became payable before September 1, 1999, as though this bill's provisions had been in effect on the date the annuity first became payable. The first recomputed payment would be payable on the first payment date on or after September 1, 1999.

**SUPPORTERS
SAY:**

Many police officers who are left completely disabled in the line of duty face difficult economic circumstances, accumulating large debts and facing deep losses in earning potential. Officers who risk their lives to protect Texans should not be left worse off because of their sacrifice made in harm's way. CSHB 2437 would help to provide for injured officers and their families by giving them an increase in benefits that would be adjusted periodically to reflect cost-of-living increases. The bill would maintain the 100 percent occupational retirement annuity, adding cost-of-living adjustments. Overall, it would be a strong endorsement of Texas peace officers.

**OPPONENTS
SAY:**

While no major fiscal implication is projected, the actuarial accrued liability of the Law Enforcement and Custodial Officers Supplemental Retirement Fund would increase by \$7.7 million, reducing the fund's net asset balance by an equal amount.

NOTES:

The original bill would have set the disability retirement annuity for all peace officers at 100 percent of the monthly compensation paid to an officer in the same classification as the officer, as adjusted from time to time until the officer reached age 55.

A similar bill, HB 3327 by Gallego, relating to disability retirement benefits for peace officer members of ERS, was left pending in the House Pensions and Investments Committee on April 7.