

SUBJECT: Authorizing an annuity increase for certain municipal retirees

COMMITTEE: Pensions, Investments & Financial Services — favorable, without amendment

VOTE: 7 ayes — Capriglione, Lambert, Bhojani, Bryant, Leo-Wilson, VanDeaver, Vo

0 nays

2 absent — Frazier, Plesa

WITNESSES: For — Toby Hudson, Amarillo Police Officers Association; Chris Jones, Combined Law Enforcement Associations of Texas (*Registered, but did not testify*; Norm Fisher, Amarillo Police Officers Assn)

Against — None

On — (*Registered, but did not testify*; Amy Cardona, Pension Review Board; Ashley Rendon, Pension Review Board; David Wescoe, TMRS)

BACKGROUND: Some have suggested that optional annuity increases for certain retirees and beneficiaries of the Texas Municipal Retirement System could help to alleviate financial strain for those living on a fixed income amidst rising inflation.

DIGEST: HB 2464 would allow a governing body of a municipality that adopted an ordinance providing for increased annuities effective January 1, 2024 or 2025 to compute the annuity increase as the sum of prior and current service annuities of the person on whose service the annuities were based on the effective date of the annuity increase multiplied by the percentage increase specified in the ordinance. An increase to the annuity after the annuity's starting date could not exceed the maximum amount of annuity increase authorized under current statute. These provisions would expire December 31, 2025.

This 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, 2023.