

BILL ANALYSIS

Senate Research Center

S.B. 529
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As Filed

DIGEST

Currently, the Statewide Volunteer Firemen's Retirement Fund is administered by the Texas Fire Fighters Pension Commission. The statewide fund has 147 participating fire departments and covers 5,000 individuals. Volunteer emergency services personnel and auxiliary personnel are prohibited from participating in the fund. S.B. 529 would redesignate the Texas Statewide Volunteer Firefighters Retirement Fund as the Texas Statewide Emergency Services Personnel Retirement Fund and expand eligibility to local emergency services departments staffed by at least 10 volunteer or partly paid personnel.

PURPOSE

As proposed, S.B. 529 outlines provisions regarding participation in and benefits from a statewide retirement system for volunteer firefighters and other emergency services personnel.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the board of firemen's relief and retirement fund trustees of the fund existing pursuant to this Act under SECTION 8 (Section 21(b), Article 6243e.3, V.T.C.S.) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1, Article 6243e.3, V.T.C.S. (Texas Statewide Volunteer Fire Fighters Retirement Act), by amending Subdivisions (1), (7), (9), (10), (11), and (13) and adding Subdivisions (14) and (15), to redefine "qualified service," "fund," "member," "current pension plan," and "governing body," and to define "participating department," "volunteer," and "partly paid employee." Makes conforming and nonsubstantive changes.

SECTION 2. Amends Section 1A, Article 6243e.3, V.T.C.S., as follows:

Sec. 1A. SHORT TITLE: Texas Statewide Emergency Services Retirement Act.

SECTION 3. Amends Sections 2(a), (c), and (f), Article 6243e.3, V.T.C.S., to provide that the Texas statewide emergency services personnel retirement fund (fund), rather than the fire fighters' relief and retirement fund, is a trust fund in the state treasury. Requires every governing body of a department that is eligible to participate in the pension system (department) and that is not currently exempt under Subsection (b) of this section to contribute for each member at least \$12 for each month of service. Prohibits members who are volunteers from being deemed to be in the paid service of any governing body. Makes conforming changes.

SECTION 4. Amends Sections 2A, 3, 4, 5, 8, 9, and 10, Article 6243e.3, V.T.C.S., as follows:

Sec. 2A. MEMBERSHIP. Provides that each person who performs service for a participating department is a member of the pension system. Sets forth instances in which a person is not a member of the pension system. Makes conforming and nonsubstantive changes.

Sec. 3. RETIREMENT BENEFITS. Provides that the monthly retirement annuity is equal to six times the governing body's average monthly contribution over the member's term of

qualified service. Makes conforming and nonsubstantive changes.

Sec. 4. **DISABILITY BENEFITS.** Provides that a member who is disabled during the performance of emergency service duties is automatically vested 100 percent as of the date of disability. Provides that benefits under this section are payable if the member is unable to perform the person's duties for the member's participating department. Deletes text guaranteeing a member fire fighter whose disability results from performing duties as a fire fighter a disability benefit of \$300 a month. Makes conforming changes.

Sec. 5. **DEATH BENEFITS.** Provides that the surviving spouse of a deceased member who dies after terminating service with all participating departments and meeting a vesting requirement under Section 6 of this Act but before attaining the age of 55 is entitled to a monthly pension, beginning on the date the decedent would have attained that age, that is two-thirds of the monthly pension to which the decedent would have been entitled on that date. Makes conforming changes.

Sec. 8. **CERTIFICATION OF PHYSICAL FITNESS.** Requires a prospective member, rather than a fire fighter entering service in a member fire department after the effective date of this Act, to present to the board of firemen's relief and retirement fund trustees of the fund existing pursuant to this Act (board) a certification of physical fitness by a qualified physician. Provides that if the board does not accept the certification the person becomes a member of the pension system only if the board assigns the person to support duties, rather than duties other than fighting fires. Makes conforming changes.

Sec. 9. **TRANSFER OF ACCRUED BENEFITS.** Makes conforming changes.

Sec. 10. **ENTERING THE PENSION SYSTEM; REQUIRED ELECTION.** Requires an election to be held within a department, rather than the local fire department, to merge its current pension plan within the pension system. Sets forth information after which the election is required to be held within 14 days. Makes conforming changes.

SECTION 5. Amends Sections 11(a), (d), (e), and (f), Article 6243e.3, V.T.C.S., to delete text providing that the future-service method or the buy-back method options are available only to fire fighters participating in the current pension plan. Deletes text authorizing a certain fire fighter to count time served under the current pension plan before the date of the merger as qualified service if the service complies with the minimum drill and fire attendance requirements provided for qualified service. Makes conforming changes.

SECTION 6. Amends Sections 11A, 12, 12A, 15, and 16, Article 6243e.3, V.T.C.S., to authorize a governing body that wishes to participate in the fund and whose department did not have a pension plan in effect immediately before the date of participation to purchase, on terms acceptable to the fire fighters' pension commissioner (commissioner), credit for prior service by its emergency services. Requires every person who performs emergency service duties in the state to be a member of a solvent pension plan. Deletes text requiring the commissioner to distribute tax consequences to each fire department and governing body. Requires each department, rather than the local fire department, to disclose to all personnel, rather than each fire fighter in the department and to each new fire fighter on his commissioning, the information the commissioner is required to distribute to each emergency services department and governing body. Makes conforming and nonsubstantive changes.

SECTION 7. Amends Section 19(a), Article 6243e.3, V.T.C.S., to make a conforming change.

SECTION 8. Amends Section 21(b), Article 6243e.3, V.T.C.S., to require the board to adopt rules to provide a proration of the requirements for qualified service for a member who performs service for only a portion of a calendar year and is authorized to provide, by rule, for the manner in which member attendance or drill hours are to be computed. Makes a nonsubstantive change.

SECTION 9. Amends Sections 22(a) and (d), Article 6243e.3, V.T.C.S., to provide that the board is composed of five members representing a participating department chosen by a majority of the

emergency services personnel in the department who are eligible to participate in the pension system, rather than fire fighters in qualified service, and two persons, rather than taxpaying voters, who are chosen by other members of the board. Requires the first appointments of the representatives of the participating department, rather than taxpaying or citizen representatives, appointed by other members of the board to be appointed for a two-year term and a one-year term.

SECTION 10. Amends Sections 23(a) and (e), Article 6243e.3, V.T.C.S., to require the board to monitor the timely submission of required contributions to the commissioner, rather than collect all governing body contributions at least annually and send the contributions to the commissioner. Makes conforming changes.

SECTION 11. Amends Section 25, Article 6243e.3, V.T.C.S., to provide that this Act is intended to provide a pension system and health and disability benefits for emergency services personnel who are volunteers or partly paid employees, rather than fire fighters who serve without monetary remuneration. Makes a conforming change.

SECTION 12. Effective date: September 1, 1997, except that the definition of "qualified service" in Section 1, Article 6243e.3, V.T.C.S. (Texas Statewide Emergency Services Retirement Act), as amended by this Act, takes effect January 1, 1998.

SECTION 13. Emergency clause.