

## **BILL ANALYSIS**

Senate Research Center  
77R4515 SMJ-D

S.B. 1068  
By: Armbrister  
State Affairs  
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As Filed

### **DIGEST AND PURPOSE**

Under current Texas law, the monthly retirement annuity for a member receiving benefits from the Texas Statewide Emergency Services Personnel Retirement Fund (fund) is six times the average monthly contribution made by the governing body, increased by seven percent for each year of qualified service in excess of 15 years. As proposed, S.B. 1068 increases benefits for certain emergency services retirees and makes technical and administrative changes to the Texas Statewide Emergency Retirement Act.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 3(b) and (c), Texas Statewide Emergency Services Retirement Act (Article 6243e.3, V.T.C.S.), to provide that the monthly retirement annuity is equal to seven, rather than six, times the governing body's average monthly contribution over the member's term of qualified service under this Act. Provides that for each year of additional qualified service in excess of 15 years, a member is entitled to receive an additional 7.5, rather than seven, percent of the member's monthly pension compounded annually.

SECTION 2. Amends Sections 14(c) and (d), Article 6243e.3, V.T.C.S., to require the state board of trustees to employ a professional investment manager, rather than counselor, a legal reserve life insurance company licensed to do business in the State of Texas, or a bank with trust powers under the laws of the State of Texas. Makes conforming changes.

SECTION 3. Amends Section 19, Article 6243e.3, V.T.C.S., to redesignate Subsections (c) - (p) as Subsections (b) - (o).

SECTION 4. Amends Section 20(a), Article 6243e.3, V.T.C.S., to provide that there is a state board of trustees (board) composed of nine members, rather than active members. Requires six trustees to be active members of the fund, and three trustees to be person who have experience in the fields of finance, securities investment, or pension administration.

SECTION 5. Amends Section 21(c), Article 6243e.3, V.T.C.S., to require the board, after a hearing conducted by the State Office of Administrative Hearings on the appeal of a decision of a local board of trustees, to determine each appeal from a fire fighters' pension commissioner's decision based on the hearing record.

SECTION 6. Amends Section 22(a), Article 6243e.3, V.T.C.S., to provide that the composition of the local board of trustees includes, among others, five active 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.

SECTION 7. Makes application of Sections 3(b) and (c), Article 6243e.3, V.T.C.S., as amended by this Act, prospective.

SECTION 8. (a) Makes application of Sections 20(a) and 21(c), Article 6243e.3, V.T.C.S., as amended by this Act, prospective.

(b) Sets forth provisions regarding the prospective application of this Act to a trustee.

SECTION 9. Effective date: September 1, 2001.