

## **BILL ANALYSIS**

H.B. 1756  
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Pensions  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Austin fire fighters relief and retirement fund provides retirement, disability, and death benefits to its members and beneficiaries. Interested parties note that certain issues have arisen pertaining to the fund's governing statute as it relates to the administration of the fund. H.B. 1756 seeks to address these administrative issues and to make necessary technical changes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1756 amends Vernon's Texas Civil Statutes to authorize the board of trustees of a fire fighters relief and retirement fund in a municipality with a population of more than 750,000 and less than 850,000, if only one firefighter or retiree is nominated for a position on the board, to appoint the sole nominated candidate at the first board meeting in January instead of holding an election. The bill requires the board to adopt procedures for the appointment of a sole nominated candidate before such an appointment may be made and establishes that a board member appointed in such manner is considered elected. The bill authorizes the board of trustees to adopt rules to establish procedures for and requirements governing a member's designation of a beneficiary under statutory provisions relating to payments to a surviving beneficiary of certain unmarried members. The bill authorizes the board of trustees to adopt rules that modify the availability of distributions from a deferred retirement option plan (DROP) provided that the modifications do not impair the distribution rights from the DROP or cause distributions to occur later than required under federal law.

H.B. 1756 replaces the condition that a member of such a fire fighters relief and retirement fund who participates in the DROP, in order for distributions to the designated beneficiary of the member to be made either as a single-payment distribution of the account balance or in not more than four equal annual installments within a specified period, must have died while in active service with the condition that such a member, in order for those distributions to be so made, must have died before distribution of the member's entire DROP account. The bill removes the requirement that the balance of a member's DROP account be distributed to the designated beneficiary in the manner that the member selected if the member dies after terminating active service and has filed an election with the board of trustees to be paid in a maximum of four equal annual installments over a period of not more than 37 months. The bill changes the percentage increase in the Consumer Price Index for All Urban Consumers on which the collective

adjustment for the cost-of-living adjustment for a person receiving a retirement or survivor's benefit is based from the percentage increase as determined by the U.S. Department of Labor for the determination period immediately preceding the adjustment's effective date to the percentage increase as determined by the U.S. Department of Labor for the determination period ending in a calendar month that precedes by not more than four months the month in which the adjustment takes effect.

**EFFECTIVE DATE**

September 1, 2015.