

BILL ANALYSIS

Senate Research Center

H.B. 2870
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State Affairs
5/9/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, employees of the City of Fort Worth contribute 8.25 percent of their salary into the City of Fort Worth Retirement Fund and the city contributes an additional amount equal to 10.74 percent of an employee's salary to the city retirement fund. Slightly higher contribution rates are made by police officers for a special retirement plan available to them. To address an unfunded liability identified by actuarial experts, one of the solutions recommended is to increase the contribution made by employees to 10.25 percent and the city contribution to 13.74 percent. Under current law, the maximum amount that an employee is authorized to contribute is 10 percent of the employee's salary.

H.B. 2870 authorizes the city to determine the amount that city employees may contribute, which may exceed 10 percent of the employee's salary.

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 Section 2, Chapter 426, Acts of the 64th Legislature, Regular Session, 1975 (Article 6243k, V.T.C.S.), as follows:

- (a) Creates this subsection from existing text. Makes a conforming change.
- (b) Requires each member of a retirement, disability, and death benefit system provided under this section by a city or town to contribute to the system an amount determined by the city or town that may exceed 10 percent of the annual compensation paid to the member by the city or town under certain conditions.

SECTION 2. Effective date: September 1, 2007.