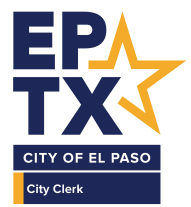


**CITY OF EL PASO, TEXAS
AGENDA ITEM
AGENDA SUMMARY FORM**



DEPARTMENT:

AGENDA DATE:

CONTACT PERSON NAME

PHONE NUMBER:

2nd CONTACT PERSON

PHONE NUMBER:

3rd CONTACT PERSON

PHONE NUMBER:

DISTRICT(S) AFFECTED:

STRATEGIC GOAL:

SUBGOAL:

SUBJECT:

COMMUNITY AND STAKEHOLDER OUTREACH:

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

NAME	AMOUNT (\$)	DATE

BACKGROUND / DISCUSSION:

PRIOR COUNCIL ACTION:

AMOUNT AND SOURCE OF FUNDING:

*****REQUIRED AUTHORIZATION*****

By: González of El Paso

H.B. No. 4591

A BILL TO BE ENTITLED

AN ACT

relating to contributions to and benefits under certain fire and police pension funds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1A, Chapter 101 (H.B. 31), Acts of the 43rd Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's Texas Civil Statutes), is amended by adding Subdivision (3-a) to read as follows:

(3-a) "Qualified actuary" means an actuary that meets the qualifications under Section 10A(b)(1) of this Act.

SECTION 2. Section 2, Chapter 101 (H.B. 31), Acts of the 43rd Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. PARTICIPATION IN FUND; WAGE DEDUCTIONS. Each member fireman and policeman in the employment of such city or town must participate in said fund, except in times of national emergency those persons as are employed during that time shall not be required to participate in the fund, and said city or town shall be authorized to deduct a sum of not less than one per cent (1%) nor in excess of six per cent (6%) of his wages from each month to form a part of the fund known as the Firemen and Policemen Pension Fund, except that the city or town shall deduct a sum less than one per cent (1%) or more than six per cent (6%) of the member's wages each month to form a part of the fund if the board of trustees of that

1 fund increases or decreases the percentage of wages to be
2 contributed to the fund under the provisions of Section 10A, 14A-1,
3 or 14B [~~14A~~] of this Act. The amount to be deducted from the wages
4 of those named above who must participate in the fund is to be
5 determined by the board of trustees as provided for in Section 1 of
6 this Act within the minimum and maximum deductions herein provided
7 or as otherwise provided under the provisions of Section 10A,
8 14A-1, or 14B [~~14A~~] of this Act.

9 SECTION 3. Section 3, Chapter 101 (H.B. 31), Acts of the
10 43rd Legislature, 1st Called Session, 1933 (Article [6243b](#), Vernon's
11 Texas Civil Statutes), is amended to read as follows:

12 Sec. 3. PAYMENTS TO FUND. There shall be deducted for such
13 fund from the wages of each fireman and policeman a sum to be
14 determined by the board of trustees under the provisions of Section
15 [~~Sections~~] 2, 10A, 14A-1, or 14B [~~and 14A~~] of this Act. Any
16 donations made to such fund and rewards received by any member of
17 either of said funds, and all funds received from any source for
18 such fund shall be deposited in like manner to the credit of such
19 fund.

20 SECTION 4. Sections 10A(b) and (c), Chapter 101 (H.B. 31),
21 Acts of the 43rd Legislature, 1st Called Session, 1933 (Article
22 [6243b](#), Vernon's Texas Civil Statutes), are amended to read as
23 follows:

24 (b) None of the changes made under Subsection (a) of this
25 section may be made unless all of the following conditions are
26 sequentially complied with:

27 (1) the change must be approved by a qualified actuary

1 selected by a four-fifths vote of the Board; the actuary's approval
2 must be based on an actuarial finding that the change is supported
3 by the existing funding status of the fund or by a contribution
4 increase by the city or town or by both the city or town and the
5 members of the pension fund; the actuary, if an individual, must be
6 a Fellow of the Society of Actuaries or a Fellow of the Conference
7 of Actuaries in Public Practice or a Member of the American Academy
8 of Actuaries; the actuary, if an actuarial consulting firm, must
9 be established in the business of providing actuarial consulting
10 services to pension plans and have experienced personnel able to
11 provide the requested services; the findings upon which the
12 properly selected and qualified actuary's approval are based are
13 not subject to judicial review;

14 (2) the change must be approved by a majority of all
15 persons then making contributions to the fund as employees of a
16 department to which the change would directly apply, voting by
17 secret ballot at an election held after 10 [~~ten (10)~~] days' notice
18 given by posting at a prominent place in every station or substation
19 of a department to which the change would directly apply and in the
20 city hall;

21 (3) the changes, except changes made under the
22 provisions of [~~Subdivision (1),~~] Subsection (a)(1) [~~(a),~~] of this
23 section, shall apply only to active member employees who are
24 members of the affected departments at the time the change becomes
25 effective and those who enter the departments thereafter; and

26 (4) the changes shall not deprive any person, without
27 his written consent, of any right to receive a pension or benefits

which have already become vested and matured.

(c) If the Board of Trustees proposes to change benefits under ~~[Subdivision (1),]~~ Subsection (a)(1) ~~[(a),]~~ of this section, the change is not effective until the change is finally approved in accordance with this subsection. The Board shall submit the change for approval by the city's or town's governing body. If disapproved by the governing body, or if the governing body fails to act not later than the 60th day after the date ~~[within sixty (60) days]~~ of presentation to the governing body, the Board, by resolution passed by a majority of the whole Board, plus one, may require the city's or town's governing body to hold an election, as soon as practicable, for approval of the change by the qualified voters of the city or town. Any change proposed and subsequently approved by the governing body of the city or town or by the voters, as applicable, under this subsection becomes effective as of the beginning of the city's or town's next fiscal year.

SECTION 5. Chapter 101 (H.B. 31), Acts of the 43rd Legislature, 1st Called Session, 1933 (Article [6243b](#), Vernon's Texas Civil Statutes), is amended by amending Sections 14, 14A, and 14B and adding Section 14A-1 to read as follows:

Sec. 14. USE OF PUBLIC FUNDS; CITY OR TOWN MINIMUM CONTRIBUTION. (a) Except as provided by this section and Section 14A, 14A-1, or 14B of this Act, no funds shall be paid out of the public treasury of any such incorporated city or town, in carrying out any of the provisions of this law, except on a majority vote of the voters of such city or town, and where such funds have been voted on as provided by law, said city or town shall contribute such

1 amount.

2 (b) Subject to an increase under Section 14A or 14A-1 of
3 this Act or a decrease under Section 14B of this Act, the city or
4 town shall contribute an amount to the pension fund that is not less
5 than 18 percent of the total amount expended by the city or town on
6 member wages.

7 Sec. 14A. CITY OR TOWN CONTRIBUTION INCREASES. (a) The
8 city or town may increase its contribution rate above the rate
9 prescribed by Section 14(b) of this Act based on a qualified
10 actuary's report only if the governing body of the city or town, or
11 a majority vote of the voters of the city or town, approves the
12 increase to the city or town contribution rate.

13 (b) The Board of Trustees may submit for approval by the
14 city's or town's governing body a proposed contribution rate
15 increase under Subsection (a) of this section. If the proposed
16 contribution rate increase is disapproved by the governing body, or
17 if the governing body fails to act not later than the 60th day after
18 the date the proposal is presented to the governing body, the Board,
19 by resolution passed by a majority of the whole Board, plus one, may
20 require the city's or town's governing body to hold an election, as
21 soon as practicable, for approval of the change by the qualified
22 voters of the city or town. Any change proposed and subsequently
23 approved by the governing body or by the voters, as applicable,
24 under this subsection becomes effective as of the beginning of the
25 city's or town's next fiscal year.

26 Sec. 14A-1. JOINT CITY OR TOWN AND MEMBER CONTRIBUTION
27 INCREASES. (a) If at any time a qualified actuary [~~that meets the~~

~~requirements of Subdivision (1), Subsection (b), Section 10A of this Act,~~] determines that the total contribution rate, expressed as a percentage of wages, is insufficient to amortize the unfunded actuarial accrued liability, as defined under the applicable Governmental Accounting Standards Board Statement [~~No. 25~~], over a 30-year [~~40-year~~] period:

(1) the city's or town's governing body may increase the city or town contribution rate; and

(2) to the extent that the city or town contribution rate increases under Subdivision (1) of this subsection, the member contribution rate must increase by an amount equal to the member contribution rate before the increase multiplied by a fraction:

(A) the numerator of which is the increase in the amount of the city or town contribution rate; and

(B) the denominator of which is the amount of the city or town contribution rate before the increase.

(b) The sum of the city or town contribution rate and the member contribution rate after an increase under this section may not exceed the total contribution rate determined by the qualified actuary to be necessary to amortize the unfunded actuarial accrued liability over a 30-year [~~forty (40) year~~] period.

Sec. 14B. CITY OR TOWN AND MEMBER CONTRIBUTION DECREASES.

(a) If at any time a qualified actuary [~~that meets the requirements of Section 10A(b)(1) of this Act~~] determines that the pension fund has sufficient assets to have no [~~total contribution rate, expressed as a percentage of wages, is sufficient to amortize the~~] unfunded actuarial accrued liability, as defined under the

1 applicable Governmental Accounting Standards Board Statement
2 [~~No. 25, over a 25-year period~~]:

3 (1) the city's or town's governing body may decrease
4 the city or town contribution rate; and

5 (2) to the extent that the city or town contribution
6 rate decreases under Subdivision (1) of this subsection, the member
7 contribution rate must decrease by an amount equal to the member
8 contribution rate before the decrease multiplied by a fraction:

9 (A) the numerator of which is the decrease in the
10 amount of the city or town contribution rate; and

11 (B) the denominator of which is the amount of the
12 city or town contribution rate before the decrease.

13 (b) The sum of the city or town contribution rate and the
14 member contribution rate after a decrease under this section may
15 not be less than the total contribution rate, as determined by the
16 qualified actuary, required for the pension fund to have no ~~be~~
17 ~~necessary to amortize the~~ unfunded actuarial accrued liability
18 ~~[over a 25-year period]~~.

19 SECTION 6. Section 14(b), Chapter 101 (H.B. 31), Acts of the
20 43rd Legislature, 1st Called Session, 1933 (Article [6243b](#), Vernon's
21 Texas Civil Statutes), as added by this Act, applies to
22 contributions made to the pension fund subject to that section on or
23 after May 1, 2023.

24 SECTION 7. This Act takes effect September 1, 2025.

Texas Civil Statutes (Titles 78 to 111) - CIV STAT Art. 6243b. Firemen and policemen pension fund in cities of 500,000 to 600,000

Current as of January 01, 2024

Board of trustees

Sec. 1. (a) In all incorporated cities and towns containing more than 600,000 inhabitants and less than 700,000 inhabitants, having a fully or partially paid fire department, three (3) citizens of said city or town to be designated by the mayor, two (2) citizens of said city or town to be designated by the city manager of said city or town, three (3) policemen to be elected by members of the policemen's pension fund, and three (3) firemen to be elected by members of the firemen's pension fund, composing eleven (11) members, seven (7) of which shall be a quorum, shall constitute a board of trustees of the Firemen and Policemen Pension Fund, to provide for the disbursement of the same and to designate the beneficiaries thereof. The board shall be known as the Board of Firemen and Policemen Pension Fund, _____, Texas. Said board shall organize by choosing one member as Chairman and by appointing a secretary. Such board shall have charge of and administer said fund and shall order payments therefrom in pursuance of the provisions of this law. It shall report annually to the governing body of such city or town the condition of the said fund and the receipts and disbursements on account of the same with a complete list of beneficiaries of said fund and the amounts paid them.

(b) The members of the board of trustees serve four-year terms.

(c) The board of trustees shall provide by rule for election of its elected members by secret ballot.

(d) The board of trustees may purchase from an insurer licensed to do business in this state one (1) or more insurance policies that provide for the reimbursement of a member, officer, or employee of the board for liability imposed as damages caused by, and for costs and expenses incurred by the individual in defense of, an alleged act, error, or omission committed in the individual's capacity as fiduciary or co-fiduciary of assets of the pension fund. The board of trustees may not purchase an insurance policy that provides for the reimbursement of a member, officer, or employee of the board for liability imposed or costs and expenses incurred because of the member's, officer's, or employee's personal dishonesty, fraudulent breach of trust, lack of good faith, intentional fraud or deception, or intentional failure to act prudently. The board of trustees shall use money in the pension fund to purchase an insurance policy under this subsection.

(e)(1) If an insurance policy described by Subsection (d) of this section is unavailable, insufficient, inadequate, or otherwise not in effect, the board of trustees may indemnify a member, officer, or employee of the board for liability imposed as damages caused by, and for reasonable costs and expenses incurred by the individual in defense of, an alleged act, error, or omission committed in the individual's fiduciary or co-fiduciary capacity. The board of trustees may not indemnify a member, officer, or employee of the board for liability imposed or costs and expenses incurred because of the member's, officer's, or employee's personal dishonesty, fraudulent breach of trust, lack of good faith, intentional fraud or deception, or intentional failure to act prudently.

(2) A determination of indemnification under this subsection must be made by a majority of the board of trustees. If a proposed indemnification is of a board member, the member may not vote on the matter.

(3) The board of trustees may adopt a policy establishing a method for presentation, approval, and payment of claims for indemnification under this subsection.

Definitions

Sec. 1A. In this Act:

(1) "Board of Trustees" or "Board" means the Board of Trustees of the Firemen and Policemen Pension Fund.

(2) "Member" means a duly appointed and enrolled policeman or fireman of a city covered by this Act who is a contributing member of the pension fund.

(3) "Pension Fund" or "Fund" means the Firemen and Policemen Pension Fund.

(4) "Salary" means base pay plus longevity pay received by a member from the city for personal services rendered as a policeman or fireman excluding all other forms of compensation.

(5) "Wages" means salary, longevity, and overtime pay received by a member from the city for personal services rendered as a policeman or fireman excluding all other compensation.

Participation in Fund; Wage Deductions

Sec. 2. Each member fireman and policeman in the employment of such city or town must participate in said fund, except in times of national emergency those persons as are employed during that time shall not be required to participate in the fund, and said city or town shall be authorized to deduct a sum of not less than one per cent (1%) nor in excess of six per cent (6%) of his wages from each month to form a part of the fund known as the Firemen and Policemen Pension Fund, except that the city or town shall deduct a sum less than one per cent (1%) or more than six per cent (6%) of the member's wages each month to form a part of the fund if the board of trustees of that fund increases or decreases the percentage of wages to be contributed to the fund under the provisions of Section 10A or 14A of this Act. The amount to be deducted from the wages of those named above who must participate in the fund is to be determined by the board of trustees as provided for in Section 1 of this Act within the minimum and maximum deductions herein provided or as otherwise provided under the provisions of Section 10A or 14A of this Act.

Payments to Fund

Sec. 3. There shall be deducted for such fund from the wages of each fireman and policeman a sum to be determined by the board of trustees under the provisions of Sections 2, 10A, and 14A of this Act. Any donations made to such fund and rewards received by any member of either of said funds, and all funds received from any source for such fund shall be deposited in like manner to the credit of such fund.

Conduct of meetings

Sec. 4. The board shall hold regular monthly meetings and other meetings upon call of its chairman. It shall issue orders signed by the president or chairman and secretary to the persons entitled thereto, of the amount of money ordered paid to such persons from such fund by said board which order shall state for what purpose such payment is to be made; it shall keep a record of its proceedings, which record shall be a public record; it shall at each monthly meeting send to the city treasurer a written list of

persons entitled to payment from the fund, stating the amount of such payment, and for what granted, which list shall be certified to and signed by the president or chairman and secretary of such board, attested under oath. The treasurer shall enter a copy of said list upon the book to be kept for that purpose, which book shall be known as the "Record of the Firemen and Policemen Pension Fund Board," of _____, Texas, and the said board shall direct payments of the amounts named therein to the persons entitled thereto out of said fund. No money of said fund shall be disbursed for any purpose without a vote of a majority of the board, which shall be a no and yes vote entered upon the proceedings of the board.

Custody of Fund

Sec. 5. The treasurer of said city or town shall be ex-officio treasurer of said fund. All money for said fund shall be paid over to and received by the treasurer for the use of said fund, and the duties thus imposed upon such treasurer shall be additional duties for which he shall be liable under his oath and bond as such city or town treasurer, but he shall receive no compensation therefor.

Membership in pension fund; eligibility

Sec. 6. (a) Any person who has been duly appointed and enrolled as a policeman or fireman of any city covered by this Act shall automatically become a member of the pension fund of such city upon expiration of ninety (90) days from date such city comes within the provisions of this Act, provided such person at the time of such appointment was not less than eighteen (18) years of age and not more than twenty-nine (29) years of age and except as provided under Section 10A of this Act. In all instances where a person is already a member of and contributor to such pension fund, he shall retain and be entitled to all rights and privileges due him by virtue of having been such a member and contributor.

(b) Any person not a member of the pension fund when this Act becomes effective, who thereafter is duly appointed and enrolled as a fireman or policeman of such city shall automatically become a member of the pension system as a condition of his employment provided such person at the time of such appointment was not less than eighteen (18) years of age and not more than twenty-nine (29) years of age and except as provided under Section 10A of this Act.

Retirement pensions

Sec. 7. Whenever any member of said departments who shall have contributed a portion of his wages, as provided herein, shall have served twenty-five (25) years or more in either of said departments and shall have attained the age of fifty (50) years, he shall be entitled to be retired from said service upon application, and shall be entitled to be paid from said fund a monthly pension of one-half (1/2) of the salary received by him at the time of his retirement subject to change under the provisions of Section 10A of this Act.

Disability pensions

Sec. 8. Whenever any member of the fire department or police department of any such city or town, and who is a contributor to said fund as provided, shall become so permanently disabled through injury received, or disease contracted, in the line of duty, as to incapacitate him for the performance of duty, or shall for any cause, through no fault of his own, become so permanently disabled as to incapacitate him for the performance of duty, and shall make written application therefor approved by a majority of

the board, he shall be retired from service and be entitled to receive from said fund one-half of the monthly salary received by him as a member of either of said departments, at the time he became so disabled, to be paid in regular monthly installments subject to change under the provisions of Section 10A of this Act.

Death benefits, widows, etc.

Sec. 9. In the case of the death before or after retirement of any member of the fire department or police department of any city or town resulting from disease contracted or injury received while in the line of duty or from any other cause through no fault of his own and who at the time of his death or retirement was a contributor to said Fund, leaving a widow and no children, the widow shall be entitled to receive monthly from said Fund an amount not exceeding one-third of such monthly salary received by such member immediately preceding his retirement, and, if not retired before death, one-third of such monthly salary received by such member immediately preceding his death; and, if at the time of the death of such contributor, under the circumstances and conditions hereinabove set forth, such contributor leaves a child or children under sixteen (16) years of age and the wife of such contributor is dead or divorced from such contributor, the child or children under sixteen (16) years of age shall be entitled to receive monthly from said Fund an amount not exceeding one-third of such monthly salary received by such member immediately preceding his retirement, and, if not retired before death, one-third of such monthly salary received by such member immediately preceding his death, said sum so paid to be equally divided among said children under sixteen (16) years of age, if more than one; and if at the time of death of such contributor, under the conditions hereinabove set forth, such contributor leaves a widow and a child or children under sixteen (16) years of age, the widow shall be entitled to receive monthly from said Fund (for the joint benefit of herself and such child or children) an amount not exceeding one-half of the monthly salary received by such member immediately preceding his retirement, and if not retired before death, one-half of such monthly salary received by such member immediately preceding his death, said payments to be made until such child or all of said children, if more than one, as the case may be, shall reach sixteen (16) years of age, and after said child or all of said children, as the case may be, have reached the age of sixteen (16) years, then the widow shall be entitled to receive monthly from said Fund (for her benefit) an amount not exceeding one-third of the monthly salary received by such member immediately preceding his retirement, and if not retired before death, one-third of such monthly salary received by such member immediately preceding his death. In no case shall the amount paid to any one family exceed monthly the amount of one-half of the monthly salary earned by the deceased immediately prior to the time of his retirement, or, if not retired, prior to the time of his death. On the remarriage of any widow, such pension paid to her for her benefit shall cease and in the event that there are child or 1 children under sixteen (16) years of age at the time of said remarriage, one-third of the monthly salary received by such member immediately preceding his retirement, and if not retired before death, immediately preceding his death, shall be paid monthly to the widow for the sole benefit of the child or children under the age of sixteen (16) years; provided, however, that the Pension Board, if it finds that said payments to the widow are not being used for the benefit of said child or children, may order said monthly benefits paid to said child or children instead of to said widow who has remarried. Where there is more than one child of such contributor, the benefits herein provided for shall be equally divided among the children, and upon the marriage or death of any child receiving such pension, or upon any child receiving such pension reaching sixteen (16) years of age, such pension payment for the benefit of said child shall cease, and if there remains a child or children

under sixteen (16) years of age, the share of the said child so married or dead or reaching sixteen (16) years of age, shall be paid for the benefit of the remaining child or children under sixteen (16) years of age. In the event that a contributor leaves a widow and child or children under sixteen (16) years of age who are not the children of said widow, the Pension Board may, in its discretion, either pay monthly to the widow for the benefit of herself and said child or children, an amount not exceeding one-half of the monthly salary received by such member immediately preceding his retirement, or immediately preceding his death, if not retired before death, as hereinabove provided, or said Board may order one-fourth of said monthly salary received by such member paid to the widow and one-fourth of said monthly salary paid to said child or children. No widow or child of any such member resulting from any marriage contracted subsequent to the date of retirement of said member shall be entitled to a pension under this law; provided, however, that the provisions of this Section shall not be construed so as to change any pension now being paid any pensioner under the provisions of this Act. The provisions of this section are subject to change under the provisions of Section 10A of this Act.

Death benefits, father, etc.

Sec. 10. If any member of the fire department or police department dies from injuries received or disease contracted while in the line of duty, or from any cause through no fault of his own, who was a contributor to said fund and entitled to participate in said fund himself, leaves no wife or child, but who shall leave surviving him a dependent father, mother, brother, or sister, wholly dependent upon said person for support, such dependent father, mother, sister and brother shall be entitled to receive in the aggregate one-half of the salary earned by said deceased immediately prior to his death, to be equally divided between those who are wholly dependent on said deceased, so long as they are wholly dependent. The board shall have authority to determine the facts as to the dependency of said parties and each of them, as to how long the same exists, and may at any time upon the request of any contributor to such fund, reopen any award made to any of said parties and discontinue such pension as to all or any of them as it may deem proper, and the findings of said board in regard to such matter and as to all pensions granted under this law shall be final upon all parties seeking a pension as a dependent of said deceased, or otherwise, until such award of the trustees shall have been set aside or revoked. The provisions of this section are subject to change under the provisions of Section 10A of this Act.

Sec. 10A. (a) Notwithstanding anything to the contrary in other parts of this Act and subject to Subsections (b) and (c) of this section, the Board of Trustees may, by majority vote of the whole board, make from time to time one or more of the following changes, or modifications:

- (1) modify or change prospectively or retroactively in any manner whatsoever any of the benefits provided by this Act, except that any retroactive change or modification shall only increase pensions or benefits;
- (2) modify or change prospectively in any manner whatsoever any of the membership qualifications;
- (3) modify or change prospectively or retroactively in any manner whatsoever any of the eligibility requirements for pensions or benefits;
- (4) increase or decrease prospectively the percentage of wages less than the one per cent (1%) minimum or above the six per cent (6%) maximum provided in Section 2 of this Act to be contributed to the fund; or

(5) provide prospectively for refunds, in whole or in part, and with or without interest, of contributions made to the fund by employees who leave the city service before qualifying for a pension.

(b) None of the changes made under Subsection (a) of this section may be made unless all of the following conditions are sequentially complied with:

(1) the change must be approved by a qualified actuary selected by a four-fifths vote of the Board; the actuary's approval must be based on an actuarial finding that the change is supported by the existing funding status of the fund; the actuary, if an individual, must be a Fellow of the Society of Actuaries or a Fellow of the Conference of Actuaries in Public Practice or a Member of the American Academy of Actuaries; the actuary, if an actuarial consulting firm, must be established in the business of providing actuarial consulting services to pension plans and have experienced personnel able to provide the requested services; the findings upon which the properly selected and qualified actuary's approval are based are not subject to judicial review;

(2) the change must be approved by a majority of all persons then making contributions to the fund as employees of a department to which the change would directly apply, voting by secret ballot at an election held after ten (10) days' notice given by posting at a prominent place in every station or substation of a department to which the change would directly apply and in the city hall;

(3) the changes, except changes made under the provisions of Subdivision (1), Subsection (a), of this section, shall apply only to active member employees who are members of the affected departments at the time the change becomes effective and those who enter the departments thereafter; and

(4) the changes shall not deprive any person, without his written consent, of any right to receive a pension or benefits which have already become vested and matured.

(c) If the Board of Trustees proposes to change benefits under Subdivision (1), Subsection (a), of this section, the change is not effective until the change is finally approved in accordance with this subsection. The Board shall submit the change for approval by the city's or town's governing body. If disapproved by the governing body, or if the governing body fails to act within sixty (60) days of presentation to the governing body, the Board, by resolution passed by a majority of the whole Board, plus one, may require the city's or town's governing body to hold an election, as soon as practicable, for approval of the change by the qualified voters of the city or town. Any change proposed and subsequently approved by the voters under this subsection becomes effective as of the beginning of the city's or town's next fiscal year.

Investigations

Sec. 11. The board shall consider all cases for the retirement and pension of the members of the fire and police departments rendered necessary or expedient under the provisions of this law, and all applications for pensions by widows and the children and of dependent relatives, and the said trustees shall give written notice to persons asking a pension to appear before said board and offer such sworn evidence as he or they may desire. Any person who is a member of either of said departments and who is a contributor to said fund may appear either in person or by attorney and contest the application for participation in said fund by any person claiming to be entitled to participate therein, and may offer testimony in support of such contest. The president or chairman of said board shall have authority to issue process for witnesses and administer oaths to said witnesses and to examine any witness as to any

matter affecting retirement or a pension under the provisions of this law. Such process for witness shall be served by any member of the police or fire department and upon the failure of any witness to attend and testify, he or she may be compelled to attend and testify, as in any judicial proceeding.

Medical Examination

Sec. 12. Said board may cause any person receiving any pension under the provisions of this law, who has served less than twenty (20) years, to appear and undergo a medical examination, as a result of which the board shall determine whether the relief in said case shall be continued, increased, decreased or discontinued. If any person receiving relief under the provisions of this law, after due notice, fails to appear and undergo such examination, the board may reduce or entirely discontinue such relief.

Sec. 13. Repealed by Acts 1973, 63rd Leg., p. 817, ch. 368, § 5, eff. June 12, 1973.

Use of Public Funds

Sec. 14. Except as provided by Section 14A of this Act, no funds shall be paid out of the public treasury of any such incorporated city or town, in carrying out any of the provisions of this law, except on a majority vote of the voters of such city or town, and where such funds have been voted on as provided by law, said city or town shall contribute such amount.

Contribution Increases

Sec. 14A. (a) If at any time a qualified actuary that meets the requirements of Subdivision (1), Subsection (b), Section 10A of this Act, determines that the total contribution rate, expressed as a percentage of wages, is insufficient to amortize the unfunded actuarial accrued liability, as defined under the Governmental Accounting Standards Board Statement No. 25, over a 40-year period :

(1) the city's or town's governing body may increase the city or town contribution rate; and

(2) to the extent that the city or town contribution rate increases under Subdivision (1) of this subsection, the member contribution rate must increase by an amount equal to the member contribution rate before the increase multiplied by a fraction:

(A) the numerator of which is the increase in the amount of the city or town contribution rate; and

(B) the denominator of which is the amount of the city or town contribution rate before the increase.

(b) The sum of the city or town contribution rate and the member contribution rate after an increase under this section may not exceed the total contribution rate determined by the qualified actuary to be necessary to amortize the unfunded actuarial accrued liability over a forty (40) year period.

Contribution Decreases

Sec. 14B. (a) If at any time a qualified actuary that meets the requirements of Section 10A(b)(1) of this Act determines that the total contribution rate, expressed as a percentage of wages, is sufficient to amortize the unfunded actuarial accrued liability, as defined under the Governmental Accounting Standards Board Statement No. 25, over a 25-year period:

(1) the city's or town's governing body may decrease the city or town contribution rate; and

(2) to the extent that the city or town contribution rate decreases under Subdivision (1) of this subsection, the member contribution rate must decrease by an amount equal to the member contribution rate before the decrease multiplied by a fraction:

(A) the numerator of which is the decrease in the amount of the city or town contribution rate; and

(B) the denominator of which is the amount of the city or town contribution rate before the decrease.

(b) The sum of the city or town contribution rate and the member contribution rate after a decrease under this section may not be less than the total contribution rate determined by the qualified actuary to be necessary to amortize the unfunded actuarial accrued liability over a 25-year period.

Awards Exempt

Sec. 15. No amount awarded to any person under the provisions of this law shall be liable for the debts of any such person; shall not be assignable and shall be exempt from garnishment or other legal process.

Separation of Firemen's and Policemen's Pension Funds in certain cities

Sec. 16. In any city or town subject to and operating under the Pension Law, the governing Body and Board of Trustees may, if it is deemed advisable and a majority of the members of said Fire Department or Police Department vote therefor, authorize and provide for the maintenance and administration of Pension Funds for each Department, said Funds to be the Policemen's Division of the Firemen and Policemen Pension Fund and the Firemen's Division of the Firemen and Policemen Pension Fund, to be kept independent of and apart from each other, and said Funds of each Department to consist of contributions by members of said Department, donations thereto and funds received from any source by said Department the purpose and effect of said division being to maintain the membership of and the payments into each Department separate, and to limit the rights of the members of each Department and their beneficiaries to the Pension Fund of their Department, and after the creation and establishment of a Firemen's Division of said Pension Fund and a Policemen's Division of said Pension Fund, the rights of Firemen shall be limited to the Firemen's Division of said Pension Fund, and the rights of Policemen and their beneficiaries shall be limited to the Policemen's Division of said Pension Fund. After a separation has been voted and approved, as above provided, the Board of Trustees shall apportion the existing Firemen and Policemen Pension Fund between the two (2) Funds on the basis of contributions made by the members of the respective Departments and donations or payments to said Departments, and thereafter all payments to members or their beneficiaries of benefits, now accrued or hereafter accruing, shall be made from the Fund of their Department. Where a separation of funds is had, as hereinabove provided, the governing body of any city or town whose voters have authorized the payment of funds from the public treasury into the Firemen and Policemen Pension Fund is hereby authorized to pay to the Board of Trustees, for the use of the Pension Fund of each division above provided for, sums not to exceed in total the amount voted by the people to be paid into the single fund.

Validation of proceedings for separation of pension funds

Sec. 17. All Acts and proceedings had and done by the governing body and Board of Trustees of the Pension Fund of any such city or town, subject to the above provisions, in creating, establishing, maintaining, and administering separate Pension Funds for Firemen and Policemen are hereby legalized,

approved, and validated, as well as the division by said governing body and Board of Trustees of any public funds voted by the voters of said city or town for the Firemen and Policemen Pension Fund between said two (2) Funds, and said governing body and Board of Trustees shall continue the separate maintenance and administration of said Funds in the manner hereinabove provided. This section and Section 16 of this Act provide only for the separation of pension funds into policeman and fireman divisions and grant the governing body no power or authority granted to the Board of Trustees under any provision of this Act, and the Board of Trustees shall have exclusive charge of administration and maintenance of the fund.

Operation of Fund Notwithstanding Census Change

Sec. 18. Any city which has heretofore established a firemen and policemen fund in accordance with [Article 6243B of Vernon's Texas Civil Statutes](#) or as amended, shall continue to operate such fund under the provisions of this Act. It is further provided that the fact that any future Federal Census may result in said city being above or below the population bracket herein specified shall not affect the validity of such fund and such fund shall continue to be operated pursuant hereto.