Members, we are honored to inform everyone about a bill (CSHB 2688) that passed out of the Senate Finance Committee this morning regarding benefit changes for Plan 2 members hired after 2004. We will preface that there are still two more steps before this would become law and would go into effect September 1, 2025. The benefit changes include a change of the "Normal Retirement Age" to either 20 years of service or 10 years of service and age 60. The Rule of 70 would no longer apply as of September 1st. The multiplier for Plan 2 members remains at 45% at 20 years of service. Additionally, there will be an option to enter the Deferred Retirement Option Plan (DROP) at or after the "Normal Retirement Age" mentioned above. The same parameters as the current DROP program established during the 2017 reform applies to this DROP program with a 1-time irrevocable entry and a 20-year maximum for DROP participation.

This is a monumental change for current and future employees. These benefits coupled with the now-approved contract raises, thank you Mayor Whitmire, makes the Houston Police Department one of the most attractive police departments in the country when it comes to pay AND retirement benefits.

The foundation for the changes in this legislative session began years ago. There are several people we would like to thank that helped us get here. Senator Joan Huffman and her staff worked in the expiring days of this session to push through this substituted bill. Representative Sam Harless and his staff for their work on the multiple bills this session. Chairman of the Houston Firefighters Relief and Retirement Fund Brett Besselman who displayed amazing resolve and partnership. The HPOU lobby team. The HPOPS lobbyist team for their work in the leadup and in Austin. Our actuary Joe Newton for listening to all our ideas and bringing credibility to those ideas. Our fellow HPOPS board members for their patience in this process. Our former chairman Dwayne Ready. And finally, to our Executive Director Pat Franey who was with us every step of the way and was the much needed devil's advocate. There will be more information forthcoming if the final legislative steps are completed and if the bill is signed into law.

Trey Coleman Chairman

Terry Bratton Vice Chairman