

Bond Case Briefs

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PUBLIC PENSIONS - TEXAS

Eddington v. Dallas Police and Fire Pension System

Supreme Court of Texas - March 8, 2019 - S.W.3d - 2019 WL 1090799 - 62 Tex. Sup. Ct. J. 560

Pensioners filed petition against city police and fire pension system and its board chair for declaratory relief, requesting declaration that amendments to pension plan that reduced future interest rate and accelerated withdrawal requirements on accounts established pursuant to deferred retirement option plan offered under pension system violated state constitution.

Following bench trial, the District Court concluded amendments did not violate constitution and dismissed pensioners' claims. Pensioners appealed. The Court of Appeals affirmed. Pensioners filed petition for review.

The Supreme Court of Texas held that amendments to police officers' pension plans that reduced the future interest rate paid on deferred retirement option plan (DROP) accounts did not violate state constitutional provision protecting certain public pension benefits against reduction, where the account interest rate change was prospective and would not impact funds deposited before the amendments became effective.