



Item 5D - Texas Gov't Code § 607.153 - Critical Illness Coverage
Item 5E - Applicable Employee Handbook Revision

PRESENTED TO THE CITY COUNCIL – MAY 4, 2026

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ITEM 5D BACKGROUND

TEXAS GOV'T CODE § 607.153:
CRITICAL ILLNESS
SUPPLEMENTAL INCOME
BENEFIT

LEGISLATIVE REQUIREMENT - TEXAS GOV'T CODE § 607.153

- Enacted 9/1/2025
- Applies to entities with 50+ peace officers or 50+ firefighters
- Effective 1/1/2026 for peace officers and firefighters that retire on or after 1/1/2026
- Supplemental Income payment required if retiree diagnosed with certain cancers, heart attack, stroke
- Lump sum payment upon diagnosis of lesser of final annual salary or \$100,000
- Coverage period is for 3 years post-retirement

Texas Gov't Code § 607.153 - Supplemental Income Benefit – Group Critical Illness Coverage

Proposed Insurance Solution:

- Interlocal Agreement with Texas Municipal League Insurance Risk Pool (TMLIRP) and partners
 - TMLIRP = Main Policyholder
 - MetLife = Insurance Provider
 - Amwins = 3rd Party Administrator
- Competitively bid, fully insured program
- 4 Year Rate Guarantee
- No medical underwriting for qualifying peace officer/firefighter retirees

Texas Gov't Code § 607.153 - Supplemental Income Benefit – Group Critical Illness Coverage

Insurance Policy Structure/Benefit:

- Retiree-only coverage
- Mandatory enrollment of all eligible peace officer/firefighter retirees beginning on retirement date on or after January 1, 2026
- 36-month coverage commitment for retiree(s)
- Age-banded premiums per \$1000 of coverage
- If qualifying diagnosis, retiree receives payment lesser of: final annual salary or \$100,000
 - Benefit maximum payable up to 7x the benefit level per category in the event of multiple qualifying diagnoses within 3 year period of coverage
- Retroactive coverage allowed back to 1/1/2026 for eligible retirees if enrolled by 5/31/2026

Texas Gov't Code § 607.153 - Supplemental Income Benefit – Group Critical Illness Coverage

Cost Impact:

- 3 years estimated at \$90,000
 - Used average # of peace officer/firefighter retirements & average age at retirement
- Cost will vary based on the actual # of retirees each year and age of each retiree
- 1st year expensed to health insurance fund.
- Forward years budgeted and expensed to Police and Fire depts

Timeframe	Estimated Annual Premium
Year 1 - 2026	\$15,000
Year 2 - 2026/2027	\$30,000
Year 3 - 2026/2027/2028	\$45,000
TOTAL	\$90,000

Texas Gov't Code § 607.153 - Supplemental Income Benefit – Group Critical Illness Coverage

Risk Without Coverage:

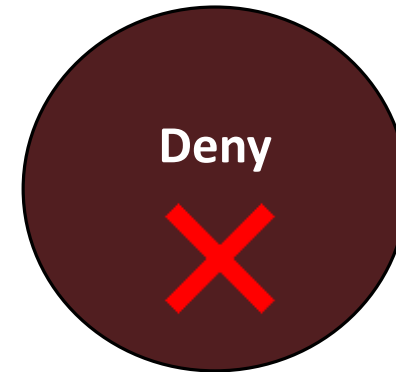
- City pays claims directly
- Up to \$100,000 per retiree
- Unpredictable financial exposure

Future Considerations:

- Staff to monitor marketplace for competing products
- City can discontinue TMLIRP coverage with contractual notice; obligated for retirees enrolled for their 36-month period
- Implementation of new provider would not duplicate retiree(s) coverage or cost

City Council Considerations and Actions:

Consider and take possible action on an Interlocal Agreement and a Statement of Responsibility with the Texas Municipal League Insurance Risk Pool (TMLIRP) to commit funds to acquire a group critical illness supplemental income benefit insurance policy through MetLife/Amwins for eligible peace officers and firefighter retirees in compliance with Tex. Gov't Code § 607.153 at a cost of \$90,000 for 3 years.



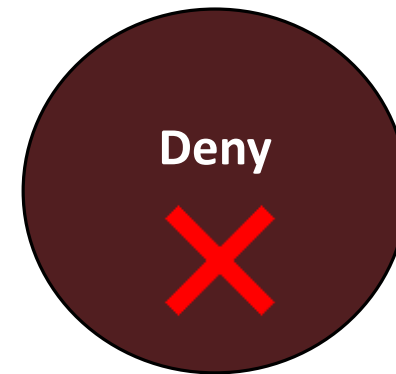
ITEM 5E RESOLUTION

City Employee Handbook
Revision: Texas Gov't Code §
607.153 Illness Supplemental
Income Benefit

- Based on Tex. Gov't Code § 607.153 legislative requirement for a new retiree benefit for qualifying peace officers and firefighters, the City recommends to update the City of Burleson Employee Handbook:
 - Revision effective date 5/4/2026
 - Chapter 12.3 Retirement Benefits
 - Outline the critical illness supplemental income benefit in accordance with Tex. Gov't Code § 607.153
 - Provides option for insurance solution to satisfy statutory requirement

City Council Considerations and Actions:

Consider and take possible action on a resolution adopting the revised FY2025-2026 employee handbook dated May 4, 2026, adding the Tex. Gov't Code § 607.153 critical illness supplemental income benefit in Chapter 12.3 Retirement Benefits



Questions / Comments

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