

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

Conference Committee

*This Unproved and Unofficial Version Includes All Amendments  
Adopted in the First House, Second House, and the Conference Committee*

LLS NO. 18-0477.01 Nicole Myers x4326

**SENATE BILL 18-200**

---

**SENATE SPONSORSHIP**

**Tate and Priola, Jahn**

**HOUSE SPONSORSHIP**

**Becker K. and Pabon,**

---

**Senate Committees**

Finance  
Appropriations

**House Committees**

Finance  
Appropriations

---

**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES'**  
102 **RETIREMENT ASSOCIATION HYBRID DEFINED BENEFIT PLAN**  
103 **NECESSARY TO ELIMINATE WITH A HIGH PROBABILITY THE**  
104 **UNFUNDED LIABILITY OF THE PLAN WITHIN THE NEXT THIRTY**  
105 **YEARS.**

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The public employees' retirement association (PERA) provides retirement and other benefits to employees of the school districts, state,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

local governments, and other public entities across the state. The bill makes changes to the hybrid defined benefit plan administered by PERA with the goal of eliminating, with a high probability, the unfunded actuarial accrued liability of each of PERA's divisions and thereby reach a 100% funded ratio for each division within the next 30 years. The bill modifies benefits, increases contributions, ensures alignment of contributions, service credit, and benefits, and makes other modifications as follows:

**Highest Average Salary (HAS):** Currently, for a PERA member who is not in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year. For a PERA member who is in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 12 consecutive months of service. For all new PERA members hired on or after January 1, 2020, who are not in the judicial division, and for all existing PERA members who do not have 5 years of service credit as of January 1, 2020, who are not in the judicial division, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 7 periods of 12 consecutive months of service with a base year. For all new PERA members hired on or after January 1, 2020, who are in the judicial division, and for all existing PERA members in the judicial division who do not have 5 years of service credit as of January 1, 2020, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year.

**Definition of salary:** The bill modifies the definition of salary. Specifically, the bill states that amounts deducted from pay pursuant to a cafeteria plan or a qualified transportation plan are included in the definition of salary. In addition, the bill clarifies that unused sick leave converted to cash payments is included in the definition of salary and that insurance premiums paid by employers are not included in the definition of salary.

**Termination of affiliation:** Current law allows a political subdivision of the state that is an employer associated with PERA and that is assigned to the local government division of PERA to terminate its affiliation with PERA upon application to the PERA board. The bill specifies that any employer that ceases operations or ceases to participate in PERA for any reason is deemed to have terminated its affiliation with PERA. The bill states that any such employer is required to fully fund its share of the unfunded liability of the defined benefit plan and its share of the unfunded liability of the health care trust fund. The bill specifies that the PERA board will determine the amount of such payments and that such determinations may be appealed by the employer through the administrative review process established in the board rules. The bill

further specifies that the employees of an employer that terminates its affiliation with PERA will become inactive members of PERA as of the date of the termination. Such members may elect to have their member contributions credited to an alternative pension plan or refunded. In the absence of such election, the member contributions will remain with PERA.

**Increase in member contributions:** Currently, all PERA members with the exception of state troopers contribute 8% of their salary to PERA on a monthly basis. State troopers contribute 10% of their salary to PERA on a monthly basis. On July 1, 2018, and again on January 1, 2019, the monthly member contribution to PERA will increase by .5% of salary. On July 1, 2019, and again on January 1, 2020, the monthly member contribution to PERA will increase by 1% of salary. When all increases are fully implemented, the total contribution will be 11% of salary each month for PERA members who are not state troopers and 13% each month for PERA members who are state troopers.

**Increase in employer contributions:** Currently, all PERA employers contribute an amount equal to a percentage of the member's salary to PERA on a monthly basis. For most employers, the monthly contribution amount is equal to 10.15% of the member's salary. For state troopers, the monthly employer contribution amount is equal to 12.85% of the member's salary and for members of the judicial division, the monthly employer contribution amount is equal to 13.66% of the member's salary. On July 1, 2018, and again on July 1, 2019, the monthly employer contribution to PERA on behalf of members will increase by 1% of salary. When both increases are fully implemented, the total contribution will be equal to 12.15% of salary each month for most PERA employers, 14.85% each month for PERA employers who employ state troopers, and 15.66% for PERA employers in the judicial division.

**Automatic contribution and annual increase amount changes:** The bill specifies the circumstances under which the employer contribution rate, the member contribution rate, and the annual increase percentage for retirement benefits can be adjusted so the fund remains within the target of paying off the unfunded liability within 30 years. The bill specifies that the yearly adjustments can be up to one-quarter of one percent on the annual increase percentage, one-half of one percent on the employer contribution percentage, and one-half of one percent on the employee contribution percentage. The bill places limits on how much the annual increase and contribution rates can be adjusted.

**Defined contribution supplement:** Beginning January 1, 2022, the bill requires employer contribution rates to be adjusted to include a defined contribution supplement. The defined contribution supplement for each division will be the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability, plus

any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made. The employer contribution amounts only include contributions made on behalf of eligible employees who commence employment on or after January 1, 2020.

**Earned service credit for part-time work:** Currently, a PERA member earns a full year of service credit for 12 months of employment if the member earns a salary of 80 times federal minimum wage in each month. This applies even if the member does not work full time. In addition, a PERA member earns a full year of service credit if the member's employment pattern covers at least 8 months but less than 12 months in a year, so long as the member worked at least 8 months in the 12-month period. The bill modifies the way service credit is earned for part-time work for any PERA member who was not a member, inactive member, or retiree on or before December 31, 2019. Such members earn a full year of service credit for 12 months of employment if the member works full time or works at least 8 months but less than 12 months in a year. If the member does not work full time, the earned service credit will be determined by the ratio of part-time work to full-time work and the number of months for which contributions are remitted to the number of months required for a year of service credit.

**Service retirement eligibility for new members:** For PERA members who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits for most divisions to age 65 with a minimum of 5 years of service or any age with a minimum of 40 years of service credit. For state troopers who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits to age 55 with a minimum of 25 years of service credit or any age with a minimum of 35 years of service credit. State troopers are also eligible for full-service retirement benefits at age 65 with 5 years of service credit. For PERA members who begin employment on or after January 1, 2020, the bill also increases the age and service requirements for a reduced service retirement benefit to 55 years with a minimum of 25 years of service credit; except that, for state troopers, the bill increases the requirements to 55 years with a minimum of 20 years of service credit.

**Service retirement eligibility for current members:** Beginning January 1, 2020, for members, excluding state troopers, who are members, inactive members, or retirees on December 31, 2019, the age requirement to receive service retirement benefits or reduced service retirement benefits currently specified in law is the age requirement for each member plus one year for every 4 years that the member's age is less than 46 years on January 1, 2020. In no event shall the age requirement to receive service retirement benefits exceed 65 years for any member for a service retirement benefit or 60 years for any member for a reduced

service retirement benefit.

**Cost of living adjustment (COLA) for all retirees, members, and inactive members:** Currently, the annual COLA for benefit recipients who began membership prior to January 1, 2007, is 2%. For the years 2018 and 2019, the bill reduces the COLA to 0%. For each year thereafter, the bill changes the COLA to 1.25%, unless it is adjusted pursuant to the automatic adjustment provisions explained above. In addition, the bill requires benefit recipients whose effective date of retirement is on or after January 1, 2011, and who have not received a COLA on or before May 1, 2018, to receive benefits for at least a 36-month period following retirement before the benefit is adjusted with the COLA.

**Defined contribution plan:** Currently, members in the state division of PERA hired on or after January 1, 2006, may choose to participate in the defined contribution plan administered by PERA rather than the defined benefit plan. A member's participant account receives the monthly employer contribution, and the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) payments are used to amortize the unfunded liability of the defined benefit plan. Beginning January 1, 2020, members of the school division, the Denver public schools division, local government division, and judicial division of PERA hired on or after that date may also choose to participate in the defined contribution plan. A new member's participant account will receive the same employer contribution as received by current members of the defined contribution plan.

**Public pension legislative oversight committee:** The bill creates the public pension legislative oversight committee to study and develop proposed legislation relating to the funding and benefit designs of PERA and the fire and police pension association. The committee is comprised of 4 senators appointed by the president of the senate, 6 representatives appointed by the speaker of the house of representatives, and 4 experts in the area of pensions or retirement plan designs appointed by the state treasurer. The bill specifies limitations on the number of appointees that may be from the same political party. The bill also specifies that the state treasurer's appointees are required to have significant experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis and shall not be members, inactive members, or retirees of PERA or the fire and police pension association. The bill repeals the police officers' and firefighters' pension reform commission on January 1, 2019.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

1           **SECTION 1. Legislative declaration.** (1) The general assembly  
2 finds and declares that:

3           (a) The general assembly bears fiduciary responsibility for the  
4 association and its long-term financial sustainability;

5           (b) Providing retirement security and benefits are an important  
6 value of the general assembly;

7           (c) According to its own published reports referencing the  
8 governmental accounting standards board, the public employees'  
9 retirement association (association) is underfunded by over fifty billion  
10 dollars and has a funded ratio of less than fifty percent;

11           (d) In its current financial condition, the association is at risk for  
12 insolvency in the coming years should certain negative economic events  
13 occur that would threaten the retirement security of retired public sector  
14 workers;

15           (e) The sooner the general assembly meaningfully addresses this  
16 dire situation, the more likely that the state will be able to meet its  
17 obligations to provide retirement security to association participants  
18 across economic cycles;

19           (f) The general assembly bears responsibility to maintain  
20 retirement security by acting in the best interests of today's and  
21 tomorrow's public sector employees, association beneficiaries, association  
22 employers, and the taxpayers who are ultimately responsible for funding  
23 the employers and thus the benefits provided to retirees;

24           (g) Colorado's credit rating was recently placed on a negative  
25 outlook by the standard and poors rating agency because of the  
26 association's low funded ratios as well as annual contribution rates below  
27 the actuarially determined contribution rate;

1 (h) If Colorado's pension funding ratio continues to decline or if  
2 no significant plan is adopted to improve funding of the pension program,  
3 the state's credit rating will likely be downgraded; and

4 (i) A downgrade in the state's credit rating will affect both the  
5 state's financial position and operations by increasing the cost of  
6 accessing capital markets for both the state and the other institutions that  
7 rely on the state's credit rating.

8 (2) The general assembly further finds and declares that the  
9 changes in this act are reasonable and necessary to serve the important  
10 public purpose of ensuring the association's long-term financial  
11 sustainability.

12 **SECTION 2.** In Colorado Revised Statutes, 24-51-101, **amend**  
13 the introductory portion, (25)(a), (25)(b)(V), (42)(a), (42)(b), and (46);  
14 and **add** (25)(b)(VI) and (25)(b)(VII) as follows:

15 **24-51-101. Definitions.** As used in this ~~article~~ ARTICLE 51, unless  
16 the context otherwise requires and except as otherwise defined in part 17  
17 of this ~~article~~ ARTICLE 51:

18 (25) (a) "Highest average salary" means:

19 (I) (A) FOR A MEMBER OR INACTIVE MEMBER WHO HAS FIVE YEARS  
20 OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE WHO WAS  
21 RETIRED ON DECEMBER 31, 2019, one-twelfth of the average of the  
22 highest annual salaries upon which contributions were paid, whether  
23 earned from one or more employers, that are associated with three periods  
24 of twelve consecutive months of service credit;

25 (B) FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE  
26 FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A MEMBER  
27 WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER

1 31, 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL  
2 SALARIES UPON WHICH CONTRIBUTIONS WERE PAID, WHETHER EARNED  
3 FROM ONE OR MORE EMPLOYERS, THAT ARE ASSOCIATED WITH FIVE  
4 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT;

5 (II) For a member who does not have the requisite ~~three~~ years of  
6 service credit, one-twelfth of the average of the total annual salaries  
7 earned during membership upon which contributions were paid;

8 (III) For benefits ~~which~~ THAT become effective on or after January  
9 1, 1982, where the individual earned less than one year of service credit  
10 after December 31, 1980, one-twelfth of the average of the highest annual  
11 salaries upon which contributions were paid which were associated with  
12 five consecutive years of service credit; ~~or~~

13 (IV) Notwithstanding any other provision of this ~~paragraph (a)~~  
14 SUBSECTION (25)(a) to the contrary, for members of the judicial division  
15 WHO HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019,  
16 retiring on or after July 1, 1997, one-twelfth of the highest annual salary  
17 upon which contributions were paid for twelve consecutive months; OR

18 (V) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
19 SUBSECTION (25)(a) TO THE CONTRARY, FOR MEMBERS OF THE JUDICIAL  
20 DIVISION WHO DO NOT HAVE FIVE YEARS OF SERVICE CREDIT ON  
21 DECEMBER 31, 2019, OR FOR MEMBERS OF THE JUDICIAL DIVISION WHO  
22 WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31,  
23 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL SALARIES  
24 UPON WHICH CONTRIBUTIONS WERE PAID THAT ARE ASSOCIATED WITH  
25 THREE PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT.

26 (b) (V) Notwithstanding any other provision of this ~~paragraph (b)~~  
27 SUBSECTION (25)(b), in calculating highest average salary for a member



1 or inactive member not eligible for service or reduced service retirement  
2 on January 1, 2011, AND WHO WAS A MEMBER OR INACTIVE MEMBER WITH  
3 FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE ON  
4 DECEMBER 31, 2019, the association shall determine the highest annual  
5 salaries associated with four periods of twelve consecutive months of  
6 service credit. The lowest of such annual salaries shall be the base salary.  
7 The first annual salary to be used in the highest average salary calculation  
8 shall be the actual salary reported up to one hundred eight percent of the  
9 base salary. The second annual salary to be used in the highest average  
10 salary calculation shall be the actual salary reported up to one hundred  
11 eight percent of the first annual salary used in the highest average salary  
12 calculation. The third annual salary to be used in the highest average  
13 salary calculation shall be the actual salary reported up to one hundred  
14 eight percent of the second annual salary used in the highest average  
15 salary calculation. This ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall  
16 not apply to members of the judicial division, except for DPS members  
17 of the judicial division who have exercised portability pursuant to section  
18 24-51-1747 and selected the Denver public schools benefit structure. This  
19 ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall apply to DPS members in  
20 accordance with section 24-51-1702 (17).

21 (VI) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
22 SUBSECTION (25)(b), IN CALCULATING HIGHEST AVERAGE SALARY FOR A  
23 MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE FIVE YEARS OF  
24 SERVICE CREDIT ON DECEMBER 31, 2019, OR WHO WAS NOT A MEMBER,  
25 INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2019, THE ASSOCIATION  
26 SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH SIX  
27 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE

1       LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE  
2       FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY  
3       CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE  
4       HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL  
5       SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION  
6       SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT  
7       PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE  
8       SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE  
9       HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY  
10      REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL  
11      SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE  
12      FOURTH ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY  
13      CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE  
14      HUNDRED EIGHT PERCENT OF THE THIRD ANNUAL SALARY USED IN THE  
15      HIGHEST AVERAGE SALARY CALCULATION. THE FIFTH ANNUAL SALARY TO  
16      BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE  
17      ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE  
18      FOURTH ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY  
19      CALCULATION. THIS SUBSECTION (25)(b)(VI) DOES NOT APPLY TO  
20      MEMBERS OF THE JUDICIAL DIVISION, EXCEPT FOR DPS MEMBERS OF THE  
21      JUDICIAL DIVISION WHO HAVE EXERCISED PORTABILITY PURSUANT TO  
22      SECTION 24-51-1747 AND SELECTED THE DPS BENEFIT STRUCTURE. THIS  
23      SUBSECTION (25)(b)(VI) APPLIES TO DPS MEMBERS IN ACCORDANCE WITH  
24      SECTION 24-51-1702 (17).

25           (VII) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
26      SUBSECTION (25)(b), FOR MEMBERS OF THE JUDICIAL DIVISION WHO DO  
27      NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR FOR

1 MEMBERS OF THE JUDICIAL DIVISION WHO WERE NOT MEMBERS, INACTIVE  
2 MEMBERS, OR RETIREES ON DECEMBER 31, 2019, THE ASSOCIATION SHALL  
3 DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH FOUR  
4 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE  
5 LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE  
6 FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY  
7 CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE  
8 HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL  
9 SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION  
10 SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT  
11 PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE  
12 SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE  
13 HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY  
14 REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL  
15 SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION.

16 (42) (a) (I) "Salary" means, FOR MEMBERS WHO WERE MEMBERS,  
17 INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019,  
18 compensation for services rendered to an employer and includes: Regular  
19 salary or pay; any pay for administrative, sabbatical, annual, sick,  
20 vacation, or personal leave AND COMPENSATION FOR UNUSED LEAVE  
21 CONVERTED TO CASH PAYMENTS; pay for compensatory time or holidays;  
22 payments by an employer from grants; amounts deducted from pay  
23 pursuant to tax-sheltered savings or retirement programs; amounts  
24 deducted from pay for a health savings account as defined in 26 U.S.C.  
25 sec. 223, as amended, or any other type of retirement health savings  
26 account program; performance or merit payments, if approved by the  
27 board; special pay for work-related injuries paid by the employer prior to

1 termination of membership; and retroactive salary payments pursuant to  
2 court orders, arbitration awards, or litigation and grievance settlements.

3 (b) (II) FOR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS,  
4 OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "salary" does not  
5 include: Commissions; ~~compensation for unused sick leave converted at~~  
6 ~~any time to cash payments;~~ compensation for unused sick, annual,  
7 vacation, administrative, or other accumulated paid leave contributed to  
8 a health savings account as defined in 26 U.S.C. sec. 223, as amended, or  
9 a retirement health savings program; housing allowances; uniform  
10 allowances; automobile usage; insurance premiums; dependent care  
11 assistance; reimbursement for expenses incurred; tuition or any other  
12 fringe benefits, regardless of federal taxation; bonuses for services not  
13 actually rendered, including, but not limited to, early retirement  
14 inducements, Christmas bonuses, cash awards, honorariums and  
15 severance pay, damages, except for retroactive salary payments paid  
16 pursuant to court orders or arbitration awards or litigation and grievance  
17 settlements, or payments beyond the date of a member's death.

18 (b) (I) "SALARY" MEANS, FOR MEMBERS WHO WERE NOT MEMBERS,  
19 INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019,  
20 COMPENSATION FOR SERVICES RENDERED TO AN EMPLOYER AND  
21 INCLUDES: REGULAR SALARY OR PAY; ANY PAY FOR ADMINISTRATIVE,  
22 SABBATICAL, ANNUAL, SICK, VACATION, OR PERSONAL LEAVE AND  
23 COMPENSATION FOR UNUSED LEAVE CONVERTED TO CASH PAYMENTS; PAY  
24 FOR COMPENSATORY TIME OR HOLIDAYS; PAYMENTS BY AN EMPLOYER  
25 FROM GRANTS; AMOUNTS DEDUCTED FROM PAY PURSUANT TO  
26 TAX-SHELTERED SAVINGS OR RETIREMENT PROGRAMS; AMOUNTS  
27 DEDUCTED FROM PAY FOR A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26

1 U.S.C. SEC. 223, AS AMENDED, OR ANY OTHER TYPE OF RETIREMENT  
2 HEALTH SAVINGS ACCOUNT PROGRAM; AMOUNTS DEDUCTED FROM PAY  
3 PURSUANT TO A CAFETERIA PLAN AS DEFINED IN 26 U.S.C. SEC. 125, AS  
4 AMENDED; A QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN AS  
5 DEFINED IN 26 U.S.C. SEC. 132, AS AMENDED; PERFORMANCE OR MERIT  
6 PAYMENTS, IF APPROVED BY THE BOARD; SPECIAL PAY FOR WORK-RELATED  
7 INJURIES PAID BY THE EMPLOYER PRIOR TO TERMINATION OF MEMBERSHIP;  
8 AND RETROACTIVE SALARY PAYMENTS PURSUANT TO COURT ORDERS,  
9 ARBITRATION AWARDS, OR LITIGATION AND GRIEVANCE SETTLEMENTS.

10 (II) FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS,  
11 OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "SALARY" DOES NOT  
12 INCLUDE: COMMISSIONS; COMPENSATION FOR UNUSED SICK, ANNUAL,  
13 VACATION, ADMINISTRATIVE, OR OTHER ACCUMULATED PAID LEAVE  
14 CONTRIBUTED TO A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26 U.S.C.  
15 SEC. 223, AS AMENDED, OR A RETIREMENT HEALTH SAVINGS PROGRAM;  
16 HOUSING ALLOWANCES; UNIFORM ALLOWANCES; AUTOMOBILE USAGE;  
17 INSURANCE PREMIUMS PAID BY EMPLOYERS; REIMBURSEMENT FOR  
18 EXPENSES INCURRED; TUITION OR ANY OTHER FRINGE BENEFITS,  
19 REGARDLESS OF FEDERAL TAXATION; BONUSES FOR SERVICES NOT  
20 ACTUALLY RENDERED, INCLUDING, BUT NOT LIMITED TO, EARLY  
21 RETIREMENT INDUCEMENTS, CHRISTMAS BONUSES, CASH AWARDS,  
22 HONORARIUMS AND SEVERANCE PAY, DAMAGES, EXCEPT FOR  
23 RETROACTIVE SALARY PAYMENTS PAID PURSUANT TO COURT ORDERS OR  
24 ARBITRATION AWARDS OR LITIGATION AND GRIEVANCE SETTLEMENTS, OR  
25 PAYMENTS BEYOND THE DATE OF A MEMBER'S DEATH.

26 (46) "State trooper" means an employee of the Colorado state  
27 patrol, Colorado bureau of investigation, or successors to these agencies,

1 who is vested with the powers of peace officers as provided for in section  
2 24-33.5-409. IN ADDITION, FOR MEMBERS WHO WERE NOT MEMBERS,  
3 INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, "STATE  
4 TROOPER" INCLUDES A COUNTY SHERIFF, UNDERSHERIFF, DEPUTY SHERIFF,  
5 NONCERTIFIED DEPUTY SHERIFF, OR DETENTION OFFICER HIRED BY A  
6 LOCAL GOVERNMENT DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020,  
7 AND A CORRECTIONS OFFICER CLASSIFIED AS I THROUGH IV HIRED BY A  
8 STATE DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020.

9 **SECTION 3.** In Colorado Revised Statutes, 24-51-204, **add** (7.5)  
10 as follows:

11 **24-51-204. Duties of the board.** (7.5) (a) THE BOARD OR ITS  
12 DESIGNATED AGENT SHALL PERFORM AN ANNUAL SENSITIVITY ANALYSIS  
13 TO DETERMINE WHEN, FROM AN ACTUARIAL PERSPECTIVE, MODEL  
14 ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING SUSTAINABILITY.  
15 IN FURTHERANCE OF MAKING THIS DETERMINATION, THE BOARD OR ITS  
16 DESIGNATED AGENT SHALL EXAMINE THE DATA THAT THE ASSOCIATION  
17 CURRENTLY COLLECTS. THE BOARD OR ITS DESIGNATED AGENT SHALL  
18 DELIVER AN ANNUAL REPORT DETAILING THE FINDINGS OF THE ANALYSIS  
19 TO THE OFFICE OF THE GOVERNOR, THE JOINT BUDGET COMMITTEE, THE  
20 LEGISLATIVE AUDIT COMMITTEE, AND THE FINANCE COMMITTEES OF THE  
21 SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR  
22 COMMITTEES.

23 (b) FOR PURPOSES OF THE ANALYSIS REQUIRED BY SUBSECTION  
24 (7.5)(a) OF THIS SECTION, THE ASSOCIATION SHALL PROVIDE ACCESS TO  
25 OFFICIAL MEMBER INFORMATION AND DATA UNDER A CONFIDENTIALITY  
26 AGREEMENT WITH ITS DESIGNATED AGENT, IF APPLICABLE.

27 **SECTION 4.** In Colorado Revised Statutes, 24-51-213, **amend**

1 (3) as follows:

2 **24-51-213. Confidentiality.** (3) Information regarding real estate,  
3 private equity, private debt, timber, and mortgage investments by the  
4 association may be kept confidential until the transaction is completed if  
5 it is determined by the board that disclosure of such information would  
6 jeopardize the value of the investment; EXCEPT THAT THE ASSOCIATION  
7 MAY DISCLOSE SUCH INFORMATION TO LEGISLATIVE MEMBERS OF THE  
8 PENSION REVIEW COMMISSION CREATED IN ARTICLE 51.1 OF THIS TITLE 24  
9 WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION. IF THE  
10 ASSOCIATION CANNOT DISCLOSE SUCH INFORMATION WITHOUT VIOLATING  
11 CONFIDENTIALITY PROVISIONS, THEN THE ASSOCIATION SHALL PROVIDE  
12 ENOUGH INFORMATION TO THE LEGISLATIVE MEMBERS OF THE  
13 COMMISSION, WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION,  
14 TO INFORM THE LEGISLATORS REGARDING WHETHER SUCH INVESTMENTS  
15 CONTINUE TO BE IN THE PUBLIC INTEREST.

16 **SECTION 5.** In Colorado Revised Statutes, **add** 24-51-221 as  
17 follows:

18 **24-51-221. Information provided to employer - salary**  
19 **definition.** AN EMPLOYER MAY REQUEST INFORMATION FROM THE  
20 ASSOCIATION TO DETERMINE WHETHER TO USE "SALARY" AS DEFINED IN  
21 SECTION 24-51-101 (42)(a) OR AS DEFINED IN SECTION 24-51-101 (42)(b),  
22 WHEN THE EMPLOYER HIRES AN EMPLOYEE WHO IS A CURRENT MEMBER OR  
23 RETIREE OF THE ASSOCIATION. THE ASSOCIATION SHALL PROVIDE SUCH  
24 INFORMATION TO THE EMPLOYER UPON REQUEST.

25 **SECTION 6.** In Colorado Revised Statutes, 24-51-313, **amend**  
26 (1) as follows:

27 **24-51-313. Termination of affiliation - employer assigned to**

1     **local government division - requirements.** (1) Any political  
2 subdivision within the state of Colorado or any public agency created by  
3 such a political subdivision that is an employer affiliated with the  
4 association pursuant to ~~the provisions of~~ section 24-51-309 and that is  
5 assigned to the local government division may make application to the  
6 board to terminate the affiliation of the employer with the association.  
7 The application shall be made by submitting to the board an ordinance or  
8 resolution that has been adopted by the governing body of the employer  
9 and that has been approved by at least sixty-five percent of the employees  
10 of the employer who are members. Such employee members of the  
11 employer shall be notified in writing of the provisions of section  
12 24-51-321 prior to a vote on an ordinance or resolution to terminate the  
13 affiliation of the employer with the association. NOTWITHSTANDING THE  
14 PROVISIONS OF THIS SUBSECTION (1), ANY SUCH EMPLOYER THAT CEASES  
15 OPERATIONS OR CEASES TO PARTICIPATE IN THE ASSOCIATION FOR ANY  
16 REASON SHALL BE DEEMED TO HAVE TERMINATED ITS AFFILIATION WITH  
17 THE ASSOCIATION AND MUST COMPLY WITH THE PROVISIONS OF SECTIONS  
18 24-51-315 THROUGH 24-51-319.

19             **SECTION 7.** In Colorado Revised Statutes, 24-51-315, **amend**  
20 (1) and (2); and **add** (5) and (6) as follows:

21             **24-51-315. Termination of affiliation - reserves requirement.**

22             (1) The board ~~shall~~ HAS THE AUTHORITY TO determine the amount of  
23 reserves required as of the effective date of termination of affiliation to:

24             (a) Maintain current benefits payable by the association to benefit  
25 recipients and to preserve the vested rights of inactive members; ~~The~~  
26 ~~amount of reserves shall be determined by the board utilizing certified~~  
27 ~~actuarial reports prepared by the actuary. The actuarial report shall also~~



1 ~~certify that the termination of affiliation shall not have an adverse~~  
2 ~~financial impact on the actuarial soundness of the local government~~  
3 ~~division trust fund. If the actuary determines, in accordance with accepted~~  
4 ~~actuarial principles, that the termination of affiliation shall have an~~  
5 ~~adverse financial impact on the actuarial soundness of the local~~  
6 ~~government division trust fund, the applicant shall not be permitted to~~  
7 ~~terminate affiliation.~~ AND

8 (b) FULLY FUND THE LIABILITY FOR BENEFITS PAYABLE BY THE  
9 ASSOCIATION FROM THE HEALTH CARE TRUST FUND CREATED BY SECTION  
10 24-51-1201(1) TO CURRENT AND FUTURE BENEFIT RECIPIENTS PURSUANT  
11 TO PART 12 OF THIS ARTICLE 51.

12 (2) THE AMOUNT OF RESERVES REQUIRED UNDER SUBSECTIONS  
13 (1)(a) AND (1)(b) OF THIS SECTION SHALL BE DETERMINED BY THE BOARD  
14 UTILIZING CERTIFIED ACTUARIAL REPORTS PREPARED BY THE ACTUARY.  
15 THE ACTUARIAL STUDY SHALL BE CONDUCTED USING ASSUMPTIONS  
16 APPROVED BY THE BOARD. THE ACTUARIAL REPORT SHALL ALSO CERTIFY  
17 THAT THE TERMINATION OF AFFILIATION SHALL NOT HAVE AN ADVERSE  
18 FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL  
19 GOVERNMENT DIVISION TRUST FUND. IF THE ACTUARY DETERMINES, IN  
20 ACCORDANCE WITH ACCEPTED ACTUARIAL PRINCIPLES, THAT THE  
21 TERMINATION OF AFFILIATION SHALL HAVE AN ADVERSE FINANCIAL  
22 IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT  
23 DIVISION TRUST FUND, THE APPLICANT SHALL NOT BE PERMITTED TO  
24 TERMINATE AFFILIATION. On the effective date of termination of  
25 affiliation, the actuarial reports prepared pursuant to ~~the provisions of~~  
26 ~~subsection (1) of this section~~ THIS SUBSECTION (2) shall be updated to  
27 finalize the amount of reserves required for the purposes specified in

1 ~~subsection (1) of this section~~ THIS SUBSECTION (2). The employer making  
2 the application and the employees of such employer who are members  
3 shall not be required to make any contributions to the association  
4 subsequent to the effective date of termination.

5 (5) THE DISCOUNT RATE USED FOR DETERMINING THE AMOUNT OF  
6 RESERVES IN SUBSECTION (1) OF THIS SECTION SHALL BE THE ACTUARIAL  
7 INVESTMENT ASSUMPTION RATE AS SET BY THE BOARD PURSUANT TO  
8 SECTIONS 24-51-101 (2) AND 24-51-204 (5) MINUS TWO HUNDRED BASIS  
9 POINTS.

10 (6) DETERMINATIONS MADE BY THE BOARD IN THIS SECTION AND  
11 SECTIONS 24-51-313 AND 24-51-316, SHALL BE APPEALED THROUGH THE  
12 ADMINISTRATIVE REVIEW PROCEDURES SET FORTH IN THE BOARD RULES.  
13 SUCH FINAL DECISION BY THE BOARD SHALL BE SUBJECT ONLY TO REVIEW  
14 BY PROPER COURT ACTION.

15 **SECTION 8.** In Colorado Revised Statutes, **amend** 24-51-316 as  
16 follows:

17 **24-51-316. Inadequate reserves - excess reserves -**  
18 **nonpayment.** (1) (a) In the event that the amount of the reserves required  
19 pursuant to ~~the provisions of section 24-51-315~~ SECTION 24-51-315 (1)(a),  
20 exceeds the amount of the employer's share of the employer contribution  
21 reserve in the local government division trust fund as calculated by the  
22 actuary, then the employer shall make an additional payment as of the  
23 effective date of termination of affiliation in an amount equal to the  
24 difference between the amount of reserves required and the amount of  
25 reserves on deposit.

26 (b) IN THE EVENT THAT THE RESERVES REQUIRED PURSUANT TO  
27 SECTION 24-51-315 (1)(b) FOR THE HEALTH CARE TRUST FUND CREATED

1 BY SECTION 24-51-1201 (1) EXCEEDS THE MARKET VALUE OF ASSETS  
2 ATTRIBUTABLE TO THE EMPLOYER IN THE HEALTH CARE TRUST FUND, THE  
3 EMPLOYER SHALL MAKE AN ADDITIONAL PAYMENT AS OF THE EFFECTIVE  
4 DATE OF TERMINATION OF AFFILIATION IN AN AMOUNT EQUAL TO THE  
5 DIFFERENCE BETWEEN THE AMOUNT OF RESERVES REQUIRED AND THE  
6 AMOUNT OF RESERVES ON DEPOSIT.

7 (c) IF THE ACTUARY DETERMINES, IN ACCORDANCE WITH  
8 ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF  
9 AFFILIATION OF THE EMPLOYER SHALL HAVE AN ADVERSE FINANCIAL  
10 IMPACT ON THE FUNDING OF THE HEALTH CARE TRUST FUND CREATED BY  
11 SECTION 24-51-1201 (1), THE EMPLOYER SHALL MAKE ANY ADDITIONAL  
12 PAYMENT NECESSARY TO ENSURE THAT THE IMPACT ON THE FUNDING OF  
13 THE HEALTH CARE TRUST FUND REMAINS UNCHANGED UPON THE  
14 EMPLOYER'S TERMINATION OF AFFILIATION.

15 (2) In the event that the amount of the reserves on deposit in the  
16 local government division trust fund as calculated by the actuary for the  
17 employer requesting termination of affiliation exceeds the amount of  
18 reserves required pursuant to ~~the provisions of section 24-51-315~~ SECTION  
19 24-51-315 (1), such excess amount and the amount required for the  
20 transfer of member contributions as provided in section 24-51-317 shall  
21 be transferred by a direct trustee-to-trustee transfer to the alternate  
22 pension plan or system required by section 24-51-319 as of the effective  
23 date of termination of affiliation.

24 (3) If any payment required pursuant to ~~the provisions of~~  
25 subsection (1) or (2) of this section is not made, interest shall be assessed  
26 on the amount due at the rate specified for employers in section  
27 24-51-101 (28). INTEREST SHALL BE CALCULATED FROM THE EFFECTIVE

1 DATE OF TERMINATION until such amount is paid in full.

2 **SECTION 9.** In Colorado Revised Statutes, **amend** 24-51-317 as  
3 follows:

4 **24-51-317. Termination of affiliation - member contributions.**

5 ~~(1) Members who have less than five years of service credit and are~~  
6 ~~employees of an employer which THAT has terminated its affiliation with~~  
7 ~~the association shall BECOME INACTIVE MEMBERS AS OF THE EFFECTIVE~~  
8 ~~DATE OF TERMINATION OF AFFILIATION. SUCH MEMBERS MAY ELECT TO~~  
9 ~~have their member contributions credited to the alternative pension plan~~  
10 ~~or system required by section 24-51-319. IN THE ABSENCE OF SUCH AN~~  
11 ~~ELECTION, MEMBER CONTRIBUTIONS WILL REMAIN WITH THE ASSOCIATION~~  
12 ~~UNLESS THE MEMBER OTHERWISE ELECTS TO REFUND SUCH~~  
13 ~~CONTRIBUTIONS IN ACCORDANCE WITH SECTION 24-51-405.~~

14 ~~(2) Members who have five or more years of service credit and are~~  
15 ~~employees of an employer which has terminated its affiliation with the~~  
16 ~~association may elect that their accounts remain with the association by~~  
17 ~~giving written notice to the association prior to the effective date of~~  
18 ~~termination of affiliation. Members who make such an election shall~~  
19 ~~become inactive members entitled to vested benefits as of the effective~~  
20 ~~date of termination of affiliation. Members who do not make such an~~  
21 ~~election shall have their member contributions credited to the alternative~~  
22 ~~pension plan or system required by section 24-51-319.~~

23 **SECTION 10.** In Colorado Revised Statutes, **amend** 24-51-319  
24 as follows:

25 **24-51-319. Retirement plan - creation and use.** An employer  
26 ~~which~~ THAT terminates its affiliation with the association shall utilize an  
27 existing, or shall establish an alternative, pension plan or system

1 established pursuant to the provisions of article 54 of this ~~title~~ TITLE 24.  
2 FAILURE TO UTILIZE OR ESTABLISH AN ALTERNATIVE PENSION PLAN OR  
3 SYSTEM DOES NOT EXCUSE THE EMPLOYER FROM THE ADHERENCE TO THE  
4 REMAINDER OF THE TERMINATION OF AFFILIATION PROVISIONS OF THIS  
5 PART 3.

6 **SECTION 11.** In Colorado Revised Statutes, 24-51-401, **amend**  
7 (1.7)(a); and **repeal** (1.7)(f) as follows:

8 **24-51-401. Employer and member contributions.** (1.7) (a) (I)

9 Employers shall deliver a contribution report and the full amount of  
10 employer contributions, member contributions, and working retiree  
11 contributions to the association within five days after the date members  
12 and retirees are paid. Except as provided in ~~paragraph (f) of this~~  
13 ~~subsection (1.7)~~ THIS SUBSECTION (1.7)(a), subsection (7) of this section,  
14 and section 24-51-408.5, such contributions shall be based upon the rates  
15 for the appropriate division as set forth in the following table multiplied  
16 by the salary, as defined in section 24-51-101 (42), paid to members and  
17 retirees for the payroll period:

18 **TABLE A**

19 **CONTRIBUTION RATES**

20	<b>Division</b>	<b>Membership</b>	<b>Employer Rate</b>	<b>Member Rate</b>
21	State	All Members	10.15%	8.0%
22		Except		
23		State Troopers	12.85%	10.0%
24	School	All Members	10.15%	8.0%
25	Local			
26	Government	All Members	10.0%	8.0%
27	Judicial	All Members	13.66%	8.0%



1		STATE TROOPERS	13.1%	11.5%
2	SCHOOL	ALL MEMBERS	10.4%	9.5%
3	LOCAL			
4	GOVERNMENT	ALL MEMBERS	10.0%	9.5%
5	JUDICIAL	ALL MEMBERS	13.91%	9.5%
6	DPS	ALL MEMBERS	10.4%	9.5%

7 (IV) EFFECTIVE JULY 1, 2021, SUBJECT TO SECTION 24-51-413, THE  
8 EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE  
9 RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING  
10 TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101  
11 (42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:

12 **TABLE D**  
13 **CONTRIBUTION RATES**

14	DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
15	STATE	ALL MEMBERS	10.4%	10.0%
16		EXCEPT		
17		STATE TROOPERS	13.1%	12.0%
18	SCHOOL	ALL MEMBERS	10.4%	10.0%
19	LOCAL			
20	GOVERNMENT	ALL MEMBERS	10.0%	10.0%
21	JUDICIAL	ALL MEMBERS	13.91%	10.0%
22	DPS	ALL MEMBERS	10.4%	10.0%

23  
24 ~~(f) (f) For the 2010-11 and 2011-12 state fiscal years, except as~~  
25 ~~provided in subsection (7) of this section and section 24-51-408.5, the~~  
26 ~~amount of employer and member contributions for employers and~~  
27 ~~members in the state and judicial divisions of the association shall be~~

1 based upon the rates for the appropriate division as set forth in the  
2 following table multiplied by the salary, as defined in section 24-51-101  
3 (42), paid to members and retirees for the payroll period:

4 **TABLE A.5**

5 **CONTRIBUTION RATES**

6 <b>Division</b>	<b>Membership</b>	<b>Employer Rate</b>	<b>Member Rate</b>
7 State	All Members	7.65%	10.5%
	Except		
	State Troopers	10.35%	12.5%
10 Judicial	All Members	11.16%	10.5%

11 (H) For the 2010-11 and 2011-12 state fiscal years, the employer  
12 and member contribution rates for employers and members in the school,  
13 local government, and Denver public schools divisions of the association  
14 shall be calculated pursuant to paragraph (a) of this subsection (1.7).

15 **SECTION 12.** In Colorado Revised Statutes, add 24-51-413,  
16 24-51-414, and 24-51-415 as follows:

17 **24-51-413. Contribution and annual increase amount changes**  
18 **- definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
19 OTHERWISE REQUIRES:

20 (a) "BLENDED TOTAL CONTRIBUTION AMOUNT" MEANS THE  
21 WEIGHTED AVERAGE OF THE TOTAL AMOUNTS PAID BY THE EMPLOYER AND  
22 THE MEMBER TO THE ASSOCIATION FOR EACH OF THE FIVE DIVISIONS  
23 PURSUANT TO SECTIONS 24-51-401 (1.7) AND 24-51-411, AND THE  
24 AMOUNT THE ASSOCIATION RECEIVES PURSUANT TO SECTION 24-51-414,  
25 BUT SHALL NOT INCLUDE THE PORTION OF THE EMPLOYER CONTRIBUTION  
26 REMITTED TO THE HEALTH CARE TRUST FUND PURSUANT TO SECTION  
27 24-51-208 (1)(f) AND (1)(f.5) AND THE PORTION OF THE EMPLOYER



1 CONTRIBUTION REMITTED TO THE ANNUAL INCREASE RESERVE.

2 (b) "BLENDED TOTAL REQUIRED CONTRIBUTION" MEANS THE  
3 WEIGHTED AVERAGE OF THE TOTAL OF THE ASSOCIATION'S REPORTED  
4 ACTUARIALLY DETERMINED CONTRIBUTION RATES AND MEMBER  
5 CONTRIBUTION RATES OF THE FIVE DIVISION TRUST FUNDS.

6 (c) "WEIGHTED AVERAGE" MEANS THE PROPORTION OF UNFUNDED  
7 ACTUARIAL ACCRUED LIABILITY ATTRIBUTABLE TO EACH DIVISION  
8 REPORTED AS OF THE MOST RECENT VALUATION DATE.

9 (2) BEGINNING JULY 1, 2019, AND EACH JULY 1 THEREAFTER,  
10 EMPLOYER CONTRIBUTION RATES, MEMBER CONTRIBUTION RATES,  
11 ANNUAL INCREASE AMOUNTS, AND THE DIRECT DISTRIBUTION AMOUNT  
12 SHALL REMAIN UNCHANGED UNTIL SUCH TIME AS CHANGES ARE REQUIRED  
13 PURSUANT TO THIS SECTION.

14 (3) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS LESS  
15 THAN NINETY-EIGHT PERCENT OF THE BLENDED TOTAL REQUIRED  
16 CONTRIBUTION, THE FOLLOWING ADJUSTMENT SHALL OCCUR:

17 (a) THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT  
18 TO SECTIONS 24-51-1002 AND 24-51-1009 (4)(a) SHALL BE REDUCED BY  
19 UP TO ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL  
20 INCREASE PERCENTAGE BE REDUCED TO EQUAL LESS THAN ONE-HALF OF  
21 ONE PERCENT, EXCEPT AS PROVIDED IN SECTIONS 24-51-1002 (1.5) AND  
22 24-51-1009 (1.5);

23 (b) THE EMPLOYER CONTRIBUTION RATE WILL BE INCREASED BY UP  
24 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER  
25 CONTRIBUTION RATE BE INCREASED TO EXCEED THE EMPLOYER  
26 CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(II), PLUS TWO  
27 PERCENT;

1 (c) THE MEMBER CONTRIBUTION RATE WILL BE INCREASED BY UP  
2 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER  
3 CONTRIBUTION RATE BE INCREASED TO EXCEED THE MEMBER  
4 CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(IV), PLUS TWO  
5 PERCENT; AND

6 (d) THE AMOUNT OF THE DIRECT DISTRIBUTION PURSUANT TO  
7 SECTION 24-51-414, WILL BE INCREASED BY UP TO TWENTY MILLION  
8 DOLLARS, BUT AT NO TIME WILL THE AMOUNT OF THE DIRECT  
9 DISTRIBUTION EXCEED TWO HUNDRED TWENTY-FIVE MILLION DOLLARS IN  
10 A FISCAL YEAR.

11 (4) THE ADJUSTMENT IN SUBSECTION (3) OF THIS SECTION SHALL  
12 BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED  
13 AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS,  
14 THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT  
15 DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY  
16 ADJUSTMENT ALLOWED UNLESS AN ADJUSTMENT LESS THAN THE  
17 MAXIMUM ADJUSTMENT IS SUFFICIENT TO BRING THE BLENDED TOTAL  
18 CONTRIBUTION AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE  
19 BLENDED TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY  
20 ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO  
21 EXCEED ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL  
22 REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY  
23 CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY  
24 AMOUNTS INDICATED IN SUBSECTIONS (3)(a), (3)(b), (3)(c), AND (3)(d) OF  
25 THIS SECTION.

26 (5) IN THE EVENT ANY ONE OF THE FOUR COMPONENT PARTS OF  
27 THE ADJUSTMENT AS OUTLINED IN SUBSECTION (3) OF THIS SECTION HAS

1 REACHED ITS TOTAL MAXIMUM, THEN NO FURTHER ADJUSTMENT SHALL BE  
2 MADE TO THAT COMPONENT. ONLY THE ADJUSTMENTS TO THE OTHER  
3 THREE COMPONENTS SHALL CONTINUE AS SPECIFIED IN SUBSECTIONS (3)  
4 AND (4) OF THIS SECTION, EVEN IF THE FULLY REQUIRED ADJUSTMENT TO  
5 BRING THE BLENDED TOTAL CONTRIBUTION AMOUNT TO ONE HUNDRED  
6 AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION IS  
7 NOT ACHIEVED.

8 (6) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS  
9 GREATER THAN OR EQUAL TO ONE HUNDRED AND TWENTY PERCENT OF THE  
10 BLENDED TOTAL REQUIRED CONTRIBUTION, THE FOLLOWING ADJUSTMENT  
11 SHALL OCCUR:

12 (a) SUBJECT TO SECTIONS 24-51-1002 (1.5) AND 24-51-1009 (1.5),  
13 THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT TO SECTIONS  
14 24-51-1002 AND 24-51-1009 (4)(a), SHALL BE INCREASED BY UP TO  
15 ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL  
16 INCREASE PERCENTAGE BE GREATER THAN TWO PERCENT, EXCEPT AS  
17 PROVIDED IN SECTION 24-51-1009.5;

18 (b) THE EMPLOYER CONTRIBUTION RATE WILL BE REDUCED BY UP  
19 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER  
20 CONTRIBUTION RATE BE LESS THAN THE EMPLOYER CONTRIBUTION RATES  
21 UNDER SECTION 24-51-401 (1.7)(a)(I);

22 (c) THE MEMBER CONTRIBUTION RATE WILL BE REDUCED BY UP TO  
23 ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER  
24 CONTRIBUTION RATE BE LESS THAN THE MEMBER CONTRIBUTION RATES  
25 UNDER SECTION 24-51-401 (1.7)(a)(I); AND

26 (d) THE AMOUNT OF THE DIRECT DISTRIBUTION PURSUANT TO  
27 SECTION 24-51-414 WILL BE REDUCED BY UP TO TWENTY MILLION

1 DOLLARS IN A FISCAL YEAR.

2 (7) THE ADJUSTMENT IN SUBSECTION (6) OF THIS SECTION SHALL  
3 BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED  
4 AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS,  
5 THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT  
6 DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY  
7 ADJUSTMENT ALLOWED UNLESS AN AMOUNT LOWER THAN THE MAXIMUM  
8 ADJUSTMENT IS NECESSARY TO KEEP THE BLENDED TOTAL CONTRIBUTION  
9 AMOUNT EQUAL TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED  
10 TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY  
11 ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO  
12 FALL BELOW ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL  
13 REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY  
14 CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY  
15 AMOUNTS SPECIFIED IN SUBSECTIONS (6)(a), (6)(b), (6)(c), AND (6)(d) OF  
16 THIS SECTION.

17 (8) THE ADJUSTMENTS PURSUANT TO THIS SECTION SHALL BE  
18 DETERMINED BASED ON THE BLENDED TOTAL CONTRIBUTION AMOUNT AND  
19 BLENDED TOTAL REQUIRED CONTRIBUTION AS REPORTED IN THE ANNUAL  
20 ACTUARIAL VALUATION REPORT REQUIRED UNDER SECTION 24-51-204(7),  
21 AND SHALL BE EFFECTIVE JULY 1 OF THE NEXT CALENDAR YEAR.  
22 THE FIRST ADJUSTMENT PURSUANT TO THIS SECTION SHALL NOT OCCUR  
23 BEFORE JULY 1, 2020.

24

25 **24-51-414. Direct distribution.** (1) ON JULY 1, 2018, AND ON  
26 JULY 1 EACH YEAR THEREAFTER UNTIL THERE ARE NO UNFUNDED  
27 ACTUARIAL ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION

1 THAT RECEIVES THE DISTRIBUTION PURSUANT TO THIS SECTION, THE STATE  
2 TREASURER SHALL ISSUE A WARRANT TO THE ASSOCIATION IN AN AMOUNT  
3 EQUAL TO TWO HUNDRED TWENTY-FIVE MILLION DOLLARS. SUCH AMOUNT  
4 SHALL BE PAID TO THE ASSOCIATION FROM THE GENERAL FUND, OR ANY  
5 OTHER FUND, SUBJECT TO SECTION 24-51-413.

6 (2) FOR THE PURPOSE OF ALLOCATING APPROPRIATE INDIRECT,  
7 CASH FUNDED, OR FEDERAL COSTS FOR THE DIRECT DISTRIBUTION  
8 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE OFFICE OF STATE  
9 PLANNING AND BUDGETING MAY INCLUDE FUNDING SOURCES OTHER THAN  
10 THE GENERAL FUND IN THE GOVERNOR'S ANNUAL BUDGET REQUEST FOR  
11 THE 2019-20 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER TO  
12 SATISFY THE FUNDING AMOUNTS OF THE DIRECT DISTRIBUTION.

13 (3) THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS  
14 SECTION SHALL END WHEN THERE ARE NO UNFUNDED ACTUARIAL  
15 ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION THAT  
16 RECEIVES SUCH DISTRIBUTION. BY SEPTEMBER 1, 2019, AND BY  
17 SEPTEMBER 1 OF EACH YEAR THEREAFTER, UNTIL THE DISTRIBUTION  
18 PURSUANT TO SUBSECTION (1) OF THIS SECTION IS NO LONGER REQUIRED,  
19 THE BOARD SHALL DETERMINE WHETHER THE SUM OF THE EMPLOYER AND  
20 MEMBER CONTRIBUTIONS PURSUANT TO SECTION 24-51-401 (1.7)(a), THE  
21 CONTRIBUTIONS PURSUANT TO SECTION 24-51-411, AND THE DISTRIBUTION  
22 PURSUANT TO SUBSECTION (1) OF THIS SECTION, IS GREATER THAN THE  
23 AMOUNT NECESSARY TO ELIMINATE THE UNFUNDED ACTUARIAL ACCRUED  
24 LIABILITY OF EACH DIVISION OF THE ASSOCIATION THAT RECEIVES THE  
25 DISTRIBUTION IN THE NEXT FISCAL YEAR. IF THE BOARD DETERMINES THAT  
26 THE TOTAL AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1)  
27 OF THIS SECTION WILL NOT BE REQUIRED TO ELIMINATE THE UNFUNDED

1 ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION  
2 THAT RECEIVES THE DISTRIBUTION, THE BOARD SHALL NOTIFY THE OFFICE  
3 OF STATE PLANNING AND BUDGETING AND THE JOINT BUDGET COMMITTEE  
4 OF THE GENERAL ASSEMBLY BY SEPTEMBER 1 OF THE APPLICABLE YEAR.

5 (4) THE ASSOCIATION SHALL ALLOCATE THE DIRECT DISTRIBUTION  
6 TO THE TRUST FUNDS OF EACH DIVISION OF THE ASSOCIATION AS IT WOULD  
7 AN EMPLOYER CONTRIBUTION, IN A MANNER THAT IS PROPORTIONATE TO  
8 THE ANNUAL PAYROLL OF EACH DIVISION AS REPORTED TO THE  
9 ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL NOT ALLOCATE ANY  
10 PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO THE LOCAL  
11 GOVERNMENT DIVISION OF THE ASSOCIATION.

12 (5) BEGINNING WITH THE ANNUAL GENERAL APPROPRIATION ACT  
13 FOR THE 2019-20 STATE FISCAL YEAR, AND FOR EACH ANNUAL GENERAL  
14 APPROPRIATION ACT THEREAFTER, MONEY DISTRIBUTED TO THE  
15 ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE  
16 INCLUDED FOR INFORMATIONAL PURPOSES IN THE ANNUAL GENERAL  
17 APPROPRIATION BILL OR IN SUPPLEMENTAL APPROPRIATION BILLS FOR THE  
18 PURPOSE OF COMPLYING WITH THE LIMITATION ON STATE FISCAL YEAR  
19 SPENDING IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE  
20 CONSTITUTION AND SECTION 24-77-103. THE INFORMATION INCLUDED IN  
21 THE ANNUAL GENERAL APPROPRIATION BILL SHALL INCLUDE AN ESTIMATE  
22 OF THE AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF  
23 THIS SECTION THAT IS ATTRIBUTABLE TO THE STATE AND THE AMOUNT  
24 THAT IS ATTRIBUTABLE TO PUBLIC EDUCATION FROM KINDERGARTEN  
25 THROUGH THE TWELFTH GRADE.

26 **24-51-415. Defined contribution supplement.** BEGINNING  
27 JANUARY 1, 2021, AND EVERY YEAR THEREAFTER, EMPLOYER

1 CONTRIBUTION RATES WILL BE ADJUSTED TO INCLUDE A DEFINED  
2 CONTRIBUTION SUPPLEMENT, WHICH WILL BE CALCULATED SEPARATELY  
3 FOR THE STATE AND LOCAL GOVERNMENT DIVISIONS, AS APPLICABLE. THE  
4 DEFINED CONTRIBUTION SUPPLEMENT FOR EACH DIVISION WILL BE THE  
5 EMPLOYER CONTRIBUTION AMOUNT PAID TO DEFINED CONTRIBUTION PLAN  
6 PARTICIPANT ACCOUNTS THAT WOULD HAVE OTHERWISE GONE TO THE  
7 DEFINED BENEFIT TRUSTS TO PAY DOWN THE UNFUNDED LIABILITY, PLUS  
8 ANY DEFINED BENEFIT INVESTMENT EARNINGS THEREON, EXPRESSED AS A  
9 PERCENTAGE OF SALARY ON WHICH EMPLOYER CONTRIBUTIONS HAVE  
10 BEEN MADE. THE EMPLOYER CONTRIBUTION AMOUNTS IN THE SUM SHALL  
11 ONLY INCLUDE CONTRIBUTIONS MADE ON BEHALF OF ELIGIBLE  
12 EMPLOYEES, AS DEFINED IN SECTION 24-51-1502, WHO COMMENCE  
13 EMPLOYMENT ON OR AFTER JANUARY 1, 2019.

14 **SECTION 13.** In Colorado Revised Statutes, 24-51-504, **amend**  
15 (2) as follows:

16 **24-51-504. Purchase of service credit relating to a paid**  
17 **sabbatical leave.** (2) Such member contributions made pursuant to the  
18 provisions of subsection (1) of this section may be made concurrently  
19 with member contributions on the partial salary paid for such sabbatical  
20 leave or after the sabbatical leave has ended at the ~~current~~ APPLICABLE  
21 rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus  
22 interest from the date the sabbatical leave began until such purchase is  
23 complete.

24 **SECTION 14.** In Colorado Revised Statutes, 24-51-602, **amend**  
25 (1.7)(a), (1.8)(a), and (2); and **add** (1.9) and (2.3) as follows:

26 **24-51-602. Service retirement eligibility.** (1.7) (a) Members,  
27 EXCEPT STATE TROOPERS, who were not members, inactive members, or

1 retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE  
 2 MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age  
 3 and service requirements stated in the following table and who are not  
 4 eligible for service retirement benefits pursuant to subsection (1.8) of this  
 5 section shall, upon written application and approval of the board, receive  
 6 service retirement benefits pursuant to the benefit formula set forth in  
 7 section 24-51-603:

8 **TABLE B.3**

9 **SERVICE RETIREMENT ELIGIBILITY**

10 <b>Age Requirement</b>	<b>Service Credit Requirement</b>
11 <b>(years)</b>	<b>(years)</b>
12 Any Age	35
13 60	30
14 65	5

15 (1.8) (a) Members of the school division or Denver public schools  
 16 division who were not members, inactive members, or retirees on  
 17 December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR  
 18 RETIREES ON DECEMBER 31, 2019, who have met the age and service  
 19 requirements stated in the following table shall, upon written application  
 20 and approval of the board, receive service retirement benefits pursuant to  
 21 the benefit formula set forth in section 24-51-603; except that at least the  
 22 most recent ten years of service credit used in meeting the requirements  
 23 of the table below must be earned in the school or Denver public schools  
 24 divisions in order for the member to be eligible pursuant to this paragraph  
 25 (a) SUBSECTION (1.8)(a):

26 **TABLE B.4**

27 **SERVICE RETIREMENT ELIGIBILITY**



1	<b>Age Requirement</b>	<b>Service Credit Requirement</b>
2	<b>(years)</b>	<b>(years)</b>
3	Any Age	35
4	58	30
5	65	5

6 (1.9) (a) MEMBERS, EXCEPT STATE TROOPERS, WHO WERE NOT  
7 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO  
8 HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE  
9 FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF  
10 THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE  
11 BENEFIT FORMULA SET FORTH IN SECTION 24-51-603 (1), (2), AND (3):

12 **TABLE B.5**

13 **SERVICE RETIREMENT ELIGIBILITY**

14	<b>AGE REQUIREMENT</b>	<b>SERVICE CREDIT REQUIREMENT</b>
15	<b>(YEARS)</b>	<b>(YEARS)</b>
16	ANY AGE	35
17	64	30
18	65	5

19 (b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO  
20 THIS SUBSECTION (1.9) AND WHO ARE SIXTY-FOUR YEARS OF AGE OR  
21 OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,  
22 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT  
23 FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION  
24 PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF  
25 SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE  
26 NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS NINETY-FOUR YEARS  
27 OR MORE.

1 (c) THIS SUBSECTION (1.9) DOES NOT CREATE A CONTRACTUAL  
2 RIGHT FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE  
3 B.5 TO RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

4 (2) (a) ~~Members with less than five years of service credit shall be~~  
5 ~~eligible for service retirement benefits pursuant to the provisions of~~  
6 ~~section 24-51-605.5 upon reaching sixty-five years of age if contributions~~  
7 ~~were made for sixty months~~ STATE TROOPERS WHO WERE NOT MEMBERS,  
8 INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO HAVE MET  
9 THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE  
10 SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,  
11 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT  
12 FORMULA SET FORTH IN SECTION 24-51-603 (1) AND (3):

13 **TABLE B.6**

14 **SERVICE RETIREMENT ELIGIBILITY**

15	<b>AGE REQUIREMENT</b>	<b>SERVICE CREDIT REQUIREMENT</b>
16	<b>(YEARS)</b>	<b>(YEARS)</b>
17	ANY AGE	35
18	55	25
19	65	5

20 (b) STATE TROOPERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT  
21 TO THIS SUBSECTION (2) AND WHO ARE FIFTY-FIVE YEARS OF AGE OR  
22 OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,  
23 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT  
24 FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION  
25 PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF  
26 SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE  
27 NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY YEARS OR

1 MORE. THIS SUBSECTION (2) DOES NOT CREATE A CONTRACTUAL RIGHT  
2 FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE B.6 TO  
3 RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

4 (2.3) MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT  
5 SHALL BE ELIGIBLE FOR SERVICE RETIREMENT BENEFITS PURSUANT TO  
6 SECTION 24-51-605.5 UPON REACHING SIXTY-FIVE YEARS OF AGE IF  
7 CONTRIBUTIONS WERE MADE FOR SIXTY MONTHS.

8  
9 **SECTION 15.** In Colorado Revised Statutes, **amend** 24-51-604  
10 as follows:

11 **24-51-604. Reduced service retirement eligibility.** (1) DPS  
12 members with less than five years of service credit as of January 1, 2011,  
13 and members WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON  
14 DECEMBER 31, 2019, AND who have met the age and service credit  
15 requirements stated in the following table and who do not meet the  
16 requirements of section 24-51-602 shall, upon written application and  
17 approval of the board, receive reduced service retirement benefits  
18 pursuant to the benefit formula set forth in section 24-51-605:

19 **TABLE C**

20 **REDUCED SERVICE RETIREMENT ELIGIBILITY**

21	<b>Age Requirement</b>		<b>Service Credit Requirement</b>
22	<b>(years)</b>		<b>(years)</b>
23	50		25
24	50	State Troopers only	20
25	55		20
26	60		5

27 (2) MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR

1 RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE  
 2 CREDIT REQUIREMENTS STATED IN THE FOLLOWING TABLE AND WHO DO  
 3 NOT MEET THE REQUIREMENTS OF SECTION 24-51-602 SHALL, UPON  
 4 WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE REDUCED  
 5 SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET  
 6 FORTH IN SECTION 24-51-605:

7 **TABLE C.1**

8 **REDUCED SERVICE RETIREMENT ELIGIBILITY**

9	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
10	(YEARS)	(YEARS)
11	55	25
12	55	STATE TROOPERS ONLY 20
13	60	5

14  
 15 **SECTION 16.** In Colorado Revised Statutes, 24-51-606, **amend**  
 16 (1.5) and (2)(b) as follows:

17 **24-51-606. Vested inactive member rights.** (1.5) Any member  
 18 who was not a member, inactive member, or retiree on December 31,  
 19 2006, who has earned at least five years of service credit and who  
 20 terminates membership and does not elect to receive a refund pursuant to  
 21 ~~the provisions of section 24-51-405~~ shall be eligible for a benefit to  
 22 become effective upon written application and approval by the board and  
 23 upon reaching the age specified in ~~table B.05, B.07, or B.1~~ TABLE B.05,  
 24 B.07, B.1, B.2, B.3, B.4, B.5, OR B.6 of section 24-51-602, as applicable,  
 25 for a service retirement or in ~~table C~~ TABLE C OR C.1 of section 24-51-604  
 26 for a reduced service retirement. Notwithstanding the provisions of this  
 27 subsection (1.5), for such a member who applies for retirement within

1 ninety days after the member attains age and service eligibility, the  
2 effective date of retirement shall be the date the member attains such age  
3 and service eligibility.

4 (2) (b) Direct payments in lieu of member contributions are  
5 calculated at the ~~current~~ APPLICABLE member contribution rates  
6 PURSUANT TO SECTION 24-51-401 (1.7), multiplied by the most recent  
7 full-time monthly salary paid for the position previously held by the  
8 vested inactive member.

9 **SECTION 17.** In Colorado Revised Statutes, **amend** 24-51-1001  
10 as follows:

11 **24-51-1001. Types of benefit increases.** (1) For benefit  
12 recipients whose benefits are based on the account of a member who was  
13 a member, inactive member, or retiree on December 31, 2006, or for  
14 benefit recipients whose benefits are based on the account of a DPS  
15 member or DPS retiree, annual increases in retirement benefits and  
16 survivor benefits shall be effective with the July benefit. Such increases  
17 in benefits shall be calculated in accordance with ~~the provisions of~~  
18 sections 24-51-1002 and 24-51-1003, SUBJECT TO SECTION 24-51-413,  
19 and shall be paid from the retirement benefits reserve or the survivor  
20 benefits reserve, as appropriate, so long as the following requirements are  
21 satisfied:

22 (a) For benefit recipients whose benefit is based on a retiree or  
23 DPS retiree whose effective date of retirement is prior to January 1, 2011,  
24 or whose survivor benefits are based on a date of death that occurred prior  
25 to January 1, 2011, the benefits have been paid to the benefit recipient for  
26 at least seven months preceding July 1.

27 (b) For benefit recipients whose benefit is based on a retiree or

1 DPS retiree whose effective date of retirement is on or after January 1,  
2 2011, or whose survivor benefits are based on a date of death that is on  
3 or after January 1, 2011, AND AN ANNUAL INCREASE HAS BEEN APPLIED TO  
4 THE BENEFIT ON OR BEFORE MAY 1, 2018, the benefits have been paid to  
5 the benefit recipient for the twelve months prior to July 1, and for benefit  
6 recipients whose benefit is based upon a retiree or DPS retiree who was  
7 not eligible to retire as of January 1, 2011, THE BENEFITS HAVE BEEN PAID  
8 TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1  
9 AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR  
10 BEFORE MAY 1, 2018, the retiree met the following requirements:

11 (I) For DPS members with five or more years of service credit as  
12 of January 1, 2011, and for members WHO ARE NOT STATE TROOPERS who  
13 began membership prior to July 1, 2005, and have five or more years of  
14 service credit as of January 1, 2011, the retiree retired with a service  
15 retirement benefit pursuant to section 24-51-602 or 24-51-1713,  
16 whichever is applicable, or retired with a reduced service retirement  
17 benefit pursuant to section 24-51-604 or 24-51-1714, whichever is  
18 applicable, but has, as of January 1, attained the age and service credit  
19 years that when combined total at least eighty years, or retired with a  
20 reduced service retirement benefit pursuant to section 24-51-604 but has,  
21 as of January 1, attained the age of sixty;

22 (II) For members WHO ARE NOT STATE TROOPERS who began  
23 membership on or after July 1, 2005, but prior to January 1, 2007, the  
24 retiree retired with a service retirement benefit pursuant to section  
25 24-51-602, or retired with a reduced service retirement benefit pursuant  
26 to section 24-51-604 but has, as of January 1, attained the age and service  
27 credit years that when combined total at least eighty-five years, or retired

1 with a reduced service retirement benefit pursuant to section 24-51-604  
2 but has, as of January 1, attained the age of sixty; or

3 (III) For DPS members with less than five years of service credit  
4 as of January 1, 2011, and for members whose membership began prior  
5 to January 1, 2007, with less than five years of service credit as of January  
6 1, 2011, the retiree retired with a service retirement benefit pursuant to  
7 section 24-51-602, or retired with a reduced service retirement benefit  
8 pursuant to section 24-51-604 but has, as of January 1, attained the age  
9 and service credit years that when combined total at least eighty-five  
10 years, or retired with a reduced service retirement benefit pursuant to  
11 section 24-51-604 but has, as of January 1, attained the age of sixty; OR

12 (IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE  
13 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE  
14 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO  
15 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
16 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,  
17 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH  
18 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST  
19 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
20 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
21 ATTAINED THE AGE OF FIFTY-FIVE.

22 (b.5) FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED ON A  
23 RETIREE OR DPS RETIREE WHOSE EFFECTIVE DATE OF RETIREMENT IS ON  
24 OR AFTER JANUARY 1, 2011, OR WHOSE SURVIVOR BENEFITS ARE BASED ON  
25 A DATE OF DEATH THAT IS ON OR AFTER JANUARY 1, 2011, AND AN  
26 ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR  
27 SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018, THE BENEFITS HAVE BEEN

1 PAID TO THE BENEFIT RECIPIENT FOR THIRTY-SIX MONTHS TOTAL BEFORE  
2 JULY 1, AND BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR  
3 THE TWELVE MONTHS PRIOR TO JULY 1, AND FOR BENEFIT RECIPIENTS  
4 WHOSE BENEFIT IS BASED UPON A RETIREE OR DPS RETIREE WHO WAS NOT  
5 ELIGIBLE TO RETIRE AS OF JANUARY 1, 2011, THE RETIREE MET THE  
6 FOLLOWING REQUIREMENTS:

7 (I) FOR DPS MEMBERS WITH FIVE OR MORE YEARS OF SERVICE  
8 CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHO ARE NOT STATE  
9 TROOPERS WHO BEGAN MEMBERSHIP PRIOR TO JULY 1, 2005, AND HAVE  
10 FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE  
11 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO  
12 SECTION 24-51-602 OR 24-51-1713, WHICHEVER IS APPLICABLE, OR  
13 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
14 SECTION 24-51-604 OR 24-51-1714, WHICHEVER IS APPLICABLE, BUT HAS,  
15 AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT  
16 WHEN COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A  
17 REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604  
18 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

19 (II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN  
20 MEMBERSHIP ON OR AFTER JULY 1, 2005, BUT PRIOR TO JANUARY 1, 2007,  
21 THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO  
22 SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
23 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
24 ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED  
25 TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED  
26 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,  
27 AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;



1 (III) FOR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE  
2 CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHOSE MEMBERSHIP  
3 BEGAN PRIOR TO JANUARY 1, 2007, WITH LESS THAN FIVE YEARS OF  
4 SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A  
5 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR  
6 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
7 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND  
8 SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST  
9 EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
10 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
11 ATTAINED THE AGE OF SIXTY; OR

12 (IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE  
13 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE  
14 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO  
15 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
16 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,  
17 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH  
18 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST  
19 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
20 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
21 ATTAINED THE AGE OF FIFTY-FIVE.

22 (c) No minimum age or service credit requirement shall apply to  
23 disability retirees or survivor benefit recipients.

24 (1.5) and (2) (Deleted by amendment, L. 93, p. 478, § 6, effective  
25 March 1, 1994.)

26 (3) For benefit recipients whose benefits are based on the account  
27 of a member who was not a member, inactive member, or retiree on

1 December 31, 2006, annual increases in retirement benefits and survivor  
2 benefits, if any, shall be effective with the July benefit in accordance with  
3 ~~the provisions of~~ section 24-51-1009, SUBJECT TO SECTION 24-51-413,  
4 and shall be paid from the retirement benefits reserve or the survivor  
5 benefits reserve, as appropriate, so long as the following requirements are  
6 satisfied:

7 (a) The benefits have been paid to the benefit recipient for the full  
8 preceding calendar year AND AN ANNUAL INCREASE HAS BEEN APPLIED TO  
9 THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; and

10 (b) (I) For members WHO ARE NOT STATE TROOPERS whose  
11 membership began on or after January 1, 2007, but prior to January 1,  
12 2011, the retiree retired with a service retirement benefit pursuant to  
13 section 24-51-602, or retired with a reduced service retirement benefit  
14 pursuant to section 24-51-604 but has, as of January 1, attained the age  
15 and service credit years that when combined total at least eighty-five  
16 years, or retired with a reduced service retirement benefit pursuant to  
17 section 24-51-604 but has, as of January 1, attained the age of sixty;

18 (II) For members WHO ARE NOT STATE TROOPERS whose  
19 membership began on or after January 1, 2011, but prior to January 1,  
20 2017, the retiree retired with a service retirement benefit pursuant to  
21 section 24-51-602, or retired with a reduced service retirement benefit  
22 pursuant to section 24-51-604 but has, as of January 1, attained the age  
23 and service credit years that when combined total at least eighty-eight  
24 years, or retired with a reduced service retirement benefit pursuant to  
25 section 24-51-604 but has, as of January 1, attained the age of sixty;

26 (III) Subject to ~~the provisions of subparagraph (IV) of this~~  
27 ~~paragraph (b)~~ SUBSECTION (3)(b)(IV) OF THIS SECTION, for members WHO

1 ARE NOT STATE TROOPERS whose membership began on or after January  
2 1, 2017, the retiree retired with a service retirement benefit pursuant to  
3 section 24-51-602, or retired with a reduced service retirement benefit  
4 pursuant to section 24-51-604 but has, as of January 1, attained the age  
5 and service credit years that when combined total at least ninety years, or  
6 retired with a reduced service retirement benefit pursuant to section  
7 24-51-604 but has, as of January 1, attained the age of sixty; or

8 (IV) For members whose membership began on or after January  
9 1, 2017, the retiree retired from the school or Denver public schools  
10 divisions with a reduced service retirement benefit pursuant to section  
11 24-51-604 and the retiree's most recent ten years of service credit was  
12 earned in the school or Denver public schools divisions, but, as of January  
13 1, the retiree's age and total service credit total at least eighty-eight years,  
14 or the retiree retired with a reduced service retirement benefit pursuant to  
15 section 24-51-604 but has, as of January 1, attained the age of sixty; OR

16 (V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT  
17 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE  
18 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO  
19 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
20 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,  
21 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH  
22 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST  
23 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
24 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
25 ATTAINED THE AGE OF FIFTY-FIVE.

26 (c) No minimum age or service credit requirement shall apply to  
27 disability retirees or survivor benefit recipients.

1           (3.5) FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE  
2           ACCOUNT OF A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR  
3           RETIREE ON DECEMBER 31, 2006, ANNUAL INCREASES IN RETIREMENT  
4           BENEFITS AND SURVIVOR BENEFITS, IF ANY, ARE EFFECTIVE WITH THE JULY  
5           BENEFIT IN ACCORDANCE WITH SECTION 24-51-1009, SUBJECT TO SECTION  
6           24-51-413, AND SHALL BE PAID FROM THE RETIREMENT BENEFITS RESERVE  
7           OR THE SURVIVOR BENEFITS RESERVE, AS APPROPRIATE, SO LONG AS THE  
8           FOLLOWING REQUIREMENTS ARE SATISFIED:

9           (a) THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR  
10          THIRTY-SIX MONTHS TOTAL, AND BENEFITS HAVE BEEN PAID TO THE  
11          BENEFIT RECIPIENT FOR THE FULL PRECEDING CALENDAR YEAR, AND AN  
12          ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR  
13          SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; AND

14          (b) (I) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE  
15          MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2007, BUT PRIOR TO  
16          JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT  
17          BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED  
18          SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,  
19          AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT  
20          WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH  
21          A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION  
22          24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

23          (II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE  
24          MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO  
25          JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT  
26          BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED  
27          SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,

1 AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT  
2 WHEN COMBINED TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR RETIRED WITH  
3 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION  
4 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

5 (III) SUBJECT TO SUBSECTION (3.5)(b)(IV) OF THIS SECTION, FOR  
6 MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON  
7 OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE  
8 RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH  
9 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION  
10 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE  
11 CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY YEARS, OR  
12 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
13 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF  
14 SIXTY;

15 (IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER  
16 JANUARY 1, 2017, THE RETIREE RETIRED FROM THE SCHOOL OR DENVER  
17 PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT  
18 BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST  
19 RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR  
20 DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE  
21 RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT  
22 YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT  
23 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
24 ATTAINED THE AGE OF SIXTY;

25 (V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT  
26 MEMBERS, INACTIVE MEMBERS, OR RETIREEES ON DECEMBER 31, 2006, BUT  
27 BEFORE DECEMBER 31, 2020, THE RETIREE RETIRED WITH A SERVICE

1 RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH  
2 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION  
3 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE  
4 CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE  
5 CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR  
6 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
7 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF  
8 FIFTY-FIVE;

9 (VI) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE  
10 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED  
11 WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,  
12 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
13 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND  
14 SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST  
15 NINETY-FOUR YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT  
16 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,  
17 ATTAINED THE AGE OF SIXTY-FOUR; OR

18 (VII) FOR MEMBERS WHO ARE STATE TROOPERS WHOSE  
19 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED  
20 WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,  
21 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
22 SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND  
23 SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER  
24 SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST EIGHTY YEARS, OR  
25 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO  
26 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF  
27 SIXTY.

1 (c) NO MINIMUM AGE OR SERVICE CREDIT REQUIREMENT SHALL  
2 APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.

3 (4) Benefits that are calculated pursuant to part 17 of this ~~article~~  
4 ARTICLE 51 shall be governed by the benefit increase provisions of such  
5 part 17.

6 **SECTION 18.** In Colorado Revised Statutes, 24-51-1002, **amend**  
7 (2); and **add** (1.5) as follows:

8 **24-51-1002. Annual percentages to be used.**

9 (1.5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR  
10 THE YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE  
11 ZERO PERCENT.

12 (2) ~~Beginning in the year 2011~~ ON THE EFFECTIVE DATE OF THIS  
13 SUBSECTION (2), AS AMENDED, subject to ~~the provisions of~~ section  
14 24-51-1009.5, for benefit recipients whose benefits are based on the  
15 account of a member who was a member, inactive member, or retiree on  
16 December 31, 2006, or for benefit recipients whose benefits are based on  
17 the account of a DPS member or DPS retiree, the increase applied to  
18 benefits paid shall be ~~the lesser of two percent or the average of the~~  
19 ~~annual increases determined for each month, to the nearest one-tenth of~~  
20 ~~a percent, as calculated by the United States department of labor, in the~~  
21 ~~national consumer price index for urban wage earners and clerical~~  
22 ~~workers during the calendar year preceding the increase in the benefit.~~  
23 ~~Notwithstanding the provisions of this subsection (2), the increase shall~~  
24 ~~be the maximum permitted under this subsection (2) and section~~  
25 ~~24-51-1009.5 unless the association's annual audited return on~~  
26 ~~investments is negative for the preceding calendar year, at which point the~~  
27 ~~annual increase for the subsequent three years shall be the lesser of two~~

1 ~~percent or the average of the annual increases determined for each month,~~  
2 ~~to the nearest one-tenth of a percent, as calculated by the United States~~  
3 ~~department of labor, in the national consumer price index for urban wage~~  
4 ~~earners and clerical workers during the calendar year preceding the~~  
5 ~~increase in the benefit~~ ONE AND ONE-HALF PERCENT UNLESS ADJUSTED  
6 PURSUANT TO SECTION 24-51-413. The increase applied to such benefits  
7 shall be recalculated annually as of July 1 and shall be the compounded  
8 annual percentage of the annual increases applied to such benefits. In the  
9 first year that the benefit recipient is eligible to receive an annual increase  
10 pursuant to section 24-51-1001, the annual increase shall be prorated.

11 **SECTION 19.** In Colorado Revised Statutes, 24-51-1009, **amend**  
12 (4) introductory portion and (4)(a); and **add** (1.5) as follows:

13 **24-51-1009. Annual increase reserve - creation.** (1.5) FOR THE  
14 YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE ZERO  
15 PERCENT.

16 (4) An actuarial valuation shall be conducted each year for the  
17 annual increase reserve of each division for the purposes of this section.  
18 The actuarial valuation shall include a determination of the total market  
19 value of the assets in the reserve and a calculation of the net present value  
20 of the actuarial liabilities associated with providing each of the annual  
21 increases described in ~~paragraphs (a), (b), and (c) of this subsection~~ (4)  
22 SUBSECTIONS (4)(a), (4)(b), AND (4)(c) OF THIS SECTION. Subject to section  
23 24-51-1009.5, the maximum annual increase awarded by the board shall  
24 be the lesser of the following calculations:

25 (a) SUBJECT TO THE MAXIMUM ANNUAL INCREASE AS ADJUSTED  
26 PURSUANT TO SECTION 24-51-413, a permanent increase equal to ~~two~~  
27 ~~percent~~ ONE AND ONE-HALF PERCENT of current benefits payable to



1 benefit recipients then eligible for an annual increase in accordance with  
2 section 24-51-1001 (3);

3 **SECTION 20.** In Colorado Revised Statutes, **amend**  
4 24-51-1009.5 as follows:

5 **24-51-1009.5. Annual increase amount changes.** When the  
6 actuarial funded ratio of the association, based on the actuarial value of  
7 assets, is at or above one hundred three percent as determined in the  
8 annual actuarial study of the association, the upper limit of the annual  
9 increase shall be increased by one-quarter of one percent. ~~If the actuarial~~  
10 ~~funded ratio of the association, based on the actuarial value of assets,~~  
11 ~~reaches one hundred three percent and subsequently any annual actuarial~~  
12 ~~study reflects the actuarial funded ratio of the association, based on the~~  
13 ~~actuarial value of assets, is below ninety percent, the upper limit of the~~  
14 ~~annual increase shall be decreased by one-quarter of one percent. At no~~  
15 ~~time shall the upper limit of the annual increase fall below two percent.~~

16  
17 **SECTION 21.** In Colorado Revised Statutes, **add** 24-51-1500.2  
18 as follows:

19 **24-51-1500.2. Legislative declaration.** THE GENERAL ASSEMBLY  
20 FINDS AND DECLARES THAT THE PURPOSE OF THE DEFINED CONTRIBUTION  
21 PLAN ESTABLISHED IN THIS PART 15 IS TO PROVIDE ELIGIBLE EMPLOYEES  
22 WHO PARTICIPATE IN THE DEFINED CONTRIBUTION PLAN WITH A PATH  
23 TOWARD HAVING A SECURE RETIREMENT THROUGH A FOCUS ON LIFETIME  
24 RETIREMENT INCOME TO MAINTAIN AN ELIGIBLE EMPLOYEE'S STANDARD  
25 OF LIVING FOLLOWING A FULL CAREER OF EMPLOYMENT. THE PROVISIONS  
26 OF THIS PART 15 ARE DESIGNED TO AVOID A NEGATIVE IMPACT ON THE  
27 DEFINED BENEFIT TRUSTS IN THIS ARTICLE 51. EMPLOYERS ARE

1 RESPONSIBLE FOR ENSURING THAT THEIR EMPLOYEES UNDERSTAND THE  
2 ADVANTAGES AND DISADVANTAGES OF THE DEFINED BENEFIT AND  
3 DEFINED CONTRIBUTION PLANS.

4 **SECTION 22.** In Colorado Revised Statutes, 24-51-1501, **amend**  
5 (1) and (4) as follows:

6 **24-51-1501. Defined contribution plan - establishment -**  
7 **creation of fund - definitions.** (1) The board is hereby authorized to  
8 establish and administer a defined contribution plan for eligible ~~state~~  
9 employees as provided in this part 15. The board shall establish the terms  
10 and conditions of the association's defined contribution plan offered to  
11 eligible ~~state~~ employees. The assets of the plan shall be held in a separate  
12 trust fund of the association created for such purpose.

13 (4) For purposes of this part 15, "employer" means the state, the  
14 general assembly, the office of a district attorney in a judicial district, any  
15 state department that employs an eligible employee, ~~and~~ any community  
16 college governed by the state board for community colleges and  
17 occupational education. EFFECTIVE JANUARY 1, 2019, "EMPLOYER" ALSO  
18 INCLUDES ANY EMPLOYER IN THE LOCAL GOVERNMENT DIVISION AND, TO  
19 THE EXTENT THAT THEY EMPLOY CLASSIFIED EMPLOYEES IN THE STATE  
20 PERSONNEL SYSTEM, ANY STATE COLLEGE OR UNIVERSITY AS DEFINED IN  
21 SECTION 24-54.5-102 (7), ANY INSTITUTION UNDER THE CONTROL OF THE  
22 BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO, OR AN  
23 INSTITUTION GOVERNED PURSUANT TO PART 5 OF ARTICLE 21 OF TITLE 23.  
24 PRIOR TO JANUARY 1, 2019, "employer" shall not include any state college  
25 or university as defined in section 24-54.5-102 (7), any institution under  
26 the control of the board of regents of the university of Colorado, or an  
27 institution governed pursuant to part 5 of article 21 of title 23. ~~C.R.S.~~

1           **SECTION 23.** In Colorado Revised Statutes, 24-51-1502, **amend**  
2 (2)(a); and **repeal** (3) as follows:

3           **24-51-1502. New eligible employees - election - definitions.**

4 (2) (a) For purposes of this part 15, "eligible employee" means, effective  
5 July 1, 2009, AND EFFECTIVE JANUARY 1, 2019, FOR LOCAL GOVERNMENT  
6 DIVISION EMPLOYEES AND STATE DIVISION EMPLOYEES WHO ARE  
7 EMPLOYED ONLY IN A CLASSIFIED POSITION IN THE STATE PERSONNEL  
8 SYSTEM BY A STATE COLLEGE OR UNIVERSITY, any employee who  
9 commences employment with an employer and who, if not commencing  
10 employment in a state elected official's position, has not been a member  
11 of the association's defined benefit plan or the association's defined  
12 contribution plan or an active participant of the state defined contribution  
13 plan established pursuant to part 2 of article 52 of this ~~title~~ TITLE 24, as  
14 said part existed prior to its repeal in 2009, during the twelve months  
15 prior to the date that he or she commenced employment. "Eligible  
16 employee" includes a retiree of the association who is serving in a state  
17 elected official's position but does not include any other retiree of the  
18 association or a retiree of the association who has suspended benefits.

19           ~~(3) An eligible employee hired by an employer on or after May 2,~~  
20 ~~2009, is eligible for the election pursuant to subsection (1) of this section.~~

21           **SECTION 24.** In Colorado Revised Statutes, 24-51-1503, **amend**  
22 (2) as follows:

23           **24-51-1503. Defined contribution plan option.** (2) An employee  
24 hired by an employer who has been a member of the association's defined  
25 benefit plan or the association's defined contribution plan during the  
26 twelve months prior to the date that the employee commences  
27 employment shall automatically continue to be a member of such plan

1 upon commencing employment. IF AUTOMATICALLY CONTINUING IN THE  
2 DEFINED CONTRIBUTION PLAN, THE EMPLOYEE'S INDIVIDUAL  
3 PARTICIPATION ACCOUNT SHALL RECEIVE THE SAME EMPLOYER  
4 CONTRIBUTION PURSUANT TO SECTION 24-51-1505 (1), AS PREVIOUSLY  
5 ENTITLED. The employee shall be considered an eligible employee for  
6 purposes of section 24-51-1506.

7 **SECTION 25.** In Colorado Revised Statutes, 24-51-1505, **amend**  
8 (1), (2), and (3) as follows:

9 **24-51-1505. Contributions - vesting - definition.**

10 (1) Contribution rates ~~to the association's defined contribution plan~~ by  
11 the employer and by members of the defined contribution plan established  
12 pursuant to this part 15 shall be the same as the rates that would be  
13 payable by the employer and the member pursuant to section 24-51-401.

14 THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE THE FULL  
15 MEMBER CONTRIBUTION AMOUNT IN EFFECT UNDER SECTION 24-51-401.

16 THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE A PORTION OF  
17 THE EMPLOYER CONTRIBUTION EQUAL TO THE AMOUNT IN TABLE A IN  
18 SECTION 24-51-401 (1.7)(a). ANY PORTION OF THE EMPLOYER  
19 CONTRIBUTION ABOVE THE AMOUNT IN TABLE A IN 24-51-401 (1.7)(a)  
20 SHALL BE PAID TO THE EMPLOYER'S DIVISION TRUST FUND.

21 (2) Consistent with ~~the provisions of~~ section 24-51-401 (1.7)(b),  
22 (1.7)(c), and (1.7)(d), the employer shall deliver all contributions ~~to the~~  
23 ~~defined contribution plan trust fund via the service provider designated~~  
24 ~~by the association~~ within five days after the date members are paid.

25 (3) Except as otherwise provided in subsection (4) of this section,  
26 members of the association's defined contribution plan shall be  
27 immediately and fully vested in their own contributions to the plan,

1 together with accumulated investment gains or losses. Members shall be  
2 immediately vested in fifty percent of the employer's contribution to the  
3 DEFINED CONTRIBUTION plan, together with accumulated investment gains  
4 or losses on that vested portion. For each full year of membership in the  
5 defined contribution plan, the vesting percentage shall increase by ten  
6 percent. The vesting percentage in the employer's contribution, with  
7 accumulated earnings or losses, shall be one hundred percent for all  
8 members with five or more years of membership in the defined  
9 contribution plan. If an individual becomes a member of the defined  
10 contribution plan without an existing account balance or after a  
11 twelve-month break in service, the individual shall begin a new vesting  
12 schedule with regard to future employer contributions in accordance with  
13 this subsection (3).

14 **SECTION 26.** In Colorado Revised Statutes, 24-51-1702, **amend**  
15 (17) as follows:

16 **24-51-1702. Definitions.** As used in this part 17, unless the  
17 context otherwise requires:

18 (17) "Highest average salary" means the average monthly  
19 compensation of the thirty-six months of accredited service having the  
20 highest rates, multiplied by twelve, or the "career average salary",  
21 whichever is greater, and shall be applied to benefits, except for benefits  
22 under sections 24-51-1727 to 24-51-1731, attributable to retirement or  
23 death on or after July 1, 1994. For benefits under sections 24-51-1727 to  
24 24-51-1731, "highest average salary" applies to cases where termination  
25 of service occurs on or after July 1, 1994. This subsection (17) shall apply  
26 only to DPS members eligible for a retirement benefit as of January 1,  
27 2011. For DPS members not eligible for a retirement benefit as of January

1 1, 2011, the definition of "highest average salary" specified in ~~section~~  
2 ~~24-51-101 (25)(b)(V)~~ SECTION 24-51-101 (25)(b)(V) AND (25)(b)(VI),  
3 shall apply.

4

5 **SECTION 27.** In Colorado Revised Statutes, **add with amended**  
6 **and relocated provisions** article 51.5 to title 24 as follows:

7

**ARTICLE 51.1**

8

**Pension Review Commission**

9

**24-51.1-101. [Formerly 31-31-1001.] Pension review**

10 **commission.** (1) (a) There is hereby created the ~~police officers' and~~  
11 ~~firefighters' pension reform~~ REVIEW commission, to REFERRED TO IN THIS  
12 SECTION AS THE "COMMISSION". BEGINNING IN THE FIRST REGULAR  
13 SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY, THE COMMISSION  
14 SHALL be comprised of five senators, THREE OF WHOM ARE appointed by  
15 the president of the senate AND TWO OF WHOM ARE APPOINTED BY THE  
16 MINORITY LEADER OF THE SENATE, and ~~ten~~ FIVE representatives, THREE OF  
17 WHOM ARE appointed by the speaker of the house of representatives ~~The~~  
18 ~~party representation shall be in proportion generally to the relative~~  
19 ~~number of members of the two major political parties in each chamber~~  
20 AND TWO OF WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE  
21 HOUSE OF REPRESENTATIVES. The chair shall be designated by the speaker  
22 of the house of representatives in odd-numbered years and by the  
23 president of the senate in even-numbered years. The vice-chair shall be  
24 appointed by the speaker of the house of representatives in  
25 even-numbered years and by the president of the senate in odd-numbered  
26 years. Members of the commission shall receive the same per diem  
27 allowance authorized for other members of the general assembly serving

1 on interim study committees and actual expenses for participation in  
2 meetings of the commission. Staff services for the commission AND THE  
3 PENSION REVIEW SUBCOMMITTEE CREATED PURSUANT TO SUBSECTION (3)  
4 OF THIS SECTION shall be furnished by the state auditor's office, the  
5 legislative council, and the office of legislative legal services. The state  
6 auditor, with the approval of the commission, may contract for services  
7 deemed necessary for the implementation of this ~~part 10~~ ARTICLE 51.1.

8 (b) ~~The terms of the members appointed by the speaker of the~~  
9 ~~house of representatives and the president of the senate and who are~~  
10 ~~serving on March 22, 2007, shall be extended to and expire on or shall~~  
11 ~~terminate on the convening date of the first regular session of the~~  
12 ~~sixty-seventh general assembly. As soon as practicable after such~~  
13 ~~convening date, the speaker and the president shall appoint or reappoint~~  
14 ~~members in the same manner as provided in paragraph (a) of this~~  
15 ~~subsection (1). Thereafter, The terms of members appointed or~~  
16 ~~reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF~~  
17 ~~REPRESENTATIVES , the president, AND THE MINORITY LEADER OF THE~~  
18 ~~SENATE shall expire on the convening date of the first regular session of~~  
19 ~~each general assembly, and all subsequent appointments and~~  
20 ~~reappointments by the speaker and the president shall be made as soon as~~  
21 ~~practicable after such convening date. The person making the original~~  
22 ~~appointment or reappointment shall fill any vacancy by appointment for~~  
23 ~~the remainder of an unexpired term. Members appointed or reappointed~~  
24 ~~by the speaker, and THE MINORITY LEADER OF THE HOUSE OF~~  
25 ~~REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE~~  
26 ~~SENATE shall serve at the pleasure of the appointing authority and shall~~  
27 ~~continue in office until the member's successor is appointed.~~

1           (2) The commission shall study and develop proposed legislation  
2 relating to funding of police officers' and firefighters' pensions in this  
3 state and benefit designs of such pension plans. IN ADDITION, THE  
4 COMMISSION SHALL STUDY AND DEVELOP PROPOSED LEGISLATION  
5 RELATING TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION. The  
6 commission study OF POLICE OFFICERS' AND FIREFIGHTERS' PENSIONS AND  
7 OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION shall include a  
8 review of, and the proposed legislation may include, among other  
9 subjects, the following, AS APPLICABLE:

- 10           (a) Normal retirement age; ~~and compulsory retirement;~~
- 11           (b) Payment of benefits prior to normal retirement age;
- 12           (c) Service requirements for eligibility;
- 13           (d) Rate of accrual of benefits;
- 14           (e) Disability benefits;
- 15           (f) Survivors' benefits;
- 16           (g) Vesting of benefits;
- 17           (h) Employee AND EMPLOYER contributions;
- 18           (i) Postretirement increases;
- 19           (j) Creation of an administrative board;
- 20           (k) Creation of a consolidated statewide system;
- 21           ~~(l) Distribution of state funds;~~
- 22           ~~(m)~~ (l) Coordination of benefits with other programs;
- 23           ~~(n)~~ (m) The volunteer firefighter pension system;
- 24           ~~(o)~~ (n) The provisions of this article and article 30.5 of this title  
25 ARTICLES 30, 30.5, AND 31 OF TITLE 31; AND
- 26           (o) THE PROVISIONS OF ARTICLE 51 OF THIS TITLE 24.
- 27           ~~(3) Repealed.~~



1           (3) (a) THERE IS HEREBY CREATED THE PENSION REVIEW  
2 SUBCOMMITTEE. THE SUBCOMMITTEE SHALL CONSIST OF FOURTEEN  
3 MEMBERS APPOINTED AS FOLLOWS:

4           (I) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE  
5 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF  
6 THE SENATE, AND THE MINORITY LEADER OF THE SENATE SHALL EACH  
7 APPOINT ONE LEGISLATOR WHO HE OR SHE HAS APPOINTED TO SERVE ON  
8 THE PENSION REFORM COMMISSION TO ALSO SERVE ON THE  
9 SUBCOMMITTEE;

10          (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE  
11 PRESIDENT OF THE SENATE SHALL BOTH APPOINT TWO PEOPLE FROM THE  
12 COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT  
13 MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND  
14 BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,  
15 OR ACTUARIAL ANALYSIS;

16          (III) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES  
17 AND THE MINORITY LEADER OF THE SENATE SHALL BOTH APPOINT TWO  
18 PEOPLE FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF  
19 INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE,  
20 COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING,  
21 PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS;

22          (IV) THE GOVERNOR SHALL APPOINT ONE PERSON FROM THE  
23 COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT  
24 MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND  
25 BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,  
26 OR ACTUARIAL ANALYSIS; AND

27          (V) THE STATE TREASURER SHALL APPOINT ONE PERSON FROM THE

1 COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT  
2 MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND  
3 BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,  
4 OR ACTUARIAL ANALYSIS.

5 (b) THE CHAIR OF THE SUBCOMMITTEE SHALL BE DESIGNATED BY  
6 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN ODD-NUMBERED  
7 YEARS AND BY THE PRESIDENT OF THE SENATE IN EVEN-NUMBERED YEARS.  
8 THE VICE-CHAIR OF THE SUBCOMMITTEE SHALL BE APPOINTED BY THE  
9 SPEAKER OF THE HOUSE OF REPRESENTATIVES IN EVEN-NUMBERED YEARS  
10 AND BY THE PRESIDENT OF THE SENATE IN ODD-NUMBERED YEARS. THE  
11 CHAIR AND VICE-CHAIR SHALL BE DESIGNATED FROM THE LEGISLATIVE  
12 MEMBERS OF THE SUBCOMMITTEE.

13 (c) THE NONLEGISLATIVE MEMBERS OF THE SUBCOMMITTEE SHALL  
14 SERVE WITHOUT COMPENSATION FROM THE GENERAL ASSEMBLY.

15 (4) (a) THE SUBCOMMITTEE SHALL REVIEW THE ITEMS SPECIFIED  
16 IN SUBSECTION (2) OF THIS SECTION AS THEY RELATE TO THE PUBLIC  
17 EMPLOYEES' RETIREMENT ASSOCIATION, AS APPLICABLE. IN ADDITION, THE  
18 SUBCOMMITTEE SHALL:

19 (I) STUDY THE PROVISIONS OF ARTICLE 51 OF THIS TITLE 24 AND  
20 MAKE NECESSARY RECOMMENDATIONS TO THE COMMISSION OR THE  
21 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

22 (II) DETERMINE THE NECESSITY OF CONTINUING THE DIRECT  
23 DISTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION  
24 PURSUANT TO SECTION 24-51-414;

25 (III) SUGGEST TO THE PUBLIC EMPLOYEES' RETIREMENT  
26 ASSOCIATION ENHANCEMENTS THAT THE ASSOCIATION COULD MAKE TO  
27 THE ANNUAL ANALYSIS THAT IT CONDUCTS PURSUANT TO SENATE BILL

1 14-214, ENACTED IN 2014, TO DETERMINE WHETHER THE ASSOCIATION'S  
2 MODEL ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING  
3 SUSTAINABILITY;

4

5 (IV) REVIEW THE ANNUAL ACTUARIAL VALUATION OF THE PUBLIC  
6 EMPLOYEES' RETIREMENT ASSOCIATION AND MAKE COMMENTS AS  
7 NECESSARY TO THE ASSOCIATION REGARDING THE ACTUARIAL  
8 VALUATION; AND

9 (V) MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES OF  
10 THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION REGARDING  
11 ASSUMPTIONS, FUNDING POLICY, REPORTING PRACTICES, OR OTHER  
12 OPERATIONAL POLICY.

13 (b) REVIEW SEMI-ANNUALLY THE OVERALL FINANCIAL HEALTH OF  
14 THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, INCLUDING THE  
15 LEVELS OF BENEFITS, ITS SOURCES OF FUNDING, AND ITS OVERALL  
16 FINANCIAL VIABILITY BASED ON BOTH THE ASSUMPTIONS OF THE  
17 ASSOCIATION BOARD OF DIRECTORS AND THE REQUIREMENTS OF THE  
18 GOVERNMENTAL ACCOUNTING STANDARDS BOARD. THE SUBCOMMITTEE  
19 MAY REQUEST THAT THE ASSOCIATION PROVIDE GENERAL FINANCIAL  
20 REPORTING BASED ON ASSUMPTIONS FOR ECONOMIC AND INVESTMENT  
21 FACTORS, INCLUDING, BUT NOT LIMITED TO, INFLATION, ECONOMIC  
22 GROWTH, EMPLOYMENT GROWTH, AND RATE OF RETURN, THAT DIFFER  
23 FROM BOARD ASSUMPTIONS. IF THE SUBCOMMITTEE DETERMINES THAT  
24 THE ASSOCIATION'S BOARD OF DIRECTORS IS USING ASSUMPTIONS THAT  
25 ARE TOO CONSERVATIVE OR TOO AGGRESSIVE, THE SUBCOMMITTEE SHALL  
26 REQUEST THAT THE ASSOCIATION ADJUST ITS ASSUMPTIONS ACCORDINGLY.

27 (c) REVIEW ANNUALLY THE CALCULATED NORMAL COSTS THAT

1 WILL COVER CURRENT PENSION BENEFITS AND THE SHARE OF  
2 CONTRIBUTIONS GOING TO COVER THE UNFUNDED LIABILITY OF THE  
3 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

4 (d) REVIEW SEMI-ANNUALLY THE PLANNED REDUCTION OF THE  
5 UNFUNDED LIABILITY OF THE PUBLIC EMPLOYEES' RETIREMENT  
6 ASSOCIATION. IF FULL FUNDING WILL NOT BE ACHIEVED BY 2048, THE  
7 SUBCOMMITTEE SHALL MAKE ADDITIONAL RECOMMENDATIONS TO THE  
8 COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL  
9 ASSEMBLY TO ACHIEVE FULL FUNDING BY 2048. IF, UPON THAT REVIEW,  
10 THE SUBCOMMITTEE DETERMINES THAT THE ASSOCIATION DOES NOT HAVE  
11 AT LEAST A SIXTY-SEVEN PERCENT LIKELIHOOD OF ACHIEVING FULL  
12 FUNDING BY 2048, THEN THE ASSOCIATION SHALL PROVIDE  
13 RECOMMENDATIONS TO THE SUBCOMMITTEE FOR POLICY CHANGES THAT  
14 WOULD RETURN THE ASSOCIATION TO FULLY FUNDED STATUS BY 2048.  
15 NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE SUBCOMMITTEE  
16 SHALL ANNUALLY REPORT TO THE GENERAL ASSEMBLY REGARDING  
17 WHETHER OR NOT THE ASSOCIATION IS ON TRACK TO ACHIEVE FULL  
18 FUNDING BY 2048 AND IF NOT, THE CORRECTIVE ACTIONS RECOMMENDED  
19 BY THE SUBCOMMITTEE OR THE ASSOCIATION TO RECTIFY THE SHORTFALL.

20 (e) ANNUALLY REPORT IN WRITING TO THE CITIZENS OF COLORADO  
21 REGARDING WHETHER OR NOT THE PUBLIC EMPLOYEES' RETIREMENT  
22 ASSOCIATION IS ON TRACK TO ACHIEVE FULL FUNDING BY 2048 AND IF  
23 NOT, THE CORRECTIVE ACTIONS RECOMMENDED BY THE SUBCOMMITTEE  
24 OR THE ASSOCIATION TO THE GENERAL ASSEMBLY TO RECTIFY THE  
25 SHORTFALL. SUCH COMMUNICATION SHALL BE MADE IN A MANNER THAT  
26 IS CLEAR, CONCISE, AND ACCESSIBLE TO LAYPEOPLE. THIS  
27 COMMUNICATION SHALL QUANTIFY THE NET PRESENT VALUE OF ANY

1 FUNDING DEFICIT ON A PER CITIZEN BASIS. FOR EXAMPLE, FIFTY BILLION  
2 DOLLARS ON FIVE MILLION FIVE HUNDRED THOUSAND PEOPLE EQUALS NINE  
3 THOUSAND NINETY DOLLARS PER PERSON. THE CERTIFIED ANNUAL  
4 FINANCIAL REPORT SHALL NOT SERVE AS THIS COMMUNICATION.

5 (f) AFTER FULL FUNDING IS ACHIEVED, MAKE RECOMMENDATIONS  
6 TO THE COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL  
7 ASSEMBLY DURING EACH LEGISLATIVE SESSION REGARDING CHANGES TO  
8 THE PLAN TO MAINTAIN FULL FUNDING;

9 (g) ENSURE THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION  
10 BOARD IS ADMINISTERING THE ASSOCIATION AS MANDATED AND MAKE  
11 RECOMMENDATIONS FOR THE ASSOCIATION BOARD STRUCTURE AS  
12 WARRANTED; AND

13 (h) EVERY THREE YEARS, COMMISSION AN INDEPENDENT REVIEW  
14 OF THE ECONOMIC AND INVESTMENT ASSUMPTIONS USED TO MODEL THE  
15 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION FINANCIAL SITUATION. THE  
16 SUBCOMMITTEE SHALL USE EXPERTS OTHER THAN THOSE ALREADY  
17 WORKING ON BEHALF OF THE ASSOCIATION.

18 (5) EACH MEMBER OF THE SUBCOMMITTEE SHALL BE REQUIRED TO:

19 (a) ATTEND AT LEAST ONE MEETING PER YEAR OF THE BOARD OF  
20 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

21 (b) ATTEND THE HEARING OF THE LEGISLATIVE AUDIT COMMITTEE  
22 WHEN THE COMMITTEE REVIEWS THE ANNUAL ACTUARIAL VALUATION  
23 THAT THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IS REQUIRED TO  
24 SUBMIT TO THE LEGISLATIVE AUDIT COMMITTEE PURSUANT TO SECTION  
25 24-51-204 (7); AND

26 (c) ATTEND THE "STATE MEASUREMENT FOR ACCOUNTABLE,  
27 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING

1 OF THE JOINT FINANCE COMMITTEE PURSUANT TO PART 2 OF ARTICLE 7 OF  
2 TITLE 2 WHEN THE JOINT FINANCE COMMITTEE REVIEWS THE PUBLIC  
3 EMPLOYEES' RETIREMENT ASSOCIATION.

4 **SECTION 28.** In Colorado Revised Statutes, 31-30.5-302, **amend**  
5 (1) as follows:

6 **31-30.5-302. Definitions.** As used in this part 3, unless the  
7 context otherwise requires:

8 (1) "Commission" means the ~~police officers' and firefighters'~~  
9 pension ~~reform~~ REVIEW commission established pursuant to ~~section~~  
10 ~~31-31-1001~~ SECTION 24-51.1-101.

11 **SECTION 29. Repeal of provisions being relocated in this act.**  
12 In Colorado Revised Statutes, **repeal** 31-31-1001.

13 **SECTION 30.** In Colorado Revised Statutes, **repeal** 31-31-1002.

14 **SECTION 31. Appropriation.** For the 2018-19 state fiscal year,  
15 \$200,000 is appropriated to the legislative department for use by the  
16 legislative council. This appropriation is from the general fund. To  
17 implement this act, the legislative council may use this appropriation for  
18 independent review of PERA assumptions pursuant to section  
19 24-51.5-102 (3)(h), C.R.S.

20 **SECTION 32. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.