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HOUSE BILL 22-1034

BY REPRESENTATIVE(S) Bird and Sandridge, Exum, Sirota, Van Winkle, Bennett, Boesenecker, Duran, Esgar, Froelich, Gonzales-Gutierrez, Gray, Hooton, Jodeh, Kipp, Lindsay, Lontine, McCluskie, Mullica, Snyder, Sullivan, Titone, Valdez D., Will, Young; also SENATOR(S) Bridges and Priola, Kolker, Buckner, Coleman, Cooke, Gardner, Ginal, Gonzales, Hansen, Hinrichsen, Hisey, Holbert, Jaquez Lewis, Kirkmeyer, Lee, Liston, Lundeen, Rankin, Scott, Smallwood, Sonnenberg, Story, Winter, Woodward, Zenzinger, Fenberg.

CONCERNING THE ADMINISTRATION OF RETIREMENT PLANS ADMINISTERED BY THE FIRE AND POLICE PENSION ASSOCIATION, AND, IN CONNECTION THEREWITH, MERGING THE STATEWIDE DEFINED BENEFIT PLAN, THE STATEWIDE HYBRID PLAN, AND THE SOCIAL SECURITY SUPPLEMENTAL PLAN INTO A SINGLE NEW STATEWIDE RETIREMENT PLAN.

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

SECTION 1. In Colorado Revised Statutes, **add** article 31.5 to title 31 as follows:

ARTICLE 31.5
Fire and Police Pension Association of Colorado

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

Statewide Retirement Plan

PART 1 ESTABLISHMENT AND ADMINISTRATION

31-31.5-101. Establishment of the statewide retirement plan - definitions. (1) THE STATEWIDE RETIREMENT PLAN IS HEREBY ESTABLISHED TO PROVIDE DEFINED BENEFIT AND MONEY PURCHASE RETIREMENT BENEFITS TO MEMBERS OF EMPLOYERS AFFILIATED WITH THE PLAN. INITIAL EMPLOYERS AFFILIATED WITH THE PLAN INCLUDE THOSE DEPARTMENTS THAT PARTICIPATED IN THE STATEWIDE DEFINED BENEFIT PLAN ESTABLISHED PURSUANT TO PART 4 OF ARTICLE 31 OF THIS TITLE 31, THE STATEWIDE HYBRID PLAN ESTABLISHED PURSUANT TO PART 11 OF ARTICLE 31 OF THIS TITLE 31, AND THE SOCIAL SECURITY SUPPLEMENTAL PLAN ESTABLISHED PURSUANT TO PART 7 OF ARTICLE 31 OF THIS TITLE 31 AS SUCH PLANS EXISTED BEFORE THEIR MERGER INTO THE STATEWIDE RETIREMENT PLAN PURSUANT TO _____ BILL 22-_____, ENACTED IN 2022.

(2) THE BOARD IS THE TRUSTEE OF THE STATEWIDE RETIREMENT PLAN, AND HAS THOSE FIDUCIARY DUTIES TO THE PLAN AND THE MEMBERS OF THE PLAN AS EXPRESSLY PROVIDED BY LAW.

(3) THE BOARD, AS A FIDUCIARY, MAY DELEGATE ONE OR MORE OF ITS RESPONSIBILITIES UNDER THIS ARTICLE 31.5 BUT SHALL MAINTAIN ITS RESPONSIBILITY FOR OVERSIGHT OF THE DELEGATION.

(4) (a) THE STATEWIDE RETIREMENT PLAN IS INTENDED TO COMPLY WITH THE QUALIFICATION REQUIREMENTS SPECIFIED IN SECTION 401(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED AND APPLICABLE TO GOVERNMENTAL PLANS, AS DEFINED IN SECTION 414(d) OF SAID CODE.

(b) THE BOARD MAY ADOPT ANY PROVISION FOR THE PLAN THAT IS NECESSARY OR IN THE BOARD'S JUDGMENT PRUDENT TO COMPLY WITH STATE OR FEDERAL LAW.

(5) AS USED IN THIS ARTICLE 31.5, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ACTUARIALLY SOUND" MEANS A POLICE OFFICERS' OR FIREFIGHTERS' PENSION FUND DETERMINED BY THE BOARD TO BE RECEIVING

OR SCHEDULED TO RECEIVE EMPLOYER AND MEMBER CONTRIBUTIONS IN EACH FISCAL YEAR EQUAL TO THE ANNUAL CONTRIBUTIONS ACTUARIALLY DETERMINED TO BE NECESSARY TO PAY THE ANNUAL CURRENT SERVICE COST OF PENSION BENEFITS ATTRIBUTABLE TO ACTIVE EMPLOYEES AND TO PAY THE ANNUAL CONTRIBUTION NECESSARY TO AMORTIZE ANY UNFUNDED ACCRUED LIABILITY OVER A PERIOD NOT TO EXCEED FORTY YEARS. THE ACTUARIAL COST METHOD TO BE UTILIZED SHALL BE THE ENTRY AGE-NORMAL COST METHOD. THE DATE FROM WHICH UNFUNDED LIABILITIES SHALL BE AMORTIZED SHALL BE DETERMINED PURSUANT TO PART 3 OF ARTICLE 30.5 OF THIS TITLE 31.

(b) "ASSOCIATION" MEANS THE FIRE AND POLICE PENSION ASSOCIATION CREATED IN SECTION 31-31-201 (1).

(c) "BOARD" MEANS THE BOARD OF DIRECTORS ESTABLISHED AS THE GOVERNING BODY OF THE FIRE AND POLICE PENSION ASSOCIATION AS PROVIDED IN SECTION 31-31-201 (2).

(d) "EMPLOYER" MEANS ANY MUNICIPALITY IN THIS STATE OFFERING POLICE OR FIRE PROTECTION SERVICE EMPLOYING ONE OR MORE MEMBERS AND ANY SPECIAL DISTRICT, FIRE AUTHORITY, OR COUNTY IMPROVEMENT DISTRICT IN THIS STATE OFFERING FIRE PROTECTION SERVICE EMPLOYING ONE OR MORE MEMBERS.

(e) "LIFETIME BENEFIT COMPONENTS" MEANS THE DEFINED BENEFIT COMPONENT, THE SOCIAL SECURITY COMPONENT, AND THE HYBRID COMPONENT, AS DESCRIBED IN THIS ARTICLE 31.5, COLLECTIVELY.

(f) "MEMBER" MEANS AN ACTIVE EMPLOYEE WHO IS A FULL-TIME SALARIED EMPLOYEE OF A MUNICIPALITY, FIRE PROTECTION DISTRICT, FIRE AUTHORITY, OR COUNTY IMPROVEMENT DISTRICT NORMALLY SERVING AT LEAST ONE THOUSAND SIX HUNDRED HOURS IN ANY CALENDAR YEAR AND WHOSE DUTIES ARE DIRECTLY INVOLVED WITH THE PROVISION OF POLICE OR FIRE PROTECTION, AS CERTIFIED BY THE MEMBER'S EMPLOYER. "MEMBER" ALSO INCLUDES AN ACTIVE EMPLOYEE WHO WORKS LESS THAN SIXTEEN HUNDRED HOURS PER YEAR BUT OTHERWISE QUALIFIES AS A MEMBER AND WHOSE EMPLOYER ELECTS TO TREAT ALL SUCH OTHER SIMILAR EMPLOYEES AS MEMBERS. THE TERM DOES NOT INCLUDE CLERICAL OR OTHER PERSONNEL WHOSE SERVICES ARE AUXILIARY TO POLICE PROTECTION, OR ANY VOLUNTEER FIREFIGHTER, AS SUCH TERM IS DEFINED IN SECTION 31-30-1102

(9). FOR THE PURPOSE OF PARTICIPATION IN THE STATEWIDE DEFINED BENEFIT PLAN PURSUANT TO PART 4 OF THIS ARTICLE OR THE STATEWIDE MONEY PURCHASE PLAN PURSUANT TO PART 5 OF THIS ARTICLE 31.5, BUT NOT FOR THE PURPOSE OF PARTICIPATION IN THE STATEWIDE DEATH AND DISABILITY PLAN PURSUANT TO PART 8 OF THIS ARTICLE 31.5, THE TERM MAY INCLUDE CLERICAL OR OTHER PERSONNEL EMPLOYED BY A FIRE PROTECTION DISTRICT, FIRE AUTHORITY, OR COUNTY IMPROVEMENT DISTRICT, WHOSE SERVICES ARE AUXILIARY TO FIRE PROTECTION. FOR THE PURPOSE OF ELIGIBILITY FOR DISABILITY OR SURVIVOR BENEFITS, "MEMBER" INCLUDES ANY EMPLOYEE ON AN AUTHORIZED LEAVE OF ABSENCE.

(g) "MONEY PURCHASE PLAN" OR "MONEY PURCHASE PENSION PLAN" MEANS A RETIREMENT PLAN UNDER WHICH:

(I) THE EMPLOYER HAS A FIXED OBLIGATION TO MAKE AN ANNUAL CONTRIBUTION TO THE PLAN;

(II) AN INDIVIDUAL ACCOUNT FOR EACH MEMBER IS PROVIDED; AND

(III) THE MEMBER'S BENEFITS ARE BASED SOLELY ON THE AMOUNT CONTRIBUTED TO THE MEMBER'S ACCOUNT AND ANY INCOME, EXPENSES, GAINS, AND LOSSES ALLOCATED TO THE MEMBER'S ACCOUNT.

(h) "PREDECESSOR PLANS" MEANS THE STATEWIDE DEFINED BENEFIT PLAN FORMERLY GOVERNED BY PART 4 OF ARTICLE 31 OF THIS TITLE 31, THE STATEWIDE HYBRID PLAN FORMERLY GOVERNED BY PART 11 OF ARTICLE 31 OF THIS TITLE 31, AND THE SOCIAL SECURITY SUPPLEMENTAL PLAN FORMERLY GOVERNED BY PART 7 OF ARTICLE 31 OF THIS TITLE 31.

(g) "RETIRED MEMBER" MEANS ANY MEMBER WHO IS RETIRED, DISABLED, OR ELIGIBLE FOR A BENEFIT AS PROVIDED IN SECTION 31-31-404 (2).

31-31.5-102. Administration of the plan. (1) (a) CONTRIBUTIONS AND EARNINGS TO ALL COMPONENTS OF THE STATEWIDE RETIREMENT PLAN SHALL BE HELD IN TRUST AS PART OF THE DEFINED BENEFIT SYSTEM TRUST FUND.

(b) THERE IS HEREBY ESTABLISHED IN THE DEFINED BENEFIT SYSTEM TRUST FUND, A LIFETIME BENEFITS ACCOUNT INTO WHICH CONTRIBUTIONS

MADE PURSUANT TO SECTIONS 31-31.5-301, 31-31.5-302, AND 31-31.5-303 MUST BE DEPOSITED. THE DEFINED BENEFITS OF THE LIFETIME BENEFIT COMPONENTS, INCLUDING COST OF LIVING ADJUSTMENTS PROVIDED BY THE PLAN PURSUANT TO PART 4 OF THIS ARTICLE 31.5, TOGETHER WITH THE EXPENSES OF ADMINISTERING THE LIFETIME BENEFIT COMPONENTS OF THE PLAN, SHALL BE PAID FROM THE ACCOUNT. THE LIFETIME BENEFITS ACCOUNT SHALL BE INVESTED WITHIN THE FIRE AND POLICE MEMBERS' BENEFIT INVESTMENT FUND.

(c) THERE IS ESTABLISHED IN THE DEFINED BENEFIT SYSTEM TRUST FUND, A MONEY PURCHASE ACCOUNT INTO WHICH CONTRIBUTIONS MADE PURSUANT TO SECTION 31-31.5-304 MUST BE DEPOSITED AND ASSIGNED TO INDIVIDUAL ACCOUNTS AND ADMINISTERED PURSUANT TO PART 5 OF THIS ARTICLE 31.5. THE BOARD MAY CREATE SUBACCOUNTS WITHIN THE ACCOUNT TO ADEQUATELY TRACK THE VESTING AND THE SOURCE OF MONEY DEPOSITED INTO THE ACCOUNT ON BEHALF OF EACH MEMBER. THE MONEY PURCHASE COMPONENT ACCOUNT MUST BE INVESTED WITHIN THE FIRE AND POLICE MEMBERS' SELF-DIRECTED INVESTMENT FUND.

(d) THE BOARD SHALL KEEP AN ACCURATE ACCOUNT OF THE ASSETS AND LIABILITIES OF THE LIFETIME BENEFITS ACCOUNT AND THE MONEY PURCHASE COMPONENT ACCOUNT.

(2) THE BOARD MAY ADOPT BY RULE SUCH MATTERS AS MAY BE NECESSARY TO CODIFY THE BOARD'S INTERPRETATION, ADMINISTRATION, AND MANAGEMENT OF THE STATEWIDE RETIREMENT PLAN.

(3) THE BOARD MAY PROVIDE FOR THE ADMINISTRATION OF DOMESTIC RELATIONS ORDERS ISSUED PURSUANT TO ARTICLE 10 OF TITLE 14 WITH REGARD TO THE PLAN OR ITS PREDECESSOR PLANS.

PART 2 MEMBER PARTICIPATION

31-31.5-201. Membership. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 31.5 OR ARTICLE 31 OF THIS TITLE 31, A MEMBER WHOSE EMPLOYER IS AFFILIATED WITH A COMPONENT OF THE STATEWIDE RETIREMENT PLAN SHALL PARTICIPATE IN THE STATEWIDE RETIREMENT PLAN ON THE FIRST DAY OF EMPLOYMENT IF THE EMPLOYER WITHHOLDS MEMBER CONTRIBUTIONS ON BEHALF OF THE MEMBER AND THE APPLICABLE FORMS

ARE COMPLETED AND SUBMITTED TO THE ASSOCIATION.

31-31.5-202. Reentering and affiliating employers. (1) MEMBERS OF EMPLOYERS WHO REENTER OR AFFILIATE PURSUANT TO PART 7 OR PART 11 OF ARTICLE 31 OF THIS TITLE 31 SHALL PARTICIPATE IN THE STATEWIDE RETIREMENT PLAN BEGINNING ON THE EMPLOYER'S EFFECTIVE DATE PURSUANT TO RULES ADOPTED BY THE BOARD.

(2) MEMBERS COVERED BY SUBSECTION (1) OF THIS SECTION MAY ELECT A TRUSTEE-TO-TRUSTEE TRANSFER IN ORDER TO TRANSFER ASSETS FROM THE PREDECESSOR MONEY PURCHASE PLAN TO THE MEMBER'S INDIVIDUAL ACCOUNT ESTABLISHED PURSUANT TO PART 5 OF THIS ARTICLE 31.5.

(3) AN ACTIVE MEMBER WHO IS REQUIRED TO TRANSFER MONEY PURCHASE ASSETS TO THE STATEWIDE RETIREMENT PLAN MAY ALSO ELECT TO CONVERT THE VESTED PROCEEDS FROM THE PREDECESSOR MONEY PURCHASE PLAN INTO SERVICE CREDIT TOWARDS THE ACCRUAL OF BENEFITS UNDER THE LIFETIME BENEFIT COMPONENTS AS MAY BE ALLOWED PURSUANT TO THE BOARD'S RULES.

31-31.5-203. Department chief - exemption by written agreement - definition. (1) A DEPARTMENT CHIEF HIRED ON OR AFTER APRIL 8, 1978, IS EXEMPT FROM THE STATEWIDE RETIREMENT PLAN UPON THE EXECUTION OF A WRITTEN AGREEMENT BETWEEN THE DEPARTMENT CHIEF AND THE CHIEF'S EMPLOYER THAT PROVIDES FOR THE DEPARTMENT CHIEF'S PARTICIPATION IN SOCIAL SECURITY OR IN A FEDERAL INSURANCE CONTRIBUTION ACT REPLACEMENT PLAN AS ALLOWED UNDER RULES ESTABLISHED BY THE BOARD AND IN COMPLIANCE WITH THE FEDERAL "INTERNAL REVENUE CODE OF 1986". A DEPARTMENT CHIEF MAY SATISFY THE FEDERAL INSURANCE CONTRIBUTION ACT REPLACEMENT PLAN REQUIREMENT BY PARTICIPATING IN AN EMPLOYER SPONSORED PLAN, THE STATEWIDE MONEY PURCHASE PLAN, OR A COMPONENT OF THE STATEWIDE RETIREMENT PLAN.

(2) AS USED IN THIS SECTION, "DEPARTMENT CHIEF" MEANS THE SENIOR COMMAND OFFICER OF ANY FIRE OR POLICE DEPARTMENT OF ANY EMPLOYER BY WHATEVER TITLE KNOWN INCLUDING BUT NOT LIMITED TO CHIEF, ADMINISTRATOR, OR DIRECTOR.

(3) A DEPARTMENT CHIEF EXEMPTED PURSUANT TO SUBSECTION (1) OF THIS SECTION MAY MAINTAIN COVERAGE FOR DISABILITY AND SURVIVOR BENEFITS UNDER PART 8 OF THIS ARTICLE IF THE DEPARTMENT CHIEF PARTICIPATES IN THE STATEWIDE MONEY PURCHASE PLAN, THE STATEWIDE RETIREMENT PLAN, OR A LOCAL MONEY PURCHASE PLAN THAT IS QUALIFIED UNDER SECTION 401(a) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986" AND THAT HAS A CONTRIBUTION RATE OF NOT LESS THAN EIGHTEEN PERCENT.

31-31.5-204. Reemployment. (1) AN INACTIVE MEMBER WHO IS SUBSEQUENTLY REEMPLOYED SHALL PARTICIPATE IN THE PLAN IN THE MANNER PRESCRIBED BY RULES ADOPTED BY THE BOARD.

(2)(a) THE BOARD SHALL ADOPT RULES REGARDING THE TREATMENT OF A MEMBER WHO PARTICIPATES IN THE STATEWIDE RETIREMENT PLAN, INCURS A BONA FIDE SEPARATION FROM SERVICE, ELECTS A RETIREMENT, AND SUBSEQUENTLY RETURNS TO WORK WITH AN EMPLOYER WHO PARTICIPATES IN THE STATEWIDE RETIREMENT PLAN IN CONFORMANCE WITH THE FEDERAL INTERNAL REVENUE CODE OF 1986, AS AMENDED.

(b) SUCH RULES MUST INDICATE:

(I) WHETHER THE MEMBER CONTINUES TO RECEIVE BENEFIT DISTRIBUTIONS DURING THE REEMPLOYMENT OR WHETHER THE MEMBER'S BENEFIT DISTRIBUTION CEASES DURING REEMPLOYMENT;

(II) WHETHER THE MEMBER EARNS ADDITIONAL SERVICE CREDIT AS DETERMINED BY THE PLAN IN WHICH THE SUBSEQUENT EMPLOYER PARTICIPATES OR WHETHER THE MEMBER EARNS ADDITIONAL RETIREMENT BENEFITS BY PARTICIPATING IN AN ALTERNATE MONEY PURCHASE PLAN; AND

(III) WHETHER THE BENEFIT DISTRIBUTION, IF CEASED DURING REEMPLOYMENT, RESUMES WHEN THE MEMBER SUBSEQUENTLY SEPARATES FROM SERVICE.

PART 3 CONTRIBUTIONS AND SERVICE CREDIT

31-31.5-301. Defined benefit component minimum contributions.
(1) EVERY MEMBER COVERED UNDER THE DEFINED BENEFIT COMPONENT OF

THE STATEWIDE RETIREMENT PLAN SHALL PAY INTO THE LIFETIME BENEFITS ACCOUNT TWELVE PERCENT OF BASE SALARY PAID OR ANY HIGHER MEMBER CONTRIBUTION RATE ESTABLISHED PURSUANT TO PART 6 OF THIS ARTICLE 31.5. THE PAYMENT SHALL BE MADE BY THE EMPLOYER BY DEDUCTION FROM THE SALARY PAID TO THE MEMBER.

(2)(a) EVERY EMPLOYER EMPLOYING MEMBERS WHO ARE COVERED BY THE DEFINED BENEFIT COMPONENT OF THE STATEWIDE RETIREMENT PLAN SHALL PAY INTO THE LIFETIME BENEFITS ACCOUNT NINE PERCENT OF THE BASE SALARY PAID TO THE MEMBER OR ANY HIGHER EMPLOYER CONTRIBUTION RATE ESTABLISHED PURSUANT TO PART 6 OF THIS ARTICLE 31.5. THE EMPLOYER CONTRIBUTION RATE SHALL INCREASE BY THREE PERCENT TO BE IMPLEMENTED THROUGH SIX ANNUAL INCREASES AS FOLLOWS: BEGINNING IN 2023, AND EACH YEAR THEREAFTER THROUGH 2028, THE EMPLOYER CONTRIBUTION RATE SHALL INCREASE BY AN ADDITIONAL ONE-HALF OF ONE PERCENT OF BASE SALARY UNTIL THE TOTAL EMPLOYER CONTRIBUTION RATE, INCLUDING THE CUMULATIVE CONTRIBUTION RATE INCREASES, IS TWELVE PERCENT OF BASE SALARY.

(b) IN ADDITION TO THE RATE ESTABLISHED IN SUBSECTION (2)(a) OF THIS SECTION, THE EMPLOYER CONTRIBUTION RATE SHALL BE INCREASED BY ONE PERCENT OF BASE SALARY TO BE IMPLEMENTED AS FOLLOWS: BEGINNING IN 2029, AND CONTINUING THROUGH 2030, THE EMPLOYER CONTRIBUTION RATE SHALL INCREASE BY AN ADDITIONAL ONE-HALF OF ONE PERCENT OF BASE SALARY IN EACH YEAR FOR A TOTAL OF A ONE PERCENT INCREASE IN ORDER TO PAY FOR THE COST OF PROVIDING THE OPTION TO RETIRE CONTAINED IN SECTION 31-31.5-401 (2)(b).

(3) AFTER CONSIDERING THE RESULTS OF THE ACTUARIAL VALUATION CONDUCTED PURSUANT TO SECTION 31-31.5-402, IF THE ASSETS OF THE LIFETIME BENEFIT COMPONENTS OF THE PLAN COMBINED WITH PROJECTED CONTRIBUTIONS ARE SUFFICIENT TO FULLY FUND THE BENEFITS PROVIDED FOR IN PART 4 OF THIS ARTICLE 31.5 ON AN ACTUARIALLY SOUND BASIS PLUS THE PROJECTED COST OF LIVING ADJUSTMENTS AS DETERMINED BY THE BOARD, THE BOARD MAY, IN ITS SOLE DISCRETION, ALLOCATE SURPLUS CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT PURSUANT TO SECTION 31-31.5-304. THE BOARD SHALL DESIGNATE WHETHER ANY SUCH ALLOCATION IS AN EMPLOYER CONTRIBUTION OR A MEMBER CONTRIBUTION.

31-31.5-302. Social security component minimum contributions.

(1) THIS COMPONENT COVERS THE MEMBERS OF THOSE EMPLOYERS THAT HAVE ELECTED COVERAGE UNDER THE PLAN PURSUANT TO SECTION 31-31-704.5.

(2) EACH MEMBER SHALL MAKE CONTRIBUTIONS AT ONE-HALF OF THE MEMBER CONTRIBUTION RATE ESTABLISHED FOR THE DEFINED BENEFIT COMPONENT IN SECTION 31-31.5-301 BY DEDUCTION FROM THE SALARY PAID TO THE MEMBER. FOR EACH MEMBER, THE EMPLOYER SHALL PAY ONE-HALF OF THE EMPLOYER CONTRIBUTION RATE ESTABLISHED FOR THE DEFINED BENEFIT COMPONENT IN SECTION 31-31.5-301 INCLUDING ANY ALLOCATION MADE TO THE MONEY PURCHASE COMPONENT MADE PURSUANT TO SECTION 31-31.5-301 (3).

31-31.5-303. Hybrid component minimum contributions.

(1) EVERY EMPLOYER SHALL CONTRIBUTE TO THE LIFETIME BENEFITS ACCOUNT EIGHT PERCENT OF THE BASE SALARY OF THE MEMBER. THE EMPLOYER CONTRIBUTION RATE SHALL INCREASE BY ONE PERCENT OF BASE SALARY TO BE IMPLEMENTED THROUGH EIGHT ANNUAL INCREASES AS FOLLOWS: BEGINNING IN 2023, AND EACH YEAR THEREAFTER THROUGH 2030, THE EMPLOYER CONTRIBUTION RATE SHALL INCREASE BY AN ADDITIONAL ONE-EIGHTH OF ONE PERCENT OF BASE SALARY UNTIL THE TOTAL EMPLOYER CONTRIBUTION RATE, INCLUDING THE CUMULATIVE CONTRIBUTION RATE INCREASES, IS NINE PERCENT OF BASE SALARY.

(2) EVERY MEMBER SHALL CONTRIBUTE TO THE LIFETIME BENEFITS ACCOUNT EIGHT PERCENT OF THE BASE SALARY OF THE MEMBER. THE MEMBER CONTRIBUTION RATE SHALL INCREASE BY ONE PERCENT OF BASE SALARY TO BE IMPLEMENTED THROUGH EIGHT ANNUAL INCREASES AS FOLLOWS: BEGINNING IN 2023, AND EACH YEAR THEREAFTER THROUGH 2030, THE MEMBER CONTRIBUTION RATE SHALL INCREASE BY AN ADDITIONAL ONE-EIGHTH OF ONE PERCENT OF BASE SALARY UNTIL THE TOTAL MEMBER CONTRIBUTION RATE, INCLUDING THE CUMULATIVE CONTRIBUTION RATE INCREASES, IS NINE PERCENT OF BASE SALARY. THE PAYMENT SHALL BE MADE BY THE EMPLOYER BY DEDUCTION FROM THE SALARY PAID TO THE MEMBER.

(3) THE COMBINED MANDATORY CONTRIBUTIONS SHALL BE ALLOCATED BETWEEN THE HYBRID COMPONENT AND THE MONEY PURCHASE COMPONENT AS DETERMINED ANNUALLY BY THE BOARD BASED ON THE

AMOUNT REQUIRED TO FUND THE BENEFIT PROVIDED UNDER THE HYBRID COMPONENT.

31-31.5-304. Money purchase component contributions. (1) FOR MEMBERS WHO ELECTED THE MONEY PURCHASE ONLY OPTION UPON REENTRY INTO A PREDECESSOR PLAN, THE CONTRIBUTION RATE FOR EMPLOYERS AND MEMBERS IS EQUAL TO THE CONTRIBUTION RATES ESTABLISHED IN THE PREDECESSOR PLAN.

(2) CONTRIBUTIONS, INCLUDING SEPARATE RETIREMENT ACCOUNT BALANCES FROM THE PREDECESSOR STATEWIDE DEFINED BENEFIT PLAN ESTABLISHED UNDER PART 4 OF ARTICLE 31 OF THIS TITLE 31, TRANSFERS FROM THE PREDECESSOR STATEWIDE HYBRID PLAN MONEY PURCHASE ACCOUNTS, SURPLUS CONTRIBUTIONS ALLOCATED FROM THE DEFINED BENEFIT COMPONENT CONTRIBUTIONS PURSUANT TO SECTION 31-31.5-301 (3), THE PORTION OF THE MINIMUM CONTRIBUTIONS OF HYBRID COMPONENT ALLOCATED TO THE MONEY PURCHASE COMPONENT PURSUANT TO SECTION 31-31.5-303 (3), INCREASED LOCAL MANDATORY CONTRIBUTIONS PURSUANT TO SECTION 31-31.5-307, AND INCREASED LOCAL VOLUNTARY CONTRIBUTIONS PURSUANT TO SECTION 31-31.5-308 MUST BE DEPOSITED IN THE MONEY PURCHASE COMPONENT.

(3) THE BOARD MAY PROVIDE THROUGH RULES FOR ROLLOVERS OR TRANSFER OF FUNDS FROM OTHER PLANS TO BE DEPOSITED IN THE MONEY PURCHASE COMPONENT SUBJECT TO REQUIREMENTS AND LIMITS ESTABLISHED BY THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

31-31.5-305. Continuing rates of contribution for reentry and affiliating departments. (1) AT THE TIME OF REENTRY OR AFFILIATION, THE BOARD MAY ESTABLISH A CONTINUING RATE OF CONTRIBUTION FOR DEPARTMENTS REENTERING OR AFFILIATING WITH THE STATEWIDE RETIREMENT PLAN IN ADDITION TO THE EMPLOYER AND MEMBER CONTRIBUTIONS OTHERWISE REQUIRED BY THIS PART 3 IN ORDER TO MAINTAIN THE ACTUARIAL SOUNDNESS OF THE PLAN AND THE PLAN FOR DISABILITY AND SURVIVORS BENEFITS PROVIDED FOR IN PART 8 OF ARTICLE 31 OF THIS TITLE 31.

(2) IT SHALL BE LOCALLY DECIDED DURING THE AFFILIATION PROCESS WHETHER THE CONTINUING RATE OF CONTRIBUTION SHALL BE

MADE BY THE MEMBER OR THE EMPLOYER OR SPLIT EQUALLY BETWEEN THE MEMBER AND THE EMPLOYER.

31-31.5-306. Picked-up contributions. EACH EMPLOYER SHALL PICK UP THE MANDATORY EMPLOYEE CONTRIBUTIONS REQUIRED UNDER THIS PART 3, TO THE EXTENT ALLOWED BY THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND THE CONTRIBUTIONS PICKED UP SHALL BE TREATED AS EMPLOYER CONTRIBUTIONS PURSUANT TO SECTION 414(h)(2) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, IN DETERMINING THEIR INCOME TAX TREATMENT. THE EMPLOYER SHALL PAY THESE EMPLOYEE CONTRIBUTIONS DIRECTLY TO THE ASSOCIATION, INSTEAD OF PAYING SUCH AMOUNTS TO THE MEMBERS. SUCH CONTRIBUTIONS SHALL BE PAID FROM THE SAME FUNDS THAT ARE USED IN PAYING SALARIES TO THE MEMBERS. SUCH CONTRIBUTIONS, ALTHOUGH DESIGNATED AS EMPLOYEE CONTRIBUTIONS, SHALL BE PAID BY THE EMPLOYER IN LIEU OF CONTRIBUTIONS BY THE MEMBERS. MEMBERS MAY NOT ELECT TO CHOOSE TO RECEIVE SUCH CONTRIBUTIONS DIRECTLY INSTEAD OF HAVING THEM PAID BY THE EMPLOYER TO THE PLAN. EMPLOYEE CONTRIBUTIONS SO PICKED UP SHALL BE TREATED FOR ALL PURPOSES OF THIS ARTICLE 31.5, OTHER THAN FEDERAL TAX, IN THE SAME MANNER AS EMPLOYEE CONTRIBUTIONS MADE BEFORE THE DATE PICKED UP.

31-31.5-307. Increased local mandatory contribution requirements. (1) AN EMPLOYER OR ACTIVE MEMBER OR BOTH MAY BE REQUIRED TO PAY A MANDATORY CONTRIBUTION RATE IN EXCESS OF THE RATE ESTABLISHED IN SECTION 31-31.5-301, 31-31.5-302, OR 31-31.5-303 UPON ENACTMENT BY THE EMPLOYER OF A RESOLUTION OR ORDINANCE SETTING FORTH THE HIGHER CONTRIBUTION RATE AND APPROVAL OF THE HIGHER RATE BY AT LEAST SIXTY-FIVE PERCENT OF THE EMPLOYER'S ACTIVE MEMBERS VOTING FOR THE HIGHER CONTRIBUTION RATE.

(2) AN EMPLOYEE WHO HAS PREVIOUSLY ESTABLISHED A MANDATORY CONTRIBUTION RATE UNDER A LOCAL MONEY PURCHASE PLAN IN EXCESS OF THE MANDATORY CONTRIBUTION RATE MAY CONTINUE THE PREVIOUS CONTRIBUTION RATE AS AN INCREASED CONTRIBUTION RATE.

(3) UPON ADOPTION OF A RESOLUTION OR ORDINANCE, AND APPROVAL OF AT LEAST SIXTY-FIVE PERCENT OF THE EMPLOYER'S ACTIVE MEMBERS VOTING, A MANDATORY CONTRIBUTION RATE IN EXCESS OF THE MINIMUM REQUIRED CONTRIBUTION RATE MAY BE REDUCED TO THE

MINIMUM REQUIRED CONTRIBUTION RATE OR THE EXCESS ABOVE THE MINIMUM REQUIRED CONTRIBUTION RATE MAY BE REDIRECTED TO ANOTHER AVAILABLE EMPLOYEE BENEFIT.

31-31.5-308. Increased local voluntary contribution requirements. (1) ACTIVE MEMBERS MAY MAKE ADDITIONAL AFTER-TAX CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT ACCOUNT UNDER PART 5 OF THIS ARTICLE 31.5. VOLUNTARY MEMBER CONTRIBUTIONS ARE NOT SUBJECT TO THE EMPLOYER PICK-UP PROVISIONS OF SECTION 414(h)(2) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

(2) EMPLOYERS MAY MAKE ADDITIONAL CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT ACCOUNT UNDER PART 5 OF THIS ARTICLE 31.5 ON BEHALF OF MEMBERS. EMPLOYER VOLUNTARY CONTRIBUTIONS VEST ON THE SCHEDULE ESTABLISHED IN SECTION 31-31.5-501.

31-31.5-309. Remittance of contributions to the association. (1) REMITTANCES OF CONTRIBUTIONS ARE DUE NO LATER THAN TEN DAYS FOLLOWING THE DATE OF PAYMENT OF SALARY TO A MEMBER. ALL REMITTANCES OF CONTRIBUTIONS MUST BE CREDITED TO THE DEFINED BENEFIT SYSTEM TRUST FUND.

(2) THE PAYMENTS REQUIRED BY THIS SECTION ARE SUBJECT TO INTEREST AS ESTABLISHED BY THE BOARD IF NOT SUBMITTED WHEN DUE.

31-31.5-310. Service credit purchases. MEMBERS PARTICIPATING IN THE LIFETIME BENEFIT COMPONENTS MAY PURCHASE, INCLUDING BY ROLLOVER OR TRANSFER OF FUNDS, ADDITIONAL DEFINED BENEFIT SERVICE CREDIT FOR OTHER PUBLIC EMPLOYMENT WITHIN THE UNITED STATES NOT COVERED BY THE PLAN, UNITED STATES UNIFORMED MILITARY SERVICE, OR UP TO FIVE YEARS OF PRIVATE EMPLOYMENT, SUBJECT TO THE LIMITS ESTABLISHED BY THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND AS MAY BE ALLOWED UNDER THE RULES AND REGULATIONS ADOPTED BY THE BOARD.

PART 4 BENEFITS IN THE LIFETIME BENEFIT COMPONENTS

31-31.5-401. Vesting and benefit eligibility. (1) A MEMBER WITH FIVE YEARS OF SERVICE CREDIT IN ONE OR A COMBINATION OF MORE THAN

ONE OF THE LIFETIME BENEFIT COMPONENTS IS CONSIDERED VESTED FOR PURPOSES OF A PENSION PAYABLE FROM THE LIFETIME BENEFIT COMPONENTS OF THE STATEWIDE RETIREMENT PLAN.

(2) A MEMBER IS ELIGIBLE FOR A NORMAL RETIREMENT WHEN:

(a) THE MEMBER HAS ACCUMULATED AT LEAST TWENTY-FIVE YEARS OF SERVICE CREDIT AND HAS ATTAINED AGE FIFTY-FIVE; OR

(b) THE MEMBER HAS ATTAINED AGE FIFTY, THE MEMBER'S COMBINED AGE AND YEARS OF ACCRUED SERVICE IS EQUAL TO AT LEAST EIGHTY, AND THE MEMBER IS NOT RECEIVING BENEFITS PURSUANT TO SECTION 31-31-803.

(3) A VESTED MEMBER WHO ATTAINS AGE FIFTY-FIVE IS ELIGIBLE TO TERMINATE SERVICE AND BEGIN RECEIVING AN UNREDUCED BENEFIT. A MEMBER WHO TERMINATES EMPLOYMENT BEFORE ATTAINING AGE FIFTY-FIVE AND WHO HAS AT LEAST FIVE YEARS OF SERVICE CREDIT MAY LEAVE CONTRIBUTIONS IN THE PLAN AND BEGIN RECEIVING AN UNREDUCED BENEFIT UPON ATTAINING AGE FIFTY-FIVE.

(4) AN ACTIVE OR INACTIVE VESTED MEMBER WHO IS NOT ELIGIBLE FOR NORMAL RETIREMENT, WHO HAS ATTAINED AGE FIFTY, WHO IS NOT RECEIVING OR HAS TERMINATED BENEFITS PURSUANT TO SECTION 31-31-803, AND WHO HAS TERMINATED EMPLOYMENT IS ELIGIBLE FOR AN EARLY RETIREMENT PENSION. THE EARLY RETIREMENT PENSION FOR A MEMBER IS THE BENEFIT THAT THE MEMBER WOULD HAVE RECEIVED AT AGE FIFTY-FIVE REDUCED ON AN ACTUARIAL EQUIVALENT BASIS TO REFLECT THE EARLY RECEIPT OF THE BENEFIT AS DETERMINED BY THE BOARD.

(5) SUBJECT TO RULES ADOPTED BY THE BOARD, YEARS OF SERVICE CREDIT OF A MEMBER WHO IS EMPLOYED BY SUCCESSIVE EMPLOYERS MAY BE AGGREGATED FOR DETERMINING ELIGIBILITY AND BENEFITS PROVIDED BY THE LIFETIME BENEFIT COMPONENTS OF THE STATEWIDE RETIREMENT PLAN IF THE SERVICE FOR EACH EMPLOYER WAS RENDERED WHILE THE EMPLOYER COVERED ITS MEMBERS UNDER THE STATEWIDE RETIREMENT PLAN, THE PREDECESSOR STATEWIDE DEFINED BENEFIT PLAN, OR THE DEFINED BENEFIT COMPONENT OF THE PREDECESSOR STATEWIDE HYBRID PLAN.

31-31.5-402. Plan funding, actuarial valuation and adjustments

to maintain the actuarial soundness of the plan. (1) THE GENERAL ASSEMBLY DECLARES THAT THE RATES OF MEMBER AND EMPLOYER CONTRIBUTIONS MUST BE ADEQUATE TO FUND BENEFIT LIABILITIES ACCRUED UNDER THE STATEWIDE RETIREMENT PLAN ESTABLISHED BY THIS ARTICLE 31.5.

(2) (a) THE BOARD SHALL CONDUCT AN ANNUAL ACTUARIAL VALUATION OF THE STATEWIDE RETIREMENT PLAN AND SHALL DETERMINE THE COST OF ALL BENEFITS OF THE LIFETIME BENEFIT COMPONENTS, WHICH MAY INCLUDE PROJECTED COST OF LIVING ADJUSTMENTS FOR EACH OF THE LIFETIME BENEFIT COMPONENTS. THE BOARD SHALL SUBMIT AN ANNUAL ACTUARIAL VALUATION REPORT TO THE STATE AUDITOR, THE PENSION REVIEW COMMITTEE, THE LEGISLATIVE AUDIT COMMITTEE, AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, TOGETHER WITH ANY RECOMMENDATIONS CONCERNING SUCH LIABILITIES AS ACCRUED. AMORTIZATION OF LIABILITY OVER A FORTY-YEAR PERIOD SHALL BE DEEMED ADEQUATE TO MAINTAIN ACTUARIAL STABILITY.

(b) THE BOARD SHALL PERIODICALLY CONDUCT A REVIEW AND STUDY OF THE ACTUAL EXPERIENCE OF THE ASSETS AND LIABILITIES OF THE LIFETIME BENEFIT COMPONENTS OF THE STATEWIDE RETIREMENT PLAN. THE BOARD SHALL ADJUST THE ASSUMPTIONS MADE WITH REGARD TO EACH COMPONENT AS A RESULT OF THE REVIEW AND STUDY.

(3) THE BOARD SHALL DETERMINE AFTER EACH ANNUAL ACTUARIAL VALUATION IF THE COST OF ALL BENEFITS ESTABLISHED BY THIS PART 4 AND THE COST OF A NORMAL RETIREMENT PENSION BEGINNING AT AGE FIFTY-FIVE FOR MEMBERS THEN ELIGIBLE MAY BE FULLY FUNDED ON AN ACTUARIALLY SOUND BASIS NOT INCLUDING FUTURE PROJECTED COST OF LIVING ADJUSTMENTS WITHOUT NECESSITATING AN INCREASE IN THE EMPLOYER AND MEMBER CONTRIBUTIONS MADE PURSUANT TO SUBSECTION (5) OF THIS SECTION.

(4) IF IN ANY YEAR THE BOARD DETERMINES PURSUANT TO SUBSECTION (2) OF THIS SECTION THAT THE COST OF THE BENEFITS DESCRIBED IN PART 5 MAY NOT BE FULLY FUNDED ON AN ACTUARIALLY SOUND BASIS, THE BOARD, IN ITS DISCRETION, MAY TAKE THE FOLLOWING ACTIONS SINGULARLY OR IN ANY COMBINATION AND IN ANY ORDER:

(a) THE BOARD MAY TERMINATE ALLOCATING SURPLUS

CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT PURSUANT TO SECTION 31-31.5-301 (3);

(b) THE BOARD MAY TERMINATE MAKING COST OF LIVING ADJUSTMENTS PURSUANT TO SECTION 31-31.5-410;

(c) (I) THE BOARD MAY ORDER THAT THE NORMAL RETIREMENT PENSION COMMENCE SUCH NUMBER OF MONTHS AS ARE ACTUARIALLY SUPPORTABLE, FROM ONE TO SIXTY, AFTER AGE FIFTY-FIVE FOR MEMBERS WHO ARE OTHERWISE ELIGIBLE PURSUANT TO SECTION 31-31.5-401 (2)(a). IF THE BOARD ADJUSTS THE AGE OF ELIGIBILITY PURSUANT TO THIS SUBSECTION (4)(c)(I), IT SHALL ALSO ADJUST THE AGE OF ELIGIBILITY FOR BENEFITS UNDER SECTION 31-31.5-401 (2)(b), (3), AND (4) IN A LIKE MANNER. THE DETERMINATION OF THE BOARD IS CONCLUSIVE ABSENT FRAUD.

(II) A PENSION COMMENCED BEFORE ANY ADJUSTMENT IN THE AGE OF ELIGIBILITY PURSUANT TO SUBSECTION (4)(c)(I) OF THIS SECTION IS NOT SUBJECT TO REVIEW. IF A COURT DETERMINES THAT THIS SUBSECTION (4) IS INVALID, THE AGE OF RETIREMENT TO BE ELIGIBLE FOR ANY NORMAL RETIREMENT BENEFIT SHALL BE AGE SIXTY EXCEPT FOR PERSONS RECEIVING A BENEFIT AT THE TIME OF THE COURT'S DECISION.

(d) THE BOARD MAY PROSPECTIVELY ORDER THAT THE BENEFIT MULTIPLIER USED IN SECTION 31-31.5-403 (1)(b) BE REDUCED FROM TWO AND ONE-HALF PERCENT TO AS LOW AS TWO PERCENT FOR ANY GIVEN YEAR OR YEARS;

(e) THE BOARD MAY SUSPEND FURTHER IMPLEMENTATION OR PARTICIPATION IN ANY PLAN AMENDMENT ADOPTED PURSUANT TO PART 6 OF THIS ARTICLE 31.5 THAT CONTRIBUTES ADDITIONAL COST TO THE PLAN;

(f) THE BOARD MAY SUSPEND FURTHER PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN PURSUANT TO SECTION 31-31.5-409 IF IT DETERMINES THAT THE OPTION CONTRIBUTES ADDITIONAL COST TO THE STATEWIDE RETIREMENT PLAN; AND

(g) THE BOARD MAY REINSTATE ANY BENEFITS TERMINATED, ADJUSTED, OR SUSPENDED PURSUANT TO THIS SECTION IF IT DETERMINES THAT THE ACTION TAKEN IS NO LONGER NECESSARY TO MAINTAIN THE

ACTUARIAL SOUNDNESS OF THE LIFETIME BENEFIT COMPONENTS. THIS MAY INCLUDE, BUT IS NOT LIMITED TO, RETROACTIVE REINSTATEMENT OF THE BENEFIT MULTIPLIER REDUCED UNDER SUBSECTION (4)(d) OF THIS SECTION.

(5) (a) IF THE ACTUAL FINANCIAL EXPERIENCE OF THE LIFETIME BENEFITS ACCOUNT IS FOUND TO BE MORE OR LESS FAVORABLE THAN THE ASSUMED EXPERIENCE DURING THE PREVIOUS PERIOD, ADJUSTMENTS MAY BE MADE BY THE BOARD IN THE MEMBER AND EMPLOYER CONTRIBUTIONS AS MAY BE DEEMED FEASIBLE AND ADVISABLE SO LONG AS THE EMPLOYER CONTRIBUTION RATE ADJUSTMENT IS EQUAL TO THE MEMBER CONTRIBUTION RATE ADJUSTMENT.

(b) THE BOARD SHALL NOT INCREASE EMPLOYER OR MEMBER CONTRIBUTIONS PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION UNLESS IT HAS TAKEN THE ACTIONS PERMITTED UNDER SUBSECTIONS (4)(a) TO (4)(f) OF THIS SECTION AND IT FINDS THAT THE INCREASE IS NECESSARY TO MAINTAIN THE ACTUARIAL SOUNDNESS OF THE PLAN.

(6) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE THE REDUCTION OF BENEFITS BELOW THE LEVEL SUSTAINABLE BY THE HIGHER MEMBER OR EMPLOYER CONTRIBUTION RATES ESTABLISHED PURSUANT TO SECTION 31-31.5-601.

31-31.5-403. Defined benefit component benefits. (1) IN CALCULATING THE RETIREMENT PENSION FOR A MEMBER WHO HAS SERVICE CREDIT IN THE DEFINED BENEFIT COMPONENT, THE BENEFIT IS THE SUM OF THE FOLLOWING:

(a) TWO PERCENT MULTIPLIED BY THE SERVICE CREDIT EARNED OR PURCHASED IN THE DEFINED BENEFIT COMPONENT, NOT TO EXCEED TEN YEARS OF SERVICE CREDIT, MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY IN THE DEFINED BENEFIT COMPONENT; PLUS

(b) TWO AND ONE-HALF PERCENT MULTIPLIED BY THE SERVICE CREDIT EARNED OR PURCHASED IN THE DEFINED BENEFIT COMPONENT IN EXCESS OF TEN YEARS MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY IN THE DEFINED BENEFIT COMPONENT.

31-31.5-404. Social security component benefits. (1) IN

CALCULATING THE RETIREMENT PENSION FOR A MEMBER WHO HAS SERVICE CREDIT IN THE SOCIAL SECURITY COMPONENT, THE BENEFIT IS THE SUM OF THE FOLLOWING:

(a) ONE PERCENT MULTIPLIED BY THE YEARS OF SERVICE CREDIT IN THE SOCIAL SECURITY COMPONENT, NOT TO EXCEED TEN YEARS OF SERVICE CREDIT, MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY IN THE SOCIAL SECURITY COMPONENT; PLUS

(b) ONE AND ONE-QUARTER PERCENT MULTIPLIED BY THE YEARS OF SERVICE CREDIT IN THE SOCIAL SECURITY COMPONENT IN EXCESS OF TEN YEARS MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY IN THE SOCIAL SECURITY COMPONENT.

31-31.5-405. Hybrid component benefits. (1) IN CALCULATING THE NORMAL RETIREMENT PENSION FOR A MEMBER WHO HAS YEARS OF SERVICE CREDIT IN THE HYBRID COMPONENT, THE BENEFIT SHALL BE:

(a) A MULTIPLIER, WHICH THE BOARD SHALL ESTABLISH BY ADJUSTING THE FUNDING STATUS OF THE PREDECESSOR STATEWIDE HYBRID PLAN TO EQUAL THE FUNDING STATUS OF THE PREDECESSOR STATEWIDE DEFINED BENEFIT PLAN USING VALUATIONS AS OF DECEMBER 31, 2021, AND BASED ON THE RECOMMENDATIONS MADE BY THE PLAN'S ACTUARY, MULTIPLIED BY THE YEARS OF SERVICE CREDIT EARNED OR PURCHASED IN THE STATEWIDE HYBRID PLAN PRIOR TO JANUARY 1, 2023, MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY; PLUS

(b) ONE AND ONE-HALF PERCENT MULTIPLIED BY THE YEARS OF SERVICE CREDIT EARNED OR PURCHASED IN THE HYBRID COMPONENT ON OR AFTER JANUARY 1, 2023, MULTIPLIED BY THE AVERAGE OF THE MEMBER'S HIGHEST THREE YEARS' BASE SALARY.

31-31.5-406. Optional survivor benefits. (1) A MEMBER ELIGIBLE FOR A NORMAL, LATE, OR EARLY RETIREMENT PENSION MAY ELECT TO RECEIVE A REDUCED PENSION PAYABLE TO THE MEMBER AND, UPON THE MEMBER'S DEATH A REDUCED BENEFIT TO THE MEMBER'S DESIGNATED BENEFICIARY. THE BOARD SHALL ESTABLISH SUCH OPTIONS BY RULE IN A MANNER THAT PROVIDES FOR AN ACTUARIAL EQUIVALENT BENEFIT OF THE NORMAL OR EARLY RETIREMENT PENSION OTHERWISE PAYABLE.

(2) IF A MEMBER REACHES AGE ELIGIBILITY FOR A NORMAL, VESTED, OR EARLY RETIREMENT PENSION, AND DIES BEFORE MAKING AN ELECTION ALLOWED PURSUANT TO SUBSECTION (1) OF THIS SECTION OR BEFORE THE FIRST PENSION PAYMENT HAS BEEN DEPOSITED, AND IS SURVIVED BY A SPOUSE, DEPENDENT CHILD, OR DESIGNATED BENEFICIARY, THE MEMBER SHALL BE CONSIDERED TO HAVE ELECTED AN ACTUARIALLY REDUCED PENSION AND RETIRED ON THE DAY BEFORE THE MEMBER'S DEATH. PAYABLE TO THE MEMBERS SPOUSE, DEPENDENT CHILD, OR DESIGNATED BENEFICIARY, SUCH REDUCED PENSION SHALL BE PAYABLE TO THE MEMBER'S DESIGNATED BENEFICIARY. A SPOUSE, DEPENDENT CHILD, OR DESIGNATED BENEFICIARY OF A MEMBER WHO HAS NOT YET REACHED AGE ELIGIBILITY MAY ELECT TO RECEIVE AN ACTUARIALLY REDUCED BENEFIT BEGINNING ON THE DATE THAT THE MEMBER WOULD HAVE REACHED AGE ELIGIBILITY IN LIEU OF A DEATH BENEFIT UNDER PART 8 OF ARTICLE 31 AND IN LIEU OF A REFUND OF MEMBER CONTRIBUTIONS PURSUANT TO SECTION 31-31.5-411.

31-31.5-407. Minimum benefit. (1) IF THE TOTAL AMOUNT OF PENSION BENEFITS PAID UNDER THE LIFETIME BENEFIT COMPONENT AS PROVIDED IN THIS ARTICLE 31.5 AT THE TIME OF DEATH IS LESS THAN THE AMOUNT OF THE MEMBERS' CONTRIBUTIONS TO THE LIFETIME BENEFIT COMPONENT, THE DIFFERENCE SHALL BE PAID TO:

(a) THE MEMBER'S ESTATE, IF NO PENSION PAYMENT WAS MADE PURSUANT TO AN OPTION UNDER SECTION 31-31.5-406; OR

(b) THE SURVIVOR'S ESTATE, IF PENSION PAYMENTS WERE MADE PURSUANT TO AN OPTION UNDER SECTION 31-31.5-406.

31-31.5-408. Late retirement. (1) ANY MEMBER RETIRING AND ELIGIBLE FOR A NORMAL OR VESTED RETIREMENT BENEFIT MAY ELECT TO DEFER RECEIPT OF THE PENSION UNTIL ATTAINING AGE SIXTY-FIVE YEARS, BUT NO LATER. IN THE CASE OF SUCH AN ELECTION, THE LATE RETIREMENT PENSION IS THE ACTUARIAL EQUIVALENT OF THE NORMAL RETIREMENT PENSION AS DETERMINED BY THE BOARD.

(2) THE BOARD MAY PROMULGATE RULES TO ALLOW MEMBERS WHO ARE ELIGIBLE TO RECEIVE ANY TYPE OF RETIREMENT BENEFITS TO DEFER RECEIPT OF THE BENEFITS TO THE EXTENT PERMITTED UNDER THE FEDERAL "INTERNAL REVENUE CODE OF 1986" AS AMENDED, AND THE REGULATIONS PROMULGATED PURSUANT TO SECTION 401(a)(9) OF SAID CODE.

31-31.5-409. Deferred retirement option plan (DROP). THE BOARD MAY ESTABLISH BY RULE A DEFERRED RETIREMENT OPTION PLAN FOR VESTED MEMBERS WHO HAVE ATTAINED AGE FIFTY. THE PURPOSE OF THE DROP IS TO ALLOW AN ELIGIBLE MEMBER TO ELECT, IN LIEU OF IMMEDIATE TERMINATION OF EMPLOYMENT AND RECEIPT OF A LIFETIME RETIREMENT BENEFIT, TO CONTINUE EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME OF UP TO FIVE YEARS AND TO HAVE THE MEMBER'S OTHERWISE DEDUCTIBLE EMPLOYEE CONTRIBUTION AND RETIREMENT BENEFITS PAID INTO THE MEMBER'S INDIVIDUAL ACCOUNT CREATED BY SECTION 31-31.5-503 UNTIL THE END OF THE SPECIFIED PERIOD OF THE MEMBER'S PARTICIPATION, AT WHICH TIME EMPLOYMENT CEASES.

31-31.5-410. Cost of living adjustments - definitions. (1) THE BENEFITS PAYABLE UNDER THE LIFETIME BENEFIT COMPONENTS OF THE PLAN MAY BE REDETERMINED EFFECTIVE OCTOBER 1 EACH YEAR. TO BE ELIGIBLE FOR REDETERMINATION, THE BENEFITS MUST HAVE BEEN PAID FOR AT LEAST TWELVE CALENDAR MONTHS PRIOR TO THE EFFECTIVE DATE OF REDETERMINATION.

(2) (a) ANY REDETERMINATION OF BENEFITS MADE PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE DETERMINED BY THE BOARD IN ITS DISCRETION AS A FIDUCIARY OF THE STATEWIDE RETIREMENT PLAN AFTER CONSIDERING THE FUNDING LEVEL OF THE LIFETIME BENEFIT COMPONENTS, THE COST OF THE REDETERMINATION, THE COMPONENTS' ABILITY TO FUND FUTURE BENEFITS, AND ANY OTHER FACTORS THAT THE BOARD DEEMS APPROPRIATE. THE REDETERMINED BENEFITS SHALL NOT EXCEED THE GREATER OF:

(I) ONE HUNDRED THREE PERCENT OF THE BENEFITS PAID FOR THE PRIOR TWELVE-MONTH PERIOD; OR

(II) THE BENEFITS PAID DURING THE PRIOR TWELVE-MONTH PERIOD MULTIPLIED BY A FRACTION USING THE CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR AS THE NUMERATOR AND THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR PRIOR TO THE IMMEDIATELY PRECEDING CALENDAR YEAR AS THE DENOMINATOR.

(b) AS USED IN THIS SECTION, "CONSUMER PRICE INDEX" MEANS THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS PREPARED BY THE UNITED STATES DEPARTMENT OF

LABOR.

31-31.5-411. Refunds of member contributions. (1) (a) ANY MEMBER COVERED BY THE STATEWIDE RETIREMENT PLAN WHO TERMINATES SERVICE MAY ELECT TO HAVE THE MEMBER'S ACCUMULATED CONTRIBUTIONS TO ONE OR MORE LIFETIME BENEFIT COMPONENTS OF THE PLAN REFUNDED TOGETHER WITH FIVE PERCENT OF THE MEMBER'S TOTAL ACCUMULATED CONTRIBUTIONS AS INTEREST IN A LUMP SUM AND THEREAFTER SHALL HAVE NO RIGHT TO LIFETIME BENEFITS PROVIDED BY THE PLAN.

(b) IF THE MEMBER WHO TERMINATES SERVICE AND RECEIVES A REFUND OF MEMBER CONTRIBUTIONS SUBSEQUENTLY RETURNS TO SERVICE AS AN ACTIVE MEMBER WITH AN EMPLOYER THAT COVERS ITS MEMBERS UNDER THE STATEWIDE RETIREMENT PLAN, THE MEMBER'S PRIOR SERVICE CREDIT SHALL BE RESTORED WHEN THE MEMBER RETURNS THE MEMBER'S REFUNDED CONTRIBUTIONS TO THE LIFETIME BENEFIT COMPONENTS, WITH INTEREST ACCRUED FROM THE DATE OF REFUND TO THE DATE OF RETURN, ACCORDING TO THE TERMS AND CONDITIONS ESTABLISHED BY THE BOARD. IF THE MEMBER FAILS TO RETURN THE CONTRIBUTIONS AND INTEREST, THE MEMBER SHALL BE TREATED AS A NEW MEMBER, AND THE MEMBER'S PRIOR SERVICE SHALL NOT BE RECOGNIZED IN DETERMINING PENSION ELIGIBILITY OR PENSION BENEFITS. THE RESTORATION OF A MEMBER'S SERVICE CREDIT PURSUANT TO THIS SUBSECTION (1)(b) SHALL NOT ENTITLE THE MEMBER TO REINSTATEMENT OF ANY PREVIOUSLY FORFEITED BALANCE IN THE MEMBER'S MONEY PURCHASE COMPONENT ACCOUNT OR THE SEPARATE RETIREMENT ACCOUNT.

(2) (a) IF A MEMBER DIES AFTER TERMINATION OF SERVICE, IS NOT ELIGIBLE FOR A VESTED, NORMAL, OR EARLY RETIREMENT, AND HAS NOT YET RECEIVED A REFUND OR BEGAN RECEIVING BENEFIT PAYMENTS, THE ASSOCIATION SHALL REFUND THE MEMBER'S LIFETIME BENEFIT COMPONENT CONTRIBUTIONS TO THE MEMBER'S DESIGNATED BENEFICIARY, SURVIVING SPOUSE, OR DEPENDENT CHILDREN. WHERE THERE IS NO DESIGNATED BENEFICIARY, SURVIVING SPOUSE, OR DEPENDENT CHILDREN, THE REFUND SHALL BE MADE TO THE DECEASED MEMBER'S ESTATE.

(b) IF A MEMBER WHO HAS NOT TERMINATED SERVICE DIES, AND THERE IS NO SPOUSE OR DEPENDENTS ELIGIBLE FOR SURVIVOR BENEFITS UNDER PART 8 OF ARTICLE 31 OF THIS TITLE 31, THE DECEASED MEMBER'S

LIFETIME BENEFIT COMPONENT CONTRIBUTIONS MAY BE REFUNDED TO:

(I) THE MEMBER'S DESIGNATED BENEFICIARY IF THE MEMBER IS NOT ELIGIBLE FOR VESTED, EARLY, OR NORMAL RETIREMENT. THE DESIGNATED BENEFICIARY MAY IN THE ALTERNATIVE ELECT A LIFETIME BENEFIT PURSUANT TO SECTION 31-31.5-406.

(II) IF THERE IS NO DESIGNATED BENEFICIARY, THE MEMBER'S ESTATE.

(3) THE DESIGNATED BENEFICIARY OF A MEMBER ELIGIBLE FOR VESTED, EARLY, OR NORMAL RETIREMENT SHALL RECEIVE THE BENEFIT DESCRIBED IN SECTION 31-31.5-406 (2) AND NO REFUND OF CONTRIBUTIONS SHALL BE MADE.

(4) UPON PAYMENT OF A REFUND OF MEMBER CONTRIBUTIONS, NO LIFETIME BENEFIT COMPONENTS BENEFITS SHALL BE PAYABLE.

(5) REFUNDS OF CONTRIBUTIONS TO THE LIFETIME BENEFIT COMPONENTS SHALL NOT BE MADE TO ANY MEMBERS OF EMPLOYERS WHO HAVE FAILED TO REMIT ALL CONTRIBUTIONS REQUIRED UNDER THE PROVISIONS OF THE STATEWIDE RETIREMENT PLAN.

(6) A MEMBER OR THE MEMBER'S DESIGNATED BENEFICIARY, SURVIVING SPOUSE OR PARTNER IN A CIVIL UNION, OR DEPENDENT CHILDREN WHO IS ENTITLED TO RECEIVE A REFUND OF THE MEMBER'S DEFINED BENEFIT CONTRIBUTIONS MAY ELECT TO HAVE THE REFUND CREDITED TO THE MEMBER ACCOUNT IN THE MONEY PURCHASE COMPONENT. UPON THE REFUND BEING CREDITED, THE MEMBER OR THE MEMBER'S DESIGNATED BENEFICIARY, SURVIVING SPOUSE OR PARTNER IN A CIVIL UNION, OR DEPENDENT CHILDREN ARE TREATED AS HAVING TAKEN A REFUND FROM THE DEFINED BENEFIT COMPONENT FOR ALL PURPOSES.

PART 5 MONEY PURCHASE COMPONENT

31-31.5-501. Vesting. (1) A MEMBER IS ONE HUNDRED PERCENT VESTED IN THE INDIVIDUAL ACCOUNT IN THE MONEY PURCHASE BENEFIT ACCOUNT PURSUANT TO SECTION 31-31.5-503.

(2) EMPLOYER CONTRIBUTIONS MADE TO THE STATEWIDE RETIREMENT PLAN THAT ARE CREDITED TO THE MONEY PURCHASE COMPONENT ACCOUNT ARE SUBJECT TO THE FOLLOWING VESTING RULES:

(a) IN THE EVENT OF PERMANENT OCCUPATIONAL OR TOTAL DISABILITY RETIREMENT OR AN AWARD OF A SURVIVOR BENEFIT DUE TO A DEATH OF AN ACTIVE MEMBER PURSUANT TO PART 8 OF ARTICLE 31 OF THIS TITLE 31, A MEMBER SHALL BE ONE HUNDRED PERCENT VESTED IN THE EMPLOYER CONTRIBUTIONS MADE TO THE MONEY PURCHASE COMPONENT ACCOUNT.

(b) A MEMBER SHALL BE ONE HUNDRED PERCENT VESTED IN THE EMPLOYER'S CONTRIBUTIONS MADE TO THE MONEY PURCHASE COMPONENT ACCOUNT UPON ATTAINING NORMAL RETIREMENT AGE IF EMPLOYED BY THE EMPLOYER ON OR AFTER THAT DATE.

(c) EXCEPT AS PROVIDED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION, A MEMBER IS VESTED IN THE EMPLOYER CONTRIBUTIONS MADE TO THE MONEY PURCHASE COMPONENT ACCOUNT IN THE AMOUNT OF TWENTY PERCENT FOR EACH FULL YEAR OF SERVICE PERFORMED FOR A COVERED DEPARTMENT. UPON ATTAINING FIVE FULL YEARS OF SERVICE, A MEMBER IS ONE HUNDRED PERCENT VESTED. VESTING ALSO APPLIES TO EMPLOYER CONTRIBUTIONS ALLOCATED PURSUANT TO SUBSECTION 31-31.5-301 (3) OR ALLOCATED UNDER THE PREDECESSOR STATEWIDE DEFINED BENEFIT PLAN PURSUANT TO SECTION 31-31-405.

(3) UPON DISTRIBUTION, THE PORTION OF THE MEMBER'S EMPLOYER CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT ACCOUNT THAT IS NOT VESTED SHALL BE TREATED AS A FORFEITURE.

(4)(a) YEARS OF SERVICE IN THE MONEY PURCHASE COMPONENT FOR PURPOSES OF THIS SECTION CANNOT BE PURCHASED BY THE MEMBER OR THE EMPLOYER.

(b) A MEMBER WHO ONLY PARTICIPATES IN THE MONEY PURCHASE COMPONENT DOES NOT RECEIVE SERVICE CREDIT FOR PURPOSES OF THE LIFETIME BENEFIT COMPONENTS.

(c) FOR MEMBERS WHO PARTICIPATE IN BOTH THE LIFETIME BENEFIT COMPONENTS AND THE MONEY PURCHASE COMPONENT CONCURRENTLY,

YEARS OF SERVICE INCLUDE ALL YEARS OF SERVICE WITH THE EMPLOYER WHILE IN THE PLAN OR A PREDECESSOR PLAN, REGARDLESS OF WHETHER CONTRIBUTIONS WERE MADE TO THE MONEY PURCHASE COMPONENT FOR EACH YEAR.

(5) A MEMBER WHO IS RESTORED TO ACTIVE SERVICE AFTER A DISABILITY CEASES TO EXIST RECEIVES CREDIT FOR YEARS OF SERVICE IN THE MONEY PURCHASE COMPONENT WITH THE EMPLOYER PRIOR TO THE DISABILITY AS WELL AS TIME WHILE OUT ON DISABILITY.

(6) SUBJECT TO RULES ADOPTED BY THE BOARD, YEARS OF SERVICE OF A MEMBER WHO IS EMPLOYED BY SUCCESSIVE EMPLOYERS MAY BE AGGREGATED FOR DETERMINING ELIGIBILITY AND BENEFITS PROVIDED BY THE MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT PLAN IF THE SERVICE FOR EACH EMPLOYER WAS RENDERED WHILE THE EMPLOYER COVERED ITS MEMBERS UNDER THE STATEWIDE RETIREMENT PLAN, THE PREDECESSOR STATEWIDE DEFINED BENEFIT PLAN, OR THE PREDECESSOR STATEWIDE HYBRID PLAN.

31-31.5-502. Normal retirement age. THE NORMAL RETIREMENT AGE FOR THE MONEY PURCHASE COMPONENT IS AGE FIFTY-FIVE.

31-31.5-503. Individual accounts - investment and account administration. (1) (a) THE BOARD SHALL CREATE AND MAINTAIN ADEQUATE RECORDS TO DISCLOSE THE INTEREST OF EACH MEMBER AND BENEFICIARY WITH ASSETS IN THE MONEY PURCHASE COMPONENT OF THE PLAN. THE RECORDS MUST BE IN THE FORM OF INDIVIDUAL ACCOUNTS, AND CREDITS AND CHARGES MUST BE MADE TO SUCH ACCOUNTS IN THE MANNER PRESCRIBED BY THE BOARD THROUGH RULEMAKING.

(b) THE BOARD SHALL DESIGNATE A RECORD KEEPER RESPONSIBLE FOR THE ADMINISTRATION OF THE INDIVIDUAL ACCOUNTS. THE MAINTENANCE OF INDIVIDUAL ACCOUNTS IS ONLY FOR ACCOUNTING PURPOSES, AND A SEGREGATION OF THE ASSETS OF THE TRUST FUND TO EACH ACCOUNT IS NOT REQUIRED.

(c) DISTRIBUTION AND WITHDRAWALS MADE FROM AN ACCOUNT MUST BE CHARGED TO THE ACCOUNTS AS OF THE DATE PAYMENT IS MADE. EARNINGS OR LOSSES ON THE AMOUNT ALLOCATED TO THE MEMBER'S INDIVIDUAL ACCOUNT WHILE INVESTED AS PART OF THE MEMBERS

SELF-DIRECTED INVESTMENT FUND MUST BE ALLOCATED AS DETERMINED BY THE RECORD KEEPER.

(2) (a) THE BOARD MAY CREATE AND OFFER TO EACH MEMBER WITH AN INDIVIDUAL ACCOUNT IN THE MONEY PURCHASE COMPONENT VARIOUS INVESTMENT OPTIONS, INCLUDING AT LEAST THREE ALTERNATIVES THAT ALLOW A MEMBER A BROAD RANGE OF INVESTMENTS, DIVERSIFICATION, AND A MEANINGFUL CHOICE BETWEEN RISK AND RETURN IN THE INVESTMENT OF THE MEMBER'S ACCOUNT.

(b) (I) ONE HUNDRED PERCENT OF EACH INDIVIDUAL ACCOUNT MAY BE INVESTED AS DIRECTED BY THE MEMBER IN ANY ONE OR A COMBINATION OF THE INVESTMENT OPTIONS. IF A MEMBER OR DESIGNATED BENEFICIARY DOES NOT HAVE A VALID INVESTMENT ELECTION ON FILE FOR ANY PORTION OF THE AMOUNT IN THAT MEMBER'S ACCOUNTS, THAT PORTION OF THE MEMBER'S ACCOUNTS SHALL BE INVESTED IN THE INVESTMENT OPTION SELECTED BY THE BOARD AS THE DEFAULT OPTION. IN SUCH EVENT, THE MEMBER OR DESIGNATED BENEFICIARY IS DEEMED TO HAVE DIRECTED THAT INVESTMENT OPTION FOR INVESTMENT OF THAT PORTION OF THE MEMBER'S ACCOUNTS.

(II) UPON THE DEATH OF THE MEMBER, THE DESIGNATED BENEFICIARY MAY ELECT TO ALLOCATE THE INVESTMENT OF THE MEMBER'S INDIVIDUAL ACCOUNT AS PROVIDED FOR IN THIS SECTION. IF NO NOTICE OF REALLOCATION IS RECEIVED FROM THE DESIGNATED BENEFICIARY, THE MEMBER'S INDIVIDUAL ACCOUNT REMAINS INVESTED AS PREVIOUSLY ALLOCATED DURING THE MEMBER'S LIFETIME.

(III) THE BOARD MAY ESTABLISH ONE OR MORE DEFAULT OPTIONS BASED UPON VARIOUS FACTORS, INCLUDING BUT NOT LIMITED TO MARKET RISK, STABILITY, AND RATE OF RETURN. IF THE BOARD HAS PROPERLY EXERCISED ITS FIDUCIARY DUTY IN SELECTING A DEFAULT OPTION, IT HAS NO LIABILITY FOR ANY LOSS SUSTAINED BY A MEMBER OR DESIGNATED BENEFICIARY WHOSE ACCOUNTS IN WHOLE OR IN PART ARE INVESTED IN THE DEFAULT OPTION.

(c) MEMBERS MAY REDIRECT THE INVESTMENT OF THEIR ACCOUNT AT ANY TIME AND MAY REALLOCATE MONEY IN EXISTING FUNDS AS ALLOWED BY THE ASSOCIATION. THE BOARD MAY ALSO BRING A SUIT OR TAKE SUCH OTHER ACTION AS IT DEEMS APPROPRIATE IF QUESTIONS

INVOLVING INVESTMENT DIRECTIONS ARISE.

(3) THE ACCOUNTS OF MEMBERS, DESIGNATED BENEFICIARIES, AND ALTERNATE PAYEES SHALL BE ADJUSTED IN ACCORDANCE WITH THE FOLLOWING:

(a) THE BALANCE OF EACH ACCOUNT MUST BE ADJUSTED DAILY TO REFLECT ANY DISTRIBUTION AND ALL INTEREST, DIVIDENDS, ACCOUNT CHARGES, AND CHANGES OF MARKET VALUE RESULTING FROM THE INVESTMENT OF THE MEMBER'S INDIVIDUAL ACCOUNT.

(b) CONTRIBUTIONS MUST BE ALLOCATED TO THE INDIVIDUAL ACCOUNT OF EACH ELIGIBLE MEMBER NOT LESS FREQUENTLY THAN MONTHLY, ACCORDING TO THE AMOUNT THAT IS ACTUALLY CONTRIBUTED ON BEHALF OF EACH MEMBER. IN ALL CASES, DEPOSITS OF CONTRIBUTIONS SHALL BE TREATED AS ACTUALLY MADE ONLY AS OF THE DATE THE CONTRIBUTIONS ARE ACCEPTED AS IN GOOD ORDER BY THE RECORD KEEPER.

(c) THE EXPENSES OF THE MONEY PURCHASE COMPONENT OF THE PLAN MUST FIRST BE PAID FROM FORFEITURES, PENALTIES RECEIVED, SETTLEMENT PROCEEDS, AND OTHER SOURCES OF REVENUE RECEIVED, AND THEN MUST BE ALLOCATED TO AND DEDUCTED FROM THE MEMBERS' ACCOUNTS. NOTWITHSTANDING THE FOREGOING, ANY REVENUE CREDITS DERIVED FROM THE INVESTMENTS OFFERED BY THE MONEY PURCHASE COMPONENT MAY INSTEAD BE DISTRIBUTED TO PARTICIPANTS. EXPENSES THAT ARE INCURRED AS A DIRECT RESULT OF THE INVESTMENTS HELD IN THE MONEY PURCHASE COMPONENT ACCOUNT MUST BE DEDUCTED FROM THE INTEREST, DIVIDENDS, AND NET INCOME OF THE APPROPRIATE INVESTMENT. GENERAL EXPENSES MUST BE DEDUCTED FROM THE ACCOUNTS OF EACH MEMBER ACCORDING TO THE MEMBER'S TIME-WEIGHTED PRO-RATA SHARE OF THE MONEY PURCHASE COMPONENT ACCOUNT. THE BOARD MAY ALSO ASSESS A RECORD KEEPING FEE AND AN ADMINISTRATIVE FEE FOR COSTS ASSOCIATED WITH THE ADMINISTRATION OF THE MONEY PURCHASE COMPONENT.

31-31.5-504. Distribution of money purchase component accounts. (1) A MEMBER'S VESTED ACCOUNT BALANCE BECOMES ELIGIBLE FOR DISTRIBUTION UPON THE MEMBER'S DEATH, PERMANENT OCCUPATIONAL OR TOTAL DISABILITY PURSUANT TO PART 8 OF ARTICLE 31 OF THIS TITLE 31, NORMAL, VESTED, OR EARLY RETIREMENT, OR TERMINATION OF

EMPLOYMENT.

(2) UPON BECOMING ELIGIBLE FOR DISTRIBUTION AND UPON APPROVAL OF THE BOARD, A MEMBER, OR THE DESIGNATED BENEFICIARY IF THE MEMBER DIES BEFORE DISTRIBUTION OF THE MEMBER'S INDIVIDUAL ACCOUNT, MAY ELECT TO RECEIVE THE VESTED PORTION OF BALANCE OF THE MEMBER'S INDIVIDUAL ACCOUNT BY ONE OF THE FOLLOWING METHODS:

(a) THE MEMBER OR DESIGNATED BENEFICIARY MAY CHOOSE A LUMP SUM PAYMENT OF ALL OR A PORTION OF THE MEMBER'S INDIVIDUAL ACCOUNT.

(b) THE MEMBER OR DESIGNATED BENEFICIARY MAY ELECT TO HAVE THE VALUE OF ALL OR A PORTION OF THE INDIVIDUAL ACCOUNT USED TO PURCHASE AN ANNUITY CONTRACT, WITH A TERM AND IN A FORM AS THE MEMBER ELECTS. IF THERE IS AN ELECTED DISTRIBUTION IN THE FORM OF AN ANNUITY, ANY BENEFIT PAYABLE AS A RESULT OF THE MEMBER'S OR BENEFICIARY'S DEATH MUST BE DETERMINED SOLELY UNDER THE TERMS OF THE ANNUITY CONTRACT.

(c) THE MEMBER MAY ELECT TO HAVE ALL OR A PORTION OF THE MEMBER'S INDIVIDUAL ACCOUNT DISTRIBUTED IN SUBSTANTIALLY EQUAL MONTHLY PAYMENTS OVER THE MEMBER'S LIFE EXPECTANCY OR A PERIOD NOT TO EXCEED THE JOINT LIFE EXPECTANCY OF THE MEMBER AND A SPOUSE, IF THE SPOUSE IS THE SOLE BENEFICIARY, OR UNTIL THE ACCOUNT IS EXHAUSTED. IF THE MEMBER DIES PRIOR TO THE MEMBER'S REQUIRED BEGINNING DATE, THE DESIGNATED BENEFICIARY MAY ELECT TO HAVE ALL OR A PORTION OF THE MEMBER'S INDIVIDUAL ACCOUNT DISTRIBUTED IN SUBSTANTIALLY EQUAL MONTHLY PAYMENTS OVER A PERIOD NOT TO EXCEED THE LIFE EXPECTANCY OF THE DESIGNATED BENEFICIARY.

(d) A MEMBER WHO IS VESTED IN BOTH MEMBER AND EMPLOYER CONTRIBUTIONS TO THE MONEY PURCHASE COMPONENT OF THE PLAN AND HAS ATTAINED AGE FIFTY-FIVE MAY ELECT TO TRANSFER ALL OR PART OF THE MEMBER'S INDIVIDUAL ACCOUNT BALANCE WITHIN THE PLAN FROM THE MONEY PURCHASE COMPONENT ACCOUNT TO THE LIFETIME BENEFITS ACCOUNT TO PURCHASE A MONTHLY BENEFIT, WHICH IS CONSIDERED A PORTION OF THE PENSION UNDER PART 4 OF THIS ARTICLE 31.5. AT RETIREMENT, A MEMBER MAY MAKE A ONE-TIME IRREVOCABLE ELECTION TO PURCHASE THE MONTHLY BENEFIT IN A SINGLE LUMP SUM, WHICH MUST BE

TRANSFERRED PRIOR TO THE RECEIPT OF BENEFITS FROM THE LIFETIME BENEFIT COMPONENTS. FUNDS MAY NOT BE TRANSFERRED FROM OUTSIDE THE STATEWIDE RETIREMENT PLAN TO PURCHASE A MONTHLY BENEFIT. ANY TRANSFERRED OR ROLLOVER FUNDS, EXCEPT THOSE FUNDS TRANSFERRED BY A DEPARTMENT AS PART OF AN AFFILIATION OR REENTRY PROCESS, HELD WITHIN THE MEMBER'S INDIVIDUAL ACCOUNT ARE NOT ELIGIBLE FOR PURCHASE OF A MONTHLY BENEFIT AND REMAIN IN THE ACCOUNT UNTIL OTHERWISE DISTRIBUTED.

(3) A MEMBER WHO TERMINATES EMPLOYMENT AND HAS TAKEN A REFUND OF THE MEMBER'S CONTRIBUTIONS TO THE LIFETIME BENEFIT COMPONENTS IS NOT REQUIRED TO WITHDRAW THE MONEY PURCHASE COMPONENT ACCOUNT, WHICH SHALL BE MAINTAINED AND SHALL CONTINUE TO RECEIVE ALLOCATIONS FOR EARNINGS AND EXPENSES UNTIL THE ASSETS OF THE ACCOUNT ARE DISTRIBUTED.

(4) THE BOARD MAY ESTABLISH BY RULE A MINIMUM VALUE FOR AN INDIVIDUAL ACCOUNT AND MAY REQUIRE DISTRIBUTION IF AN ACCOUNT FALLS BELOW THE REQUIRED MINIMUM VALUE WITHOUT RECEIPT OF A REQUEST FOR DISTRIBUTION.

(5) UPON A MEMBER'S DEATH WITH NO DESIGNATED BENEFICIARY, THE MEMBER'S INDIVIDUAL ACCOUNT MUST BE DISTRIBUTED TO THE MEMBER'S ESTATE. UPON THE DEATH OF A DESIGNATED BENEFICIARY WHO SUCCEEDED THE MEMBER IN DEATH, THE MEMBER'S INDIVIDUAL ACCOUNT MUST BE DISTRIBUTED TO THE DESIGNATED BENEFICIARY'S ESTATE.

(6) TO THE EXTENT ALLOWED UNDER THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THE BOARD MAY, BUT IS NOT REQUIRED TO, PROVIDE BY RULE FOR LOANS OR DISASTER DISTRIBUTIONS TO MEMBERS AND FOR IN-SERVICE DISTRIBUTIONS.

PART 6 AMENDMENT OF THE PLAN

31-31.5-601. Modification of plan by the board. (1) SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 31.5, THE BOARD MAY MODIFY THE STATEWIDE RETIREMENT PLAN AS FOLLOWS:

(a) TO MODIFY THE MULTIPLIER, RETIREMENT AGE, OR SERVICE REQUIREMENTS FOR PENSION BENEFITS SET FORTH IN PART 4 OF THIS ARTICLE 31.5 WITH RESPECT TO THE MEMBERS OF THE DEFINED BENEFIT COMPONENTS IF THE MODIFICATION DOES NOT REQUIRE AN INCREASE IN THE EMPLOYER AND MEMBER CONTRIBUTION RATES ESTABLISHED PURSUANT TO PART 3 OF THIS ARTICLE 31.5 AND IF THE BOARD DETERMINES THAT THE MODIFICATION WILL MAINTAIN OR ENHANCE THE ACTUARIAL SOUNDNESS, AS SPECIFIED IN SECTION 31-31.5-101 (5)(a); AND

(b) TO INCREASE THE MEMBER CONTRIBUTION RATE ABOVE THE RATES ESTABLISHED PURSUANT TO PART 3 OF THIS ARTICLE 31.5 WITH RESPECT TO THE MEMBERS OF THE STATEWIDE RETIREMENT PLAN IF THE INCREASE DOES NOT REQUIRE AN INCREASE IN THE EMPLOYER CONTRIBUTION RATE ESTABLISHED PURSUANT TO PART 3 OF THIS ARTICLE 31.5. ANY SUCH INCREASE IN THE MEMBER CONTRIBUTION RATE IS NOT SUBJECT TO NEGOTIATION FOR PAYMENT BY THE EMPLOYER.

(c) TO INCREASE THE CONTRIBUTION RATES ABOVE THE RATES ESTABLISHED PURSUANT TO PART 3 OF THIS ARTICLE 31.5 WITH RESPECT TO THE MEMBERS AND EMPLOYERS OF THE STATEWIDE RETIREMENT PLAN IF THE RATE OF INCREASE FOR THE MEMBER AND FOR THE EMPLOYER IS EQUAL.

(2) BEFORE MODIFYING THE PLAN PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE BOARD MUST FIND THAT:

(a) THE MODIFICATION DOES NOT ADVERSELY AFFECT THE PLAN'S STATUS AS A QUALIFIED PLAN PURSUANT TO THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED;

(b) THE MODIFICATION HAS BEEN APPROVED BY SIXTY-FIVE PERCENT OF THE ACTIVE MEMBERS OF THE STATEWIDE RETIREMENT PLAN WHO ARE AFFECTED BY THE MODIFICATION AND WHO VOTE IN AN ELECTION PROPOSING THE MODIFICATION;

(c) THE MODIFICATION HAS BEEN APPROVED BY MORE THAN FIFTY PERCENT OF THE EMPLOYERS HAVING ACTIVE MEMBERS COVERED BY THE STATEWIDE RETIREMENT PLAN THAT VOTE IN THE ELECTION PROPOSING THE MODIFICATION, EACH EMPLOYER TO BE ASSIGNED ONE VOTE; EXCEPT THAT EMPLOYERS HAVING BOTH ACTIVE POLICE AND ACTIVE FIRE MEMBERS IN THE PLAN SHALL BE ASSIGNED TWO VOTES; AND

(d) THE MODIFICATION DOES NOT ADVERSELY AFFECT THE PENSION BENEFITS OF RETIRED MEMBERS.

(3) ANY INCREASE IN THE MEMBER CONTRIBUTION RATE ESTABLISHED PURSUANT TO THIS SECTION SHALL BE PAID FROM A MEMBER'S SALARY AND OTHERWISE BE TREATED IN THE SAME MANNER SPECIFIED IN PART 3 OF THIS ARTICLE 31.5 FOR REQUIRED MINIMUM MEMBER CONTRIBUTIONS FOR PURPOSES OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

(4) THE BOARD MAY ELIMINATE AN INCREASE IN THE MEMBER OR THE MEMBER AND EMPLOYER CONTRIBUTION RATE INCREASES ESTABLISHED PURSUANT TO THIS PART 6 SO LONG AS THE REQUIREMENTS FOR AN INCREASE SET FORTH IN SUBSECTION (2) OF THIS SECTION ARE MET.

(5) THE BOARD SHALL NOT ADOPT A MODIFICATION THAT REDUCES THE STATEWIDE RETIREMENT PLAN'S AGE FOR NORMAL RETIREMENT BELOW THAT PERMITTED BY SECTION 31-31.5-401 (2).

(6) THE BOARD SHALL ADOPT RULES SETTING FORTH THE PROCEDURES FOR THE ELECTIONS REQUIRED BY SUBSECTIONS (2)(b) AND (2)(c) OF THIS SECTION. EACH EMPLOYER HAVING MEMBERS IN THE STATEWIDE RETIREMENT PLAN SHALL COMPLY WITH THE PROCEDURES ESTABLISHED BY THE BOARD AND SHALL CERTIFY THE RESULTS OF ANY MEMBER ELECTION TO THE BOARD AS PRESCRIBED BY THE BOARD'S RULES.

(7) A WRITTEN COPY OF THE LANGUAGE OF ANY MODIFICATIONS TO THE STATEWIDE DEFINED BENEFIT PLAN OR AN INCREASE IN THE MEMBER CONTRIBUTION RATE ADOPTED BY THE BOARD PURSUANT TO THIS SECTION SHALL BE KEPT AND MAINTAINED BY THE BOARD AT ITS OFFICES AND BE MADE AVAILABLE FOR COPYING AND INSPECTION BY ANY INTERESTED PARTY.

(8) IF AT ANY TIME THE COST OF ANY MODIFICATION ADOPTED BY THE BOARD PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION WOULD REQUIRE AN INCREASE IN EMPLOYER AND MEMBER CONTRIBUTIONS MADE PURSUANT TO PART 3 OF THIS ARTICLE 31.5 OR ANY HIGHER MEMBER CONTRIBUTION RATE ESTABLISHED PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION, THE BOARD SHALL REVOKE THE MODIFICATION AS IT APPLIES TO ACTIVE MEMBERS OF THE STATEWIDE RETIREMENT PLAN PURSUANT TO

SECTION 31-31.5-402. THE BOARD MAY REINSTITUTE THE MODIFICATION AT A LATER DATE, IN ITS DISCRETION, IF REINSTITUTING THE MODIFICATION WOULD NOT REQUIRE AN INCREASE IN THE EMPLOYER AND MEMBER CONTRIBUTIONS MADE PURSUANT TO PART 3 OF THIS ARTICLE 31.5.

SECTION 2. In Colorado Revised Statutes, 31-31-202, **amend** (3) as follows:

31-31-202. Powers and duties of the board. (3) Under the direction of the board, each employer, including employers not covered by or specifically exempted from the statewide ~~defined benefit~~ RETIREMENT plan in accordance with the provisions of section 31-31-401 (1), shall furnish such information and shall keep such records as the board may require for the discharge of its duties.

SECTION 3. In Colorado Revised Statutes, **amend** 31-31-203 as follows:

31-31-203. Fund not subject to levy. Except for assignments for child support debt pursuant to section 14-14-104, ~~C.R.S.~~, child support arrearages as requested as part of an enforcement action under article 5 of title 14, ~~C.R.S.~~, or child support arrearages that are the subject of enforcement services provided under section 26-13-106, ~~C.R.S.~~, for income assignments for child support purposes pursuant to section 14-14-111.5, ~~C.R.S.~~, for writs of garnishment that are the result of a judgment taken for arrearages for child support or for child support debt, for payments made in compliance with a properly executed court order approving a written agreement entered into pursuant to section 14-10-113 (6), ~~C.R.S.~~, and for restitution that is required to be paid for the theft, embezzlement, misappropriation, or wrongful conversion of public property or in the event of a judgment for a willful and intentional violation of fiduciary duties pursuant to this ~~article~~ ARTICLE 31 where the offender or a related party received direct financial gain, OR AS OTHERWISE REQUIRED UNDER FEDERAL LAW, no portion of the funds created pursuant to ~~sections 31-31-204 (4), 31-31-502, 31-31-701 (6), 31-31-706 (1), 31-31-813 (1), and 31-31-901 (3),~~ THIS ARTICLE 31 OR ARTICLE 31.5 OF THIS TITLE 31 before or after their order for distribution by the board to the persons entitled thereto, shall be held, seized, taken, subjected to, detained, or levied on by virtue of any attachment, execution, injunction, writ, interlocutory or other order or decree, or process or proceeding whatsoever issued out of or by any court

of this state for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demand, or judgment against the fire and police pension association or employers that belong to such association or the beneficiary of such funds. The funds shall be held and distributed for the purpose of this ~~article~~ ARTICLE 31 and for no other purpose whatsoever.

SECTION 4. In Colorado Revised Statutes, 31-31-204, **amend** (1)(a), (2.5), (3)(b), and (3)(c); and **repeal** (1)(b) and (4)(d) as follows:

31-31-204. Defined benefit system. (1) There shall be a defined benefit system that shall consist of the following plans:

(a) The statewide ~~defined benefit~~ RETIREMENT plan established pursuant to ~~part 4 of this article~~ ARTICLE 31.5 OF THIS TITLE 31;

(b) ~~The statewide hybrid plan established pursuant to part 11 of this article;~~

(2.5) Notwithstanding ~~section 31-31-408 or 31-31-1102 (5)~~ SECTION 31-31.5-601 or the terms of an agreement entered into pursuant to section 31-31-706 (2), the board may modify, ALTER, or amend the plan provisions contained in ~~part 4 of this article~~ ARTICLE 31.5 OF THIS TITLE 31 or a plan document or rules of a plan within the defined benefit system as the board deems prudent and necessary to administer benefits under the plan consistently and uniformly across the defined benefit system in a manner that does not result in an actuarial cost to the plan. Such modifications or amendments may include changes to the options for the distribution of benefits. This subsection (2.5) shall not be construed to authorize modification to the amount of a normal benefit.

(3) **Qualification requirements - internal revenue code - definitions.** (b) The defined benefit system and each of the plans established by ~~part 2, 4, 7, or 11 of this article~~ PART 2 OR 7 OF THIS ARTICLE 31 OR PART 1 OF ARTICLE 31.5 OF THIS TITLE 31 included within the system shall satisfy the qualification requirements specified in section 401 of the internal revenue code, as applicable to governmental plans.

(c) The board may adopt any provision for a plan established by ~~part 2, 4, 7, or 11 of this article~~ PART 2 OR 7 OF THIS ARTICLE 31 OR PART 1 OF ARTICLE 31.5 OF THIS TITLE 31 that is necessary to comply with the internal

revenue code.

(4) **Trust fund.** (d) ~~The following accounts shall be established within the trust fund:~~

~~(I) A new hire benefits account for the statewide defined benefit plan, into which contributions shall be deposited. The benefits provided by the statewide defined benefit plan shall be paid from such account.~~

~~(II) Accounts for the statewide hybrid plan as may be required under the statewide hybrid plan document;~~

~~(HH) Accounts for exempt plans incorporated into the statewide defined benefit plan as may be required under the plan documents; and~~

~~(IV) Accounts for health-care benefit plans as may be required under the health-care plan documents.~~

SECTION 5. In Colorado Revised Statutes, **add** 31-31-205 as follows:

31-31-205. Confidentiality of members' protected personal information. ALL INFORMATION CONTAINED IN RECORDS OF ACTIVE MEMBERS, RETIRED MEMBERS, FORMER MEMBERS, INACTIVE MEMBERS, DESIGNATED BENEFICIARIES, ALTERNATE PAYEES, BENEFIT RECIPIENTS, AND THEIR DEPENDENTS OF ANY PLAN ADMINISTERED BY THE ASSOCIATION OR OF ANY LOCALLY ADMINISTERED AND FINANCED ALTERNATIVE PLAN SHALL BE MAINTAINED AS CONFIDENTIAL. THE ASSOCIATION OR LOCAL PLAN ADMINISTRATOR MAY PROVIDE SUCH INFORMATION AS IS NECESSARY TO A THIRD-PARTY SERVICE PROVIDER PURSUANT TO ARTICLE 73 OF TITLE 24.

SECTION 6. In Colorado Revised Statutes, **amend** 31-31-401 as follows:

31-31-401. Applicability of plan. (1) Every employer in this state shall provide the pension benefits of the statewide ~~defined benefit~~ RETIREMENT plan established by ~~this part 4~~ PART 31.5 OF THIS TITLE 31 for members hired on or after April 8, 1978, except for the following:

(a) Any employer that began covering members under the federal

"Social Security Act" on or before August 11, 2005, and any employer that began covering members under the federal "Social Security Act" on or before August 11, 2005, that chooses to cover members hired after August 11, 2005, under the federal "Social Security Act";

(b) Any employer that covers members under an exempt plan established pursuant to part 8 of article 30.5 of this title;

(c) Any employer that has withdrawn its members from the statewide defined benefit plan pursuant to part 6 of this article and established a locally administered and financed alternative pension plan;

(d) Any employer that has withdrawn its members from the statewide defined benefit plan for the purpose of covering them under the statewide money purchase plan established pursuant to part 5 of this article; and

(e) Any employer that covers a member hired on or after April 8, 1978, but before January 1, 1980, under an old hire pension plan as permitted by section 31-30.5-103 (1).

(2) Nothing in this part 4 shall affect retirement pensions or disability or survivor benefits of members hired prior to April 8, 1978, who retired, were disabled, or died prior to January 1, 1980.

(3) Where an employer results from a merger, a consolidation, or an exclusion or dissolution proceeding between or among one or more employers, including a new governmental entity created by intergovernmental agreement between or among one or more employers, all members transferred to or employed by such resulting employer shall, for the purposes of this article 31 and ~~article 30.5~~ ARTICLES 30.5 AND 31.5 of this title 31, have those rights and obligations they had prior to the merger, consolidation, exclusion, dissolution, or intergovernmental agreement. In the event of a transfer of members, provision shall be made in such agreement or proceeding for allocation and transfer of plan assets, and, in the event of the transfer of members of a defined benefit plan, provision shall be made in such agreement or proceeding for discharging plan liabilities and funding in order to maintain or enhance the actuarial soundness of the remaining and resulting plans. If the resulting employer had no members prior to the merger, consolidation, exclusion, or

dissolution, it may continue as its plan any plan of a transferring employer, authorized by this article, for its members hired after the effective date of the agreement or proceeding or the resulting employer shall belong to the statewide ~~defined benefit~~ RETIREMENT plan. The board may authorize the resulting employer to consolidate preexisting retirement plans and any retirement plan attributable solely to the resulting employer into one or more plans if the plans to be consolidated are identical, the benefits are equal for all members covered under the retirement provisions of the plans, and no member suffers a reduction of benefits or an increase in member contributions due to such plan consolidation. Any member employed by a predecessor department who participated in a money purchase plan prior to the merger, consolidation, exclusion, or dissolution and who participates in the statewide ~~defined benefit~~ RETIREMENT plan after the merger, consolidation, exclusion, or dissolution shall pay the continuing uniform rate of contribution established by the board pursuant to ~~section 31-31-1101~~ (7) SECTION 31-31.5-305.

(4) (a) ~~A department chief hired on or after April 8, 1978, shall be exempted from the statewide defined benefit plan, upon the execution of a written agreement between the department chief and the chief's employer that provides for the department chief's participation in social security or in a federal insurance contribution act replacement plan as allowed under the federal internal revenue code, and the submission of notice to the association. A department chief may satisfy the federal insurance contribution act replacement plan requirement by participating in an employer sponsored plan, the statewide money purchase plan, or the statewide hybrid plan. The transfer of member and employer contributions between the statewide defined benefit plan and the statewide money purchase plan shall be consistent with the provisions of section 31-31-501.~~

(b) ~~For purposes of this subsection (4), a "department chief" means the senior command officer of any fire or police department of any employer, by whatever title known, including but not limited to chief, administrator, or director.~~

(c) ~~A department chief exempted pursuant to paragraph (a) of this subsection (4) may maintain coverage for disability and survivor benefits under part 8 of this article if the department chief participates in the statewide money purchase plan, the statewide hybrid plan, or a local money purchase plan that is qualified under section 401(a) of the federal internal~~

~~revenue code and that has a contribution rate of not less than sixteen percent.~~

(5) A member normally serving less than one thousand six hundred hours in any calendar year shall be exempted from THE LIFETIME BENEFIT COMPONENTS OF the statewide ~~defined benefit~~ RETIREMENT plan and shall be covered under the statewide money purchase plan.

(6) If an employer that is otherwise required to enroll its members under ~~the~~ A plan fails to properly enroll such members, neither the fire and police pension association nor the defined benefit system trust fund is obligated or liable for any purpose to any person or employer arising from such failure.

SECTION 7. In Colorado Revised Statutes, **add** 31-31-412 as follows:

31-31-412. Merger in to the statewide retirement plan.

(1)(a) ON OR ABOUT JANUARY 1, 2023, THE ASSETS AND LIABILITIES OF THE STATEWIDE DEFINED BENEFIT PLAN SHALL MERGE INTO THE STATEWIDE RETIREMENT PLAN CREATED PURSUANT TO ARTICLE 31.5 OF THIS TITLE 31.

(b) STATEWIDE DEFINED BENEFIT ASSETS HELD IN THE ACTUARIAL ACCOUNT PURSUANT TO THIS PART 4 SHALL BE TRANSFERRED TO THE LIFETIME BENEFITS ACCOUNT CREATED PURSUANT TO PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(c) STABILIZATION RESERVE ACCOUNT ASSETS HELD IN SEPARATE RETIREMENT ACCOUNTS PURSUANT TO THIS PART 4 SHALL BE TRANSFERRED TO THE MONEY PURCHASE ACCOUNT CREATED PURSUANT TO PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(d) DEFERRED RETIREMENT OPTION PLAN ACCOUNT ASSETS OF THE STATEWIDE DEFINED BENEFIT PLAN SHALL BE TRANSFERRED TO THE MONEY PURCHASE ACCOUNT CREATED TO PURSUANT TO PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(2) ALL REMAINING DEFINED BENEFITS AND OTHER OBLIGATIONS OF THE STATEWIDE DEFINED BENEFIT PLAN PAYABLE ON AND AFTER JANUARY 1, 2023, SHALL BE PAID FROM THE LIFETIME BENEFITS ACCOUNT OF THE

STATEWIDE RETIREMENT PLAN; EXCEPT THAT THE REMAINING OBLIGATIONS HELD IN THE SEPARATE RETIREMENT ACCOUNTS OF THE STATEWIDE DEFINED BENEFIT PLAN SHALL BE TRANSFERRED TO AND BE PAYABLE FROM THE MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT. SAID OBLIGATIONS SHALL BE PAID PURSUANT TO THE STATUTORY PROVISIONS AND RULES ADOPTED BY THE BOARD REGARDING THE STATEWIDE RETIREMENT PLAN.

(3) PARTICIPATION BY ALL MEMBERS, INCLUDING RETIREES, IN THE STATEWIDE DEFINED BENEFIT PLAN SHALL TERMINATE UPON THE MERGER OF THE PLANS AND SAID MEMBERS SHALL BEGIN PARTICIPATION IN THE DEFINED BENEFIT COMPONENT OF THE STATEWIDE RETIREMENT PLAN. ACCUMULATED SERVICE CREDIT AND LENGTH OF SERVICE SHALL BE AGGREGATED BETWEEN THE PLANS.

(4) IMMEDIATELY AFTER SUCH TRANSFER, THE AFFECTED MEMBER'S ACCRUED BENEFITS IN THE STATEWIDE RETIREMENT PLAN SHALL BE EQUAL TO THE MEMBER'S ACCRUED BENEFITS IMMEDIATELY BEFORE THE TRANSFER.

(5) THE MERGER IS INTENDED TO BE CONSISTENT WITH THE REQUIREMENTS UNDER SECTION 414(l) OF THE "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND SHALL NOT BE CONSIDERED A PLAN TERMINATION AND SHALL NOT RESULT IN A DISTRIBUTABLE EVENT.

SECTION 8. In Colorado Revised Statutes, 31-31-501, **amend** (1), (2), (4)(a)(I), (6)(a), (6)(b)(I), (6)(b)(II), (6)(b)(IV), (6)(c), and (7) as follows:

31-31-501. Withdrawal into statewide money purchase plan.

(1) Any employer may withdraw from its participation in the statewide ~~defined benefit~~ RETIREMENT plan established by ~~part 4 of this article~~ ARTICLE 31.5 OF THIS TITLE 31 for the sole purpose of electing participation in the statewide money purchase plan created pursuant to the authority granted in section 31-31-502.

(2) (a) The employer may initiate withdrawal from the statewide ~~defined benefit~~ RETIREMENT plan by filing with the board a resolution adopted by the employer pursuant to ~~paragraph (b) of this subsection~~ (2) SUBSECTION (2)(b) OF THIS SECTION no less than nine months prior to the effective date of withdrawal unless a shorter waiting period is approved by

the board. The effective date of withdrawal shall be the first day of the month immediately following the month in which the waiting period expires.

(b) The employer's withdrawal resolution shall be adopted by the governing body of the employer and shall state the employer's intent to withdraw from participation in the statewide ~~defined benefit~~ RETIREMENT plan for the purpose of electing participation in the statewide money purchase plan.

(c) Any withdrawal shall be approved by at least sixty-five percent of all active members employed by the employer who are participating in the statewide ~~defined benefit~~ RETIREMENT plan at the time of the election and who vote in the election proposing the withdrawal.

(d) The board shall promulgate rules relating to standards for disclosure of all ramifications and procedures for obtaining the member approval provided for in ~~paragraph (c) of this subsection (2)~~ SUBSECTION (2)(c) OF THIS SECTION.

(e) All withdrawals from the statewide ~~defined benefit~~ RETIREMENT plan shall comply with the requirements set forth in this section, and, except as otherwise provided in this section, all withdrawals meeting such requirements shall be approved by the board. Withdrawal requests that do not meet the requirements of this section shall not be approved by the board.

(4)(a)(I) The board shall determine the amount of reserves required as of the effective date of withdrawal to maintain current benefits payable by the association to benefit recipients and to preserve the vested rights of inactive members. The amount of reserves shall be determined by the board utilizing certified actuarial reports prepared by the actuary for the statewide ~~defined benefit~~ RETIREMENT plan. Any such actuarial report shall also certify that the employer's withdrawal shall not have an adverse financial impact on the actuarial soundness of the new hire benefits account. If the actuary determines, in accordance with accepted actuarial principles, that the withdrawal will not have an adverse financial impact on the actuarial soundness of the new hire benefits account, the board shall transfer such employer's share of the employer contribution reserve in the new hire benefits account, as determined by the actuary, and all member contributions for the employer's active members to a short-term investment

account. If the actuary determines, in accordance with accepted actuarial principles, that the withdrawal shall have an adverse financial impact on the actuarial soundness of the new hire benefits account, the employer shall not be permitted to withdraw.

(6) (a) Members who are not vested under the statewide ~~defined benefit~~ RETIREMENT plan and who are employed by an employer who has withdrawn from the statewide ~~defined benefit~~ RETIREMENT plan shall have their member contributions credited to the statewide money purchase pension plan as set forth in section 31-31-502.

(b) (I) Members who are vested under the statewide ~~defined benefit~~ RETIREMENT plan and who are employed by an employer who has filed a resolution of intent to withdraw from the statewide ~~defined benefit~~ RETIREMENT plan may elect that, if the withdrawal becomes effective, their contributions remain with the statewide ~~defined benefit~~ RETIREMENT plan by giving written notice to the association no later than the date established for completion of the member election provided in ~~paragraph (c) of subsection (2)~~ SUBSECTION (2)(c) of this section.

(II) Members who have made such an election shall become inactive statewide ~~defined benefit~~ RETIREMENT plan members entitled to vested benefits upon termination and attainment of vested retirement age.

(IV) If members who have made such an election die or become disabled prior to termination of employment, neither they nor their survivors shall be eligible for benefits under the statewide ~~defined benefit~~ RETIREMENT plan, but rather they shall be limited to those benefits provided in sections 31-31-803, 31-31-807, and 31-31-807.5.

(c) Members who do not elect to leave their contributions with the statewide ~~defined benefit~~ RETIREMENT plan pursuant to ~~paragraph (b) of this subsection (6)~~ SUBSECTION (6)(b) OF THIS SECTION shall have their member contributions credited to the statewide money purchase pension plan as set forth in section 31-31-502.

(7) The provisions of ~~section~~ SECTIONS 31-31-404 (1)(b) AND 31-31.5-411 (1)(b) that relate to the purchase of service credit forfeited by the refund of member contributions shall not apply to members who are employees of an employer that has withdrawn from the statewide defined

benefit plan. Such service credit forfeited by such withdrawal may be purchased pursuant to the provisions of section 31-31-403 (7) OR 31-31.5-310.

SECTION 9. In Colorado Revised Statutes, 31-31-502, **amend** (1), (2)(a), and (4)(a) as follows:

31-31-502. Statewide money purchase plan - creation - management. (1) The board shall develop, maintain, and amend a statewide money purchase plan document that is intended to comply with the qualification requirements specified in section 401 of the internal revenue code, as applicable to governmental plans. As used in this subsection (1), "internal revenue code" shall have that meaning set forth in section 31-31-204 (3). The plan shall cover the members of those employers that have withdrawn from the statewide ~~defined benefit~~ RETIREMENT plan pursuant to section 31-31-501.

(2) (a) There is hereby created the fire and police members' statewide money purchase plan benefit trust fund, which shall consist of moneys of employers that have withdrawn from the statewide ~~defined benefit~~ RETIREMENT plan pursuant to section 31-31-501, including member and employer contributions and such amounts as are transferred pursuant to section 31-31-501. The board shall keep an accurate account of the fund and of each member's separate account in the fund.

(4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF THIS SECTION, upon the effective date of an employer's withdrawal from the statewide ~~defined benefit~~ RETIREMENT plan and election to participate in the statewide money purchase plan, each member covered by the statewide money purchase plan shall pay into the fund eight percent of salary paid. The payment shall be made by the employer by deduction from the salary paid such member. Except as provided in ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF THIS SECTION, for each such member, the employer shall pay into the fund eight percent of the salary paid to such member. All such payments shall be made by one voucher for the aggregate amount and shall be made no later than ten days following the date of payment of salary to the member. All such payments shall be credited to the fund. Late payments are subject to the penalty set forth in ~~section 31-31-402 (4)~~ SECTION 31-31.5-309.

SECTION 10. In Colorado Revised Statutes, 31-31-704, **amend** (1)

as follows:

31-31-704. Optional affiliation by social security employers.

(1) (a) Prior to January 1, 2007, and notwithstanding the exemption provided in section 31-31-401 (1)(a), any employer that covers members under the federal "Social Security Act", as amended, or any county that covers salaried employees whose duties are directly involved with the provision of law enforcement or fire protection, as certified by the county under the federal "Social Security Act", as amended, may have elected affiliation with the association, either as to coverage under the statewide death and disability plan or as to retirement under the statewide defined benefit plan, or as to both, by filing with the board a resolution of the governing body of such employer, but any such affiliation shall either exclude past service credit or include past service credit funded by contribution levels established by the board.

(b) ON OR ABOUT JANUARY 1, 2023, PARTICIPATION BY MEMBERS EMPLOYED BY SOCIAL SECURITY EMPLOYERS WHO ELECTED OPTIONAL AFFILIATION PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION SHALL BE TRANSFERRED TO THE STATEWIDE RETIREMENT PLAN PURSUANT TO THE MERGER DESCRIBED IN SECTION 31-31-412.

SECTION 11. In Colorado Revised Statutes, 31-31-704.5, **amend** (1); and **add** (8) as follows:

31-31-704.5. Entry for social security employers.

(1) (a) (I) Notwithstanding the exemption provided in section 31-31-401 (1)(a), any employer that covers members under the federal "Social Security Act", as amended, or any county that covers salaried employees under the federal "Social Security Act", as amended, whose duties are ~~directly involved with the provision of law enforcement or fire protection~~ PEACE OFFICERS OR FIREFIGHTERS as certified by the county may elect coverage under the ~~social security supplemental plan~~ STATEWIDE RETIREMENT PLAN SOCIAL SECURITY SUPPLEMENTAL COMPONENT established pursuant to ~~section 31-31-704.6~~ ARTICLE 31.5 OF THIS TITLE 31 by filing a resolution of affiliation with the board pursuant to subsection (2) of this section. Election of coverage under the plan shall be irrevocable.

(II) The board may allow an employer eligible for participation in the social security ~~supplemental plan~~ pursuant to subsection (1)(a)(I) of this

section to alternatively elect to participate in ~~one or more of the plans within the defined benefit system~~ OTHER LIFETIME BENEFIT COMPONENTS OF THE STATEWIDE RETIREMENT PLAN with full benefits and unreduced contribution rates. Such participation shall be as provided by rules adopted by the board. The board may determine a continuing rate of contribution for all members who are active on the effective date of coverage to fund benefits as may be necessary to ensure that the affiliating employers' coverage shall not have an adverse financial impact on the actuarial soundness of the plan.

(b) A county electing to affiliate with the association FOR THE PURPOSE OF PROVIDING COVERAGE OF ITS PEACE OFFICERS OR FIREFIGHTERS shall make such election through the county's governing board. For purposes of administering to counties affiliated pursuant to this section, any county electing to affiliate shall be included in the definition of "employer", as defined in section 31-31-102 (3), and any covered ~~employee~~ PEACE OFFICER OR FIREFIGHTER of such county shall be included in the definition of "member", as defined in section 31-31-102 (4).

(8) ANY EMPLOYER PARTICIPATING IN THE SOCIAL SECURITY COMPONENT OF THE STATEWIDE RETIREMENT PLAN CREATED PURSUANT TO ARTICLE 31.5 OF THIS TITLE 31 MAY NOT ELECT COVERAGE UNDER THE STATEWIDE DEATH AND DISABILITY PLAN UNDER PART 8 OF THIS ARTICLE 31.

SECTION 12. In Colorado Revised Statutes, 31-31-706, **amend** (2)(c) as follows:

31-31-706. Affiliation by exempt defined benefit pension plans.
(2) (c) The board may require that employees hired by the local employer with the formerly exempt defined benefit pension plan after the date of incorporation pursuant to this subsection (2) be members of the statewide ~~defined benefit~~ RETIREMENT plan pursuant to ~~part 4 of this article~~ ARTICLE 31.5 OF THIS TITLE 31.

SECTION 13. In Colorado Revised Statutes, **amend** 31-31-708 as follows:

31-31-708. Optional affiliation by county sheriff. Any county that does not cover, under the federal "Social Security Act", as amended, salaried employees whose duties are directly involved with the provision of law enforcement or fire protection as certified by the county may elect

coverage under the statewide ~~defined benefit~~ RETIREMENT plan established in ~~part 4 of this article 31~~ ARTICLE 31.5 OF THIS TITLE 31 and the statewide death and disability plan established in part 8 of this article 31 by filing a resolution of affiliation with the board. Election of coverage under the plan is irrevocable. Such participation shall be as provided by rules adopted by the board. The board may determine a continuing rate of contribution for all members who are active on the effective date of coverage to fund benefits as may be necessary to ensure that the affiliating employers' coverage shall not have an adverse financial impact on the actuarial soundness of the plan.

SECTION 14. In Colorado Revised Statutes, 31-31-802, **amend** (2)(a) as follows:

31-31-802. Coverage. (2) (a) Departments participating in a plan established pursuant to part 4, 5, or 11 of this ~~title~~ ARTICLE 31 OR ARTICLE 31.5 OF THIS TITLE 31 and not participating in the plan for disability and survivor benefits under this part 8 may be covered by the provisions of this part 8 in accordance with the terms, conditions, and procedures established by the board.

SECTION 15. In Colorado Revised Statutes, 31-31-803, **amend** (7)(a) and (12) as follows:

31-31-803. Retirement for disability. (7) (a) The benefits payable under this section or section 31-31-806.5 to any member who is awarded an occupational disability prior to October 1, 2002, a total disability, or who is permanently occupationally disabled and who is also eligible to receive payments from the member's ~~separate retirement~~ INDIVIDUAL account pursuant to ~~section 31-31-406~~ PART 5 OF ARTICLE 31.5 OF THIS TITLE 31 or a similar provision in a local pension plan shall be reduced by an amount that is the actuarial equivalent of the benefits such member is eligible to receive from the separate retirement account, whether the benefits received from the account are paid on a periodic basis or in a lump sum.

(12) Notwithstanding any limitation provided under article 80 of title 13 ~~C.R.S.~~, or any other applicable limitation, any application for disability must be filed by the member no later than ~~one hundred eighty~~ THREE HUNDRED SIXTY-FIVE days after the last day on the payroll under which disability coverage under this section is provided.

SECTION 16. In Colorado Revised Statutes, 31-31-804, **amend** (2) as follows:

31-31-804. Reduction of disability benefits - definitions. (2) The benefits payable under section 31-31-803 or 31-31-806.5 to any member who is occupationally disabled prior to October 1, 2002, is permanently occupationally disabled, or who is totally disabled and who at the time of the award of such benefits is a member of a money purchase plan pursuant to this article or article 30.5 of this ~~title~~ TITLE 31, including any department chief, who at the time of the award of such benefits has been exempted from the statewide ~~defined benefit~~ RETIREMENT plan as permitted by ~~section 31-31-401 (4)~~ SECTION 31-31.5-203, shall be reduced by an amount that is the actuarial equivalent of the benefits such member receives from any such money purchase plan, whether the benefits received from the money purchase plan are paid on a periodic basis or in a lump sum. No such reduction shall exceed the actuarial equivalent of money purchase plan benefits if such benefits had been funded at the same rate of contributions specified in ~~section 31-31-402 (1) and (2)~~ as is required for benefits under ~~section 31-31-403~~ SECTION 31-31.5-301.

SECTION 17. In Colorado Revised Statutes, 31-31-808, **amend** (1) as follows:

31-31-808. Reduction of survivor benefits. (1) The benefits payable under sections 31-31-807 and 31-31-807.5 to the surviving spouse and dependent children of any member, who at the time of the member's death was a member of a money purchase plan established under this article or article 30.5 of this ~~title~~ TITLE 31, including any department chief, who at the time of the chief's death had been exempted from the statewide ~~defined benefit~~ RETIREMENT plan as permitted by ~~section 31-31-401 (4)~~ SECTION 31-31.5-203, shall be reduced by an amount that is the actuarial equivalent of the benefits such surviving spouse and dependent children receive from the money purchase plan, whether the benefits received from the money purchase plan are paid on a periodic basis or in a lump sum. No such reduction shall exceed the actuarial equivalent of money purchase plan benefits if such benefits had been funded at the same rate of contributions specified in ~~section 31-31-402 (1) and (2)~~ as are required for benefits under ~~section 31-31-403~~ SECTION 31-31.5-301.

SECTION 18. In Colorado Revised Statutes, 31-31-810, **amend**

(1)(b) and (2)(b) as follows:

31-31-810. Employer liability - statewide standard health history form. (1) (b) The board shall enforce a claim for repayment against the employer by either increasing the contribution of the employer under ~~section 31-31-402 (2)~~ PART 3 OF ARTICLE 31.5 OF THIS TITLE 31 or by the commencement and prosecution of a civil action. The choice of remedies shall be in the sole discretion of the board.

(2) (b) The board shall enforce a claim for repayment against the employer either by increasing the contribution of the employer under ~~section 31-31-402 (2)~~ PART 3 OF ARTICLE 31.5 OF THIS TITLE 31 or by the commencement and prosecution of a civil action. The choice of remedies shall be in the sole discretion of the board.

SECTION 19. In Colorado Revised Statutes, 31-31-1101, **amend** (1) as follows:

31-31-1101. Entry into the fire and police pension association defined benefit system. (1) Any employer who has established a local money purchase plan pursuant to part 6 of this article 31 or article 30.5 of this title 31 or has withdrawn into the statewide money purchase plan pursuant to part 5 of this article 31 may apply to the board to require all new employees hired on or after a date certain who meet the definition of member as defined in section 31-31-102 (4) to participate as a group in the defined benefit system in either the DEFINED BENEFIT COMPONENT OR THE HYBRID AND MONEY PURCHASE COMPONENTS OF THE statewide ~~defined benefit~~ RETIREMENT plan established in ~~part 4 of this article 31 or the statewide hybrid plan established in section 31-31-1102~~ ARTICLE 31.5 OF THIS TITLE 31. An application may be initiated by filing with the board a resolution adopted by the governing body of the employer in accordance with the terms, process, certifications, and schedule established by the board.

SECTION 20. In Colorado Revised Statutes, **add** 31-31-1104 as follows:

31-31-1104. Merger in to the statewide retirement plan. (1)(a) ON OR ABOUT JANUARY 1, 2023, THE ASSETS AND LIABILITIES OF THE STATEWIDE HYBRID PLAN SHALL MERGE INTO THE STATEWIDE RETIREMENT

PLAN CREATED PURSUANT TO ARTICLE 31.5 OF THIS TITLE 31.

(b) THE STATEWIDE HYBRID PLAN MEMBERS DEFINED BENEFIT ACCOUNT ASSETS SHALL BE TRANSFERRED TO THE LIFETIME BENEFITS ACCOUNT CREATED PURSUANT TO PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(c) THE STATEWIDE HYBRID PLAN AGGREGATE MONEY PURCHASE ACCOUNTS ASSETS SHALL BE TRANSFERRED TO THE MONEY PURCHASE ACCOUNT CREATED IN PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(d) DEFERRED RETIREMENT OPTION PLAN ACCOUNT ASSETS OF THE STATEWIDE HYBRID PLAN SHALL BE TRANSFERRED TO THE MONEY PURCHASE ACCOUNT CREATED IN PART 1 OF ARTICLE 31.5 OF THIS TITLE 31.

(2) ALL REMAINING DEFINED BENEFITS AND OTHER OBLIGATIONS OF THE STATEWIDE HYBRID PLAN PAYABLE ON AND AFTER JANUARY 1, 2023, SHALL BE PAID FROM LIFETIME BENEFITS ACCOUNT OF THE STATEWIDE RETIREMENT PLAN. THE MONEY PURCHASE OBLIGATIONS OF THE STATEWIDE HYBRID PLAN SHALL BE TRANSFERRED TO AND BE PAYABLE FROM THE MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT PLAN. SAID OBLIGATIONS SHALL BE PAID PURSUANT TO THE STATUTORY PROVISIONS AND RULES ADOPTED BY THE BOARD REGARDING THE STATEWIDE RETIREMENT PLAN PURSUANT TO ARTICLE 31.5 OF THIS TITLE 31.

(3) PARTICIPATION BY ALL MEMBERS, INCLUDING RETIREES, IN THE STATEWIDE HYBRID PLAN SHALL TERMINATE UPON THE MERGER OF THE PLANS AND SAID MEMBERS SHALL BEGIN PARTICIPATION IN THE HYBRID COMPONENT AND THE MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT PLAN. ACCUMULATED SERVICE CREDIT AND LENGTH OF SERVICE SHALL BE AGGREGATED BETWEEN THE PLANS. RETIREES SHALL RECEIVE AN ADJUSTMENT TO THEIR BENEFITS BASED ON THE ACTUARIAL FUNDING OF THE PLAN UPON MERGER AS DETERMINED BY THE BOARD.

(4) IMMEDIATELY AFTER SUCH TRANSFER, THE AFFECTED MEMBER'S ACCRUED BENEFITS IN THE STATEWIDE RETIREMENT PLAN SHALL BE AT LEAST AS GREAT AS THE MEMBER'S ACCRUED BENEFITS IMMEDIATELY BEFORE THE TRANSFER.

(5) THE MERGER IS INTENDED TO BE CONSISTENT WITH THE REQUIREMENTS UNDER SECTION 414(h) OF THE INTERNAL REVENUE CODE

AND SHALL NOT BE CONSIDERED A PLAN TERMINATION AND SHALL NOT RESULT IN A DISTRIBUTABLE EVENT.

SECTION 21. In Colorado Revised Statutes, **repeal** 31-31-402, 31-31-403, 31-31-404, 31-31-405, 31-31-406, 31-31-407, 31-31-408, 31-31-410, 31-31-411, 31-31-601, 31-31-704.6, 31-31-704.7, and 31-31-1102.

SECTION 22. Act subject to petition - effective date. Sections 2 through 4, 6, 8 through 19, and 21 of this act take effect January 1, 2023, and the remainder of this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general

election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO