

CHAPTER 139

GOVERNMENT - STATE

HOUSE BILL 95-1281

BY REPRESENTATIVES Tucker, Hernandez, and Prinzler;
also SENATOR Mutzebaugh.

AN ACT

CONCERNING PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION REFUNDS OF ERRONEOUS MEMBER CONTRIBUTIONS.

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

SECTION 1. 24-51-101, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

24-51-101. Definitions. As used in this article, unless the context otherwise requires:

(21.5) "ERRONEOUS CONTRIBUTION" MEANS AN AMOUNT CONTRIBUTED IN ERROR TO A MEMBER CONTRIBUTION ACCOUNT BASED ON COMPENSATION THAT IS NOT SALARY AS DEFINED IN SUBSECTION (42) OF THIS SECTION.

SECTION 2. Part 4 of article 51 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

24-51-407. Refund of erroneous member contribution. (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE ASSOCIATION CONSIDER THE PAYMENT OF INTEREST ON ANY ERRONEOUS CONTRIBUTION MADE TO A MEMBER CONTRIBUTION ACCOUNT AND LATER REFUNDED TO THE MEMBER. IT IS THE FURTHER INTENT OF THE GENERAL ASSEMBLY THAT, IF THE MEMBER WAS INTENTIONALLY AND ACTIVELY INVOLVED IN AN ERRONEOUS CONTRIBUTION WITH AN INTENT TO INCREASE A RETIREMENT BENEFIT BY INCLUDING CONTRIBUTIONS TO THE MEMBER CONTRIBUTION ACCOUNT THAT WERE NOT BASED ON SALARY, THEN INTEREST MAY BE WITHHELD BY THE ASSOCIATION AS PROVIDED IN THIS SECTION.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(2) THE ASSOCIATION SHALL REFUND TO AN EMPLOYER, FOR PAYMENT TO A MEMBER, ANY ERRONEOUS CONTRIBUTION, AS DEFINED IN SECTION 24-51-101 (21.5), THAT WAS MADE BY THE EMPLOYER TO A MEMBER CONTRIBUTION ACCOUNT. THE ASSOCIATION SHALL REFUND TO THE EMPLOYER FOR PAYMENT TO SUCH MEMBER, IN ADDITION TO THE AMOUNT OF THE ERRONEOUS CONTRIBUTION, INTEREST IN THE AMOUNT SPECIFIED IN SECTION 24-51-101 (28) (c) FOR THE PERIOD BEGINNING ON THE DATE OF THE CONTRIBUTION AND ENDING ON THE DATE OF THE REFUND; EXCEPT THAT, IF THE MEMBER WAS INTENTIONALLY AND ACTIVELY INVOLVED IN THE ERRONEOUS CONTRIBUTION MADE TO HIS OR HER MEMBER CONTRIBUTION ACCOUNT, THE REFUND OF INTEREST ON THAT AMOUNT MAY BE WITHHELD BY THE ASSOCIATION.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 16, 1995