

CHAPTER 63

GOVERNMENT - MUNICIPAL

HOUSE BILL 07-1030

BY REPRESENTATIVE(S) Riesberg, Cerbo, Liston, McGihon, Butcher, Hicks, Kerr A., Kerr J., King, Looper, McFadyen, Stafford, and Todd;
also SENATOR(S) Taylor, Tochtrop, Williams, Isgar, Kester, Shaffer, and Tapia.

AN ACT

CONCERNING THE TIMING OF CONTRIBUTION DEPOSITS FOR PLANS ADMINISTERED BY THE FIRE AND POLICE PENSION ASSOCIATION.

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

SECTION 1. 31-31-402 (1), (2), and (4), Colorado Revised Statutes, are amended to read:

31-31-402. Employer and member contributions. (1) On and after January 1, 1980, until the board is able to determine a contribution rate from the first annual actuarial valuation, every member covered under the statewide defined benefit plan established by this part 4 shall pay into the defined benefit system trust fund eight percent of salary paid. The payment shall be made by the employer by deduction from the salary paid such member. Each employer shall pick up the employee contributions required for all salaries paid after July 1, 1985, and the contributions so 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 tax treatment under such code. The employer shall pay these employee contributions directly to the retirement association, instead of paying such amounts to employees, and such contributions shall be paid from the same funds that are used in paying salaries to the employees. Such contributions, although designated as employee contributions, shall be paid by the employer in lieu of contributions by employees. Employees may not elect to choose to receive such contributions directly instead of having them paid by the employer to the pension plan. Employee contributions so picked up shall be treated for all purposes of this article, other than federal tax, in the same manner as employee contributions made before the date picked up. Payment shall be made by one voucher for the aggregate amount deducted and shall be made no later than ~~the tenth day after the end of each pay period~~ TEN DAYS

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

FOLLOWING THE DATE OF PAYMENT OF SALARY TO THE MEMBER. All such payments shall be credited to the defined benefit system trust fund.

(2) On and after January 1, 1980, until the board is able to determine a contribution rate from the first annual actuarial valuation, every employer employing members who are covered by the statewide defined benefit plan established by this part 4 shall pay into the defined benefit system trust fund eight percent of the salary paid to such member, and such payment shall be made no later than ~~the tenth day after the end of each pay period~~ TEN DAYS FOLLOWING THE DATE OF PAYMENT OF SALARY TO THE MEMBER. All such payments shall be credited to the defined benefit system trust fund.

(4) The payments required by this section are subject to penalties if not submitted when due. Payments are due no later than ten days following the date of payment of salary to the member. ~~unless the salary is paid more than once monthly, in which event such payments are due no later than the tenth day of the month following the month the salary is paid to the member.~~ An interest charge of one-half of one percent per month shall be levied against any unpaid amount and added to the employer payments required pursuant to this section; except that the board may waive the interest charge for new accounts in hardship cases, subject to rules promulgated by the board.

SECTION 2. 31-31-502 (4) (a), Colorado Revised Statutes, is amended to read:

31-31-502. Statewide money purchase plan - creation - management.

(4) (a) Except as provided in paragraph (b) of this subsection (4), upon the effective date of an employer's withdrawal from the statewide defined benefit 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), 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 ~~the tenth day after the end of each pay period~~ 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 3. 31-31-811 (4), Colorado Revised Statutes, is amended to read:

31-31-811. State funding of death and disability. (4) For each member hired on or after January 1, 1997, who is eligible for the death and disability coverage provided by this part 8, a contribution shall be made to the death and disability account in the fund for the years 1997 and 1998 in an amount not greater than two and four tenths percent of the member's salary. Thereafter, the board, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary. Any employer and any local pension board or authority shall provide such information as may be required by the board in order to complete the annual actuarial valuations. The actuary appointed by the board may utilize either the entry age-normal cost method or the aggregate cost method

for purposes of the study required by this subsection (4). Any unfunded accrued liability shall be funded over a period not to exceed thirty years. The actuarial study shall not include any consideration of a cost of living adjustment to benefits awarded to members who are occupationally disabled. Payments shall be made by the employer and are due no later than ten days following the date of payment of salary to the member. ~~unless the salary is paid more than once monthly, in which event such payments are due no later than the tenth day of the month following the month the salary is paid to the member.~~ An interest charge of one-half of one percent per month shall be levied against any unpaid amount and shall be the responsibility of the employer. Any decision regarding whether the contribution required by this subsection (4) shall be assessed against the employer or the member, or shall in some manner be assessed jointly against the employer and the member, will be made at the local level utilizing the usual process for determining employee benefits. If it is not already part of the usual process for determining employee benefits, the employer shall confer with the employees or their representative prior to making a determination on how the contribution will be assessed.

SECTION 4. 31-31-1102 (4) (a), Colorado Revised Statutes, is amended to read:

31-31-1102. Statewide hybrid plan - creation - management. (4) (a) Except as provided in paragraph (b) of this subsection (4), upon the effective date of coverage under the statewide hybrid plan, each member covered by the plan shall pay into the defined benefit system trust fund eight percent of salary paid. The payment shall be made by the employer by deduction from the salary paid to such member. Except as provided in paragraph (b) of this subsection (4), for each such member, the employer shall pay into the defined benefit system trust fund eight percent of the salary paid to such member. Payments are due no later than ten days following the date of payment of salary to the member. ~~unless the salary is paid more than once monthly, in which event such payments are due no later than the tenth day of the month following the month the salary is paid to the member.~~ An interest charge of one-half of one percent per month shall be levied against any unpaid amount and added to the employer payments required pursuant to this section.

SECTION 5. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, (August 8, 2007, if adjournment sine die is on May 9, 2007); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to contribution deposits made to police officers' and firefighters' new hire pension plans on or after January 1, 2008.

Approved: March 29, 2007