

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0397.01 Nicole Myers x4326

HOUSE BILL 24-1042

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A BILL FOR AN ACT

101 CONCERNING TECHNICAL CORRECTIONS TO THE STATUTES THAT
102 GOVERN FIRE AND POLICE PENSIONS.

Bill Summary

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

Pension Review Commission. House Bill 22-1034 merged 3 retirement plans administered by the fire and police pension association, the statewide defined benefit plan, the statewide hybrid plan, and the social security supplemental plan into a single statewide retirement plan. House Bill 22-1034 accomplished the merger in part by repealing several statutes and relocating some of the substantive provisions of those

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

statutes into new statutes. In doing so, certain statutory cross references were not properly updated to reflect the repeals and relocations. The bill updates the obsolete statutory cross references.

In addition, the bill updates the definition of "member" in the new hire pension plan statute to clarify that a portion of the definition applies only for purposes of the statewide money purchase plan. The bill also repeals an inapplicable portion of the definition of "member" in the statewide retirement plan statute.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-5-302, **amend** (6)
3 as follows:

4 **29-5-302. Required benefits - conditions of receiving benefits.**
5 (6) The benefits and maximum payment amount in subsection (2) of this
6 section are increased by the same percentage and at the same time as any
7 fire and police pension association increase in the pension benefit paid to
8 its members pursuant to ~~section 31-31-407, C.R.S.~~ SECTION 31-31.5-410.

9 **SECTION 2.** In Colorado Revised Statutes, 31-30.5-209, **amend**
10 (1) and (2) as follows:

11 **31-30.5-209. Idle funds.** (1) If the governing body of a
12 municipality, by resolution, finds that no person named in this article is,
13 and no such person can become, eligible for payment of a benefit from
14 the municipality's police officers' old hire pension fund established
15 pursuant to section 31-30.5-201 (2), it may authorize use of the money in
16 the fund to make contributions to the defined benefit system trust fund
17 pursuant to ~~section 31-31-402 (2)~~ PART 3 OF ARTICLE 31.5 OF THIS TITLE
18 31, to make contributions to a police benefit fund established pursuant to
19 section 31-31-601 (1)(b), AS SAID SECTION EXISTED PRIOR TO ITS REPEAL,
20 or to make contributions under the federal social security laws if the
21 municipality's police officers are covered by the social security laws. To

1 the extent that money in the fund exceeds three times the present yearly
2 employer contribution to any of the preceding benefit funds on behalf of
3 the municipality's current police officers, such excess may be used for any
4 law-enforcement-related purpose. If the municipality does not employ any
5 police officer, the governing body may authorize use of the money in the
6 fund for any law-enforcement-related purpose. In addition, any money in
7 the fund that is attributable to contributions by the municipality and to
8 interest on such contributions may be used for any police-related purpose
9 and, if no such police-related need exists, then for any purpose as decided
10 by the governing body of the municipality. For the purposes of this
11 subsection (1), contracting with the county or county sheriff for law
12 enforcement service shall not be considered employment of a police
13 officer.

14 (2) If the governing body of a municipality, fire protection district,
15 or county improvement district, by resolution, finds that no person named
16 in this article is, and no such person can become, eligible for payment of
17 a benefit from the employer's firefighters' old hire pension fund, it may
18 authorize use of the money in the fund to make contributions to the
19 defined benefit system trust fund pursuant to ~~section 31-31-402 (2)~~ PART
20 3 OF ARTICLE 31.5 OF THIS TITLE 31 or to make contributions under the
21 federal social security laws if the employer's firefighters are covered by
22 the social security laws. In addition, any money in the fund that is
23 attributable to contributions by the municipality or district and to interest
24 on such contributions may be used for any fire-related purpose and, if no
25 such fire-related need exists, for any purpose as decided by the governing
26 body of the municipality or district.

27 **SECTION 3.** In Colorado Revised Statutes, 31-30.5-307, **amend**

1 (1)(b)(I) as follows:

2 **31-30.5-307. State contribution.** (1) (b) (I) Each employer
3 having rank escalation and having old hire members shall determine for
4 each such employee the percentage that such employee's years served as
5 of January 1, 1980, bear to the total number of years required for
6 retirement. At retirement, the retirement pension shall be divided into that
7 percentage and the remainder. The portion of the retirement pension equal
8 to that percentage earned as of January 1, 1980, shall be subject to rank
9 escalation as provided under the old hire pension plan, and the remainder
10 of the retirement pension shall be subject to the same adjustment as that
11 determined by the fire and police pension association board of directors
12 pursuant to ~~section 31-31-407~~ SECTION 31-31.5-410.

13 **SECTION 4.** In Colorado Revised Statutes, 31-31-102, **amend**
14 introductory portion, (4), and (6) as follows:

15 **31-31-102. Definitions.** As used in this ~~article~~ ARTICLE 31, unless
16 the context otherwise requires:

17 (4) "Member" means an active employee who is a full-time
18 salaried employee of a municipality, fire protection district, fire authority,
19 or county improvement district normally serving at least one thousand six
20 hundred hours in any calendar year and whose duties are directly involved
21 with the provision of police or fire protection, as certified by the
22 member's employer. FOR PURPOSES OF THE STATEWIDE MONEY PURCHASE
23 PLAN, "member" also includes an active employee who works less than
24 sixteen hundred hours per year but otherwise qualifies as a member and
25 whose employer elects to treat all such other similar employees as
26 members. The term does not include clerical or other personnel whose
27 services are auxiliary to police protection, or any volunteer firefighter, as

1 such term is defined in section 31-30-1102 (9). For the purpose of
2 participation in the ~~statewide~~ defined benefit COMPONENT OF THE
3 STATEWIDE RETIREMENT plan pursuant to ~~part 4 of this~~ ARTICLE 31.5 OF
4 THIS TITLE 31 or the statewide money purchase plan pursuant to part 5 of
5 this ~~article~~ ARTICLE 31, but not for the purpose of participation in the
6 statewide death and disability plan pursuant to part 8 of this ~~article~~
7 ARTICLE 31, the term may include clerical or other personnel employed by
8 a fire protection district, fire authority, or county improvement district,
9 whose services are auxiliary to fire protection. For the purpose of
10 eligibility for disability or survivor benefits, "member" includes any
11 employee on an authorized leave of absence.

12 (6) "Retired member" means any member who is retired, disabled,
13 or eligible for a benefit as provided in ~~section 31-31-404 (2)~~ SECTION
14 31-31.5-401.

15 **SECTION 5.** In Colorado Revised Statutes, 31-31-201, **amend**
16 (4) as follows:

17 **31-31-201. Association - creation - board - organization - tax**
18 **exemption.** (4) Neither the members of the board nor any person
19 authorized by the board to act in an official capacity shall be held
20 personally liable for any act undertaken pursuant to the provisions of this
21 ~~article and~~ ARTICLE 31, article 30.5, OR ARTICLE 31.5 of this ~~title~~ TITLE 31.

22 **SECTION 6.** In Colorado Revised Statutes, 31-31-202, **amend**
23 (1)(a)(II) and (1)(d) as follows:

24 **31-31-202. Powers and duties of the board.** (1) The board shall:
25 (a) Establish standards for determining the actuarial soundness of:
26 (II) Alternative pension plans having defined benefits in whole or
27 in part established pursuant to section 31-31-601 (1), AS SAID SECTION

1 EXISTED PRIOR TO ITS REPEAL. Based upon such standards, the board shall
2 require biennial actuarial reviews of such plans with the cost of the
3 reviews to be paid by employers having established such plans.

4 (d) Promulgate rules relating to standards for disclosure of all
5 ramifications of and procedures for obtaining the member approval
6 provided for in section 31-31-601 (1), AS SAID SECTION EXISTED PRIOR TO
7 ITS REPEAL;

8 **SECTION 7.** In Colorado Revised Statutes, 31-31-501, **amend**
9 (7) as follows:

10 **31-31-501. Withdrawal into statewide money purchase plan.**

11 (7) The provisions of ~~sections 31-31-404(1)(b) and~~ SECTION 31-31.5-411
12 (1)(b) that relate to the purchase of service credit forfeited by the refund
13 of member contributions shall not apply to members who are employees
14 of an employer that has withdrawn from the statewide defined benefit
15 plan. Such service credit forfeited by such withdrawal may be purchased
16 pursuant to the provisions of ~~section 31-31-403 (7) or~~ SECTION
17 31-31.5-310.

18 **SECTION 8.** In Colorado Revised Statutes, 31-31-808, **amend**
19 (2) as follows:

20 **31-31-808. Reduction of survivor benefits.** (2) The benefits
21 payable under sections 31-31-807 and 31-31-807.5 to the surviving
22 spouse and dependent children of any member who are also receiving
23 payments from the member's separate retirement account pursuant to
24 ~~section 31-31-406~~ SECTIONS 31-31-412 (1)(c) AND 31-31.5-304 (2) shall
25 be reduced by an amount that is the actuarial equivalent of the benefits
26 such surviving spouse and dependent children receive from the separate
27 retirement account, whether the benefits received from the account are

1 paid on a periodic basis or in a lump sum.

2 **SECTION 9.** In Colorado Revised Statutes, 31-31.5-101, **amend**
3 (5)(f) and (5)(i) as follows:

4 **31-31.5-101. Establishment of the statewide retirement plan**
5 **- definitions.** (5) As used in this article 31.5, unless the context otherwise
6 requires:

7 (f) "Member" means an active employee who is a full-time
8 salaried employee of a municipality, fire protection district, fire authority,
9 or county improvement district normally serving at least one thousand six
10 hundred hours in any calendar year and whose duties are directly involved
11 with the provision of police or fire protection, as certified by the
12 member's employer. ~~"Member" also includes an active employee who~~
13 ~~works less than sixteen hundred hours per year but otherwise qualifies as~~
14 ~~a member and whose employer elects to treat all such other similar~~
15 ~~employees as members.~~ The term does not include clerical or other
16 personnel whose services are auxiliary to police protection, or any
17 volunteer firefighter, as such term is defined in section 31-30-1102 (9).
18 For the purpose of participation in the ~~statewide~~ defined benefit
19 COMPONENT OF THE STATEWIDE RETIREMENT plan pursuant to ~~part 4 of~~
20 ~~article 31 of this title 31~~ THIS ARTICLE 31.5, or the statewide money
21 purchase plan pursuant to part 5 of article 31 of this title 31, but not for
22 the purpose of participation in the statewide death and disability plan
23 pursuant to part 8 of article 31 of this title 31, the term may include
24 clerical or other personnel employed by a fire protection district, fire
25 authority, or county improvement district, whose services are auxiliary to
26 fire protection. For the purpose of eligibility for disability or survivor
27 benefits, "member" includes any employee on an authorized leave of

1 absence.

2 (i) "Retired member" means any member who is retired, disabled,
3 or eligible for a benefit as provided in ~~section 31-31-404 (2)~~ SECTION
4 31-31.5-401.

5 **SECTION 10.** In Colorado Revised Statutes, 31-31.5-501,
6 **amend** (2)(c) as follows:

7 **31-31.5-501. Vesting.** (2) Employer contributions made to the
8 statewide retirement plan that are credited to the money purchase
9 component account are subject to the following vesting rules:

10 (c) Except as provided in subsections (2)(a) and (2)(b) of this
11 section, a member is vested in the employer contributions made to the
12 money purchase component account in the amount of twenty percent for
13 each full year of service performed for a covered department. Upon
14 attaining five full years of service, a member is one hundred percent
15 vested. Vesting also applies to employer contributions allocated pursuant
16 to section 31-31.5-301 (3) or allocated under the predecessor statewide
17 defined benefit plan pursuant to section 31-31-405, AS IT EXISTED PRIOR
18 TO ITS REPEAL.

19 **SECTION 11. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.