

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
10/5/23

**BILL 3**

LLS NO. 24-0397.01 Nicole Myers x4326

**INTERIM COMMITTEE BILL**

**Pension Review Commission**

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**BILL TOPIC:** Fire & Police Pension Law Technical Corrections

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**A BILL FOR AN ACT**

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

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**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

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words 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.

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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 ~~this article~~ THIS ARTICLE 31.5 or the statewide money purchase plan  
21 pursuant to part 5 of ~~this article 31.5~~ ARTICLE 31 OF THIS TITLE 31, but not  
22 for the purpose of participation in the statewide death and disability plan  
23 pursuant to part 8 of ~~this article 31.5~~ ARTICLE 31 OF THIS TITLE 31, the  
24 term may include clerical or other personnel employed by a fire protection  
25 district, fire authority, or county improvement district, whose services are  
26 auxiliary to fire protection. For the purpose of eligibility for disability or  
27 survivor benefits, "member" includes any employee on an authorized

1 leave of 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 hereby finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, or safety.