

CHAPTER 76

GOVERNMENT - MUNICIPAL

SENATE BILL 94-011

BY SENATORS Tebedo, R. Powers, and Peterson;
also REPRESENTATIVES Reeves, Entz, Ratterree, and Greenwood.

AN ACT**CONCERNING WITHDRAWAL FROM THE STATEWIDE DEFINED BENEFIT PLAN FOR POLICEMEN'S AND FIREMEN'S PENSIONS.**

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

SECTION 1. 31-30-1003.1 (2) (a), (2) (d), (4) (a), (5) (a), and (6), Colorado Revised Statutes, 1986 Repl. Vol., as amended, are amended to read:

31-30-1003.1. Withdrawal into statewide money purchase plan. (2) (a) The employer may initiate withdrawal from the statewide defined benefit plan by filing with the board a resolution adopted by the employer pursuant to paragraph (b) of this subsection (2) no less than ~~six~~ 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 January 1 of the year following the waiting period.

(d) The board shall promulgate rules and regulations relating to standards for disclosure of all ramifications and procedures for obtaining the member approval provided for in paragraph (c) of this subsection (2), BUT SUCH APPROVAL MUST BE OBTAINED NO LATER THAN JUNE 1 OF THE YEAR PRECEDING THE EFFECTIVE DATE OF WITHDRAWAL.

(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. Said amount of reserves shall be determined by the board utilizing certified actuarial reports prepared by the actuary for the statewide defined benefit 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.

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

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.

(II) AT LEAST SIXTY DAYS PRIOR TO THE EFFECTIVE DATE OF THE WITHDRAWAL, THE ACTUARIAL REPORTS SHALL BE UPDATED AND ADJUSTMENTS MADE, AS APPROPRIATE, TO THE AMOUNT OF RESERVES TRANSFERRED BY THE BOARD TO THE SHORT-TERM INVESTMENT ACCOUNT ON BEHALF OF THE EMPLOYER. WITHIN THIRTY DAYS OF THE RECEIPT OF SUCH UPDATED REPORTS, THE WITHDRAWAL MAY BE TERMINATED BY EITHER:

(A) THE EMPLOYER FILING WITH THE BOARD A SUBSEQUENT RESOLUTION REVOKING THE EMPLOYER'S RESOLUTION OF INTENT TO WITHDRAW; OR

(B) MORE THAN THIRTY-FIVE PERCENT OF THE EMPLOYER'S ACTIVE MEMBERS WHO ARE ELIGIBLE TO VOTE FILING WITH THE BOARD BALLOTS INDICATING THAT THEY NO LONGER WISH TO WITHDRAW.

(III) IF A RESOLUTION OR A SUFFICIENT NUMBER OF BALLOTS IS TIMELY FILED WITH THE BOARD PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), THE WITHDRAWAL SHALL BE TERMINATED, AND THE BOARD SHALL RETURN TO THE NEW HIRE BENEFITS ACCOUNT ANY AMOUNTS TRANSFERRED TO THE SHORT-TERM INVESTMENT ACCOUNT PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a). If no resolution or an insufficient number of ballots is timely filed, the withdrawal shall proceed in accordance with the provisions of this section.

(IV) THE BOARD SHALL PRESCRIBE THE FORM OF THE BALLOT TO BE SUBMITTED BY MEMBERS INDICATING THAT THEY NO LONGER WISH TO WITHDRAW AND ANY OTHER RULES AND REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SUBSECTION (4).

(5) (a) In the event that the amount of the reserves required pursuant to the provisions of subsection (4) of this section exceeds the amount of the employer's share of the employer contribution reserve in the new hire benefits account as calculated by the actuary, ~~then~~ the employer shall make an additional payment ~~on~~ NO LATER THAN TEN WORKING DAYS AFTER the effective date of withdrawal in an amount equal to the difference between the amount of reserves required and the amount of reserves on deposit.

(6) (a) Members who are not vested under the statewide defined benefit plan and who are ~~employees of~~ EMPLOYED BY an employer ~~which~~ WHO has withdrawn from the statewide defined benefit plan shall have their member contributions credited to the statewide money purchase pension plan as set forth in section 31-30-1005.3.

(b) (I) Members who are vested under the statewide defined benefit plan and who are ~~employees of~~ EMPLOYED BY an employer ~~which~~ WHO has ~~withdrawn~~ FILED A RESOLUTION OF INTENT TO WITHDRAW from the statewide defined benefit plan may elect that, IF THE WITHDRAWAL BECOMES EFFECTIVE, their contributions remain with the statewide defined benefit plan by giving written notice to the association ~~prior to the effective date of withdrawal~~ NO LATER THAN THE DATE ESTABLISHED FOR COMPLETION OF THE MEMBER ELECTION PROVIDED IN PARAGRAPH (C) OF SUBSECTION (2) OF THIS SECTION;

(II) Members who ~~make~~ HAVE MADE such an election shall become inactive statewide defined benefit plan members entitled to vested benefits upon termination and attainment of vested retirement age;

(III) ~~Such~~ Members WHO HAVE MADE SUCH AN ELECTION shall not be entitled to withdraw any amounts from their separate retirement account until they have terminated their current employment; and

(IV) If ~~such~~ 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 plan, but rather they shall be limited to those benefits provided in sections 31-30-1007 and 31-30-1008.

(c) Members who do not elect to leave their contributions with the statewide defined benefit plan PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (6) shall have their member contributions credited to the statewide money purchase pension plan as set forth in section 31-30-1005.3.

SECTION 2. Applicability. This act shall apply to withdrawals initiated on or after July 1, 1994.

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: March 31, 1994

Editor's note: In section 31-30-1003.1 (4) (a) (III) on page 493, the last sentence was erroneously printed in lower case in the final act. It is new language and should have been printed in capital letters.