

CHAPTER 158

GOVERNMENT - STATE

HOUSE BILL 97-1082

BY REPRESENTATIVES Anderson, Clarke, Epps, Keller, Lawrence, Schwarz, Swenson, Bacon, Chavez, Mace, Reeser, Romero, and S. Williams;
also SENATORS Wells, Bishop, Hernandez, J. Johnson, Martinez, Pascoe, Perlmutter, Phillips, Reeves, Rupert, Tanner, Thiebaud, and Wham.

AN ACT

CONCERNING THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. 24-51-101 (16) and (17), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

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

(16) "Disability" means mental or physical incapacitation ~~from performance of regularly assigned employment duties~~ as determined pursuant to part 7 of this article.

(17) "Disabled" means mentally or physically incapacitated ~~from performing regularly assigned employment duties~~ as determined pursuant to part 7 of this article.

SECTION 2. 24-51-101 (18), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

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

(18) "Division" means the state ~~school~~, AND SCHOOL DIVISION, municipal DIVISION, or judicial division, each of which is identified by a separate trust fund, amortization period, and membership.

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

SECTION 3. 24-51-101 (25) (a), Colorado Revised Statutes, 1988 Rep. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

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

(25) (a) "Highest average salary" means:

(IV) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH (a) TO THE CONTRARY, FOR MEMBERS OF THE JUDICIAL DIVISION RETIRING ON OR AFTER JULY 1, 1997, ONE-TWELFTH OF THE HIGHEST ANNUAL SALARY UPON WHICH CONTRIBUTIONS WERE PAID FOR TWELVE CONSECUTIVE MONTHS.

SECTION 4. 24-51-101 (38), Colorado Revised Statutes, 1988 Repl. Vol., is repealed as follows:

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

(38) ~~"Regularly assigned employment duties" means those duties which the member was required to perform as a regular part of the position in which the member was last employed for which the employer's required probationary period was completed.~~

SECTION 5. 24-51-201 (2), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-51-201. Public employees' retirement association - creation. (2) The public employees' retirement association, created pursuant to the provisions of subsection (1) of this section, shall consist of the following divisions:

- (a) The state AND SCHOOL division;
- (b) ~~The school division;~~
- (c) The municipal division; and
- (d) The judicial division.

SECTION 6. 24-51-203 (1), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-51-203. Board - composition and election. (1) The board shall consist of the following trustees: The state auditor and the state treasurer; four members ~~of the state division~~ WHO ARE EMPLOYEES OF EMPLOYERS DESIGNATED AS STATE EMPLOYERS BY RULE OF THE BOARD AND WHO ARE elected by the members of ~~that division~~ THE STATE AND SCHOOL DIVISION EMPLOYED BY EMPLOYERS SO DESIGNATED AS STATE EMPLOYERS, at least one of whom shall be an employee of a state institution of higher education and at least one of whom shall not be an employee of a state institution of higher education; five members ~~of the school division~~ WHO ARE EMPLOYEES OF EMPLOYERS DESIGNATED AS SCHOOL EMPLOYERS BY RULE OF THE BOARD AND WHO

ARE elected by the members of ~~that division~~ THE STATE AND SCHOOL DIVISION EMPLOYED BY EMPLOYERS SO DESIGNATED AS SCHOOL EMPLOYERS; two members of the municipal division elected by the members of that division; one member of the judicial division elected by the members of that division; and two retirees, one of whom shall be elected by those members who have retired from the ~~state~~, municipal ~~or~~ DIVISION, THE JUDICIAL DIVISION, OR FROM THE STATE AND SCHOOL DIVISION WHOSE EMPLOYER WAS A STATE EMPLOYER AS DESIGNATED BY RULE OF THE BOARD and one of whom shall be elected by those members who have retired from the ~~school~~, THE MUNICIPAL DIVISION, ~~or~~ THE JUDICIAL DIVISION, OR THE STATE AND SCHOOL DIVISION WHOSE EMPLOYER WAS A SCHOOL EMPLOYER AS DESIGNATED BY RULE OF THE BOARD; except that ~~such~~ BOTH retiree trustees cannot have retired from the ~~same~~ MUNICIPAL DIVISION OR THE JUDICIAL DIVISION OR, IF RETIRED FROM THE STATE AND SCHOOL DIVISION, BOTH RETIREE TRUSTEES CANNOT HAVE RETIRED FROM THE SAME CATEGORY OF EMPLOYER.

SECTION 7. 24-51-208 (1) (a) and (1) (b) and the introductory portion to 24-51-208 (2), Colorado Revised Statutes, 1988 Repl. Vol., are amended to read:

24-51-208. Allocation of moneys. (1) The moneys of the association shall be divided into several trust funds, including, but not limited to:

(a) The state AND SCHOOL division trust fund, which consists of contributions, payments, and interest paid by members and employers of the state AND SCHOOL division, in addition to a proportional share of investment income earned thereon;

~~(b) The school division trust fund, which consists of contributions, payments, and interest paid by members and employers of the school division, in addition to a proportional share of investment income earned thereon;~~

(2) Within each of the state ~~school~~, AND SCHOOL DIVISION, municipal DIVISION, and judicial division trust funds, the following reserves shall exist:

SECTION 8. 24-51-211, Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-51-211. Amortization of liabilities. An amortization period for each of the state ~~school~~, AND SCHOOL DIVISION, municipal DIVISION, and judicial division trust funds shall be calculated separately. A maximum amortization period of sixty years shall be deemed actuarially sound. Upon recommendation of the board, and with the advice of the actuary, the employer or member contribution rates for the plan may be adjusted by the general assembly when indicated by actuarial experience.

SECTION 9. 24-51-305 (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

24-51-305. District attorneys. (2) On behalf of a district attorney, the state of Colorado shall contribute eighty percent of the employer contributions and the county shall contribute twenty percent of the employer contributions based on the rate for the state AND SCHOOL division set forth in section 24-51-401 (1.7). One hundred percent of member contributions shall be paid from the salary of such district attorney.

SECTION 10. 24-51-401 (1.7), (2), and (3), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

24-51-401. Employer and member contributions. (1.7) ~~Effective July 1, 1993, the employer~~ EMPLOYERS DESIGNATED AS STATE EMPLOYERS BY RULE OF THE BOARD shall forward to the association by the tenth calendar day of each month a monthly contribution report and the full amount of employer and member contributions. EMPLOYERS DESIGNATED AS SCHOOL EMPLOYERS BY RULE OF THE BOARD AND MUNICIPAL DIVISION EMPLOYERS SHALL FORWARD TO THE ASSOCIATION, BY THE DATE ESTABLISHED BY RULE OF THE BOARD, A MONTHLY CONTRIBUTION REPORT AND THE FULL AMOUNT OF EMPLOYER AND MEMBER CONTRIBUTIONS. Except as provided in subsection (7) of this section, such contributions shall be based upon the rates for the appropriate division as set forth in the following table multiplied by the total gross salary paid to members for the preceding month:

TABLE A
CONTRIBUTION RATES

<u>Division</u>	<u>Membership</u>	<u>Employer Rate</u>	<u>Member Rate</u>
State AND SCHOOL	All Members	11.6% 11.5%	8.0%
	Except State Troopers	13.2% 13.1%	11.5%
School	All Members	11.6%	8.0%
Municipal	All Members	10.0%	8.0%
Judicial	All Members	15.0%	8.0%

(2) Along with such contributions, the employer shall forward to the association by the ~~tenth calendar day of each month~~ DATE ESTABLISHED IN SUBSECTION (1.7) OF THIS SECTION a monthly contribution report containing any member information required by the board to properly credit money to the employer contribution reserve and the member contribution accounts in the member contribution reserve.

(3) The employer shall be assessed by the association, PURSUANT TO RULES ADOPTED BY THE BOARD, interest on the contributions if either contributions or member information is not submitted by the ~~tenth calendar day of the month~~ DATE ESTABLISHED IN SUBSECTION (1.7) OF THIS SECTION.

SECTION 11. 24-51-603, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

24-51-603. Benefit formula for service retirement. (1) (a) ~~On and after July 1, 1992;~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION, EFFECTIVE JULY 1, 1997, the option 1 benefit for service retirement for members ~~of the state, school, and municipal divisions~~ shall be calculated by multiplying the highest average salary by two and one-half percent times each year and fraction of a year of service credit. ~~for the first twenty years of service credit and by one and one-half percent times each year and fraction of a year of service credit in excess of~~

~~twenty years:~~ The following formula shall be used for this calculation:

~~Highest Average Salary x (.025 x Years and Fraction of a Year). through 20 Years) + (.015 x Years and Fraction of a Year over 20 Years)]~~

(b) (Deleted by amendment, L. 92, p. 1134, §4, effective July 1, 1992.)

~~(2) (a) Except as provided in paragraph (b) of this subsection (2), on and after July 1, 1988, the option 1 benefit for service retirement for members of the judicial division shall be calculated by multiplying the highest average salary by two and one half percent times each year and fraction of a year of service credit for the first twenty years of service credit and by one and one half percent times each year and fraction of a year of service credit in excess of twenty years. The following formula shall be used for this calculation:~~

~~Highest Average Salary x [(0.025 x Years and Fraction of a Year through 20 Years) + (.015 x Years and Fraction of a Year over 20 Years)]~~

(b) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (2), on and after July 1, 1988, members of the judicial division who were members of that division on or before July 1, 1973, shall be eligible to receive an option 1 benefit upon retiring, which shall be calculated by multiplying the highest average salary by four percent times each year and fraction of a year for the first ten years of service credit, and by one and two-thirds percent times each year and fraction of a year in excess of ten years up to sixteen years of service credit, and by one and one-half percent times each year and fraction of a year in excess of sixteen years of service credit. The following formula shall be used for this calculation:

Highest Average Salary x [(0.04 x Years and Fraction of a Year through 10 Years) + (.0166 x Years and Fraction of a Year over 10 and up to 16 Years) + (.015 x Years and Fraction of a Year over 16 years)]

(c) FOR ANY MEMBER OF THE JUDICIAL DIVISION WHO RETIRES ON OR AFTER JULY 1, 1997, AND WHO IS ELIGIBLE TO RECEIVE A BENEFIT UNDER THIS SUBSECTION (2), THE ASSOCIATION SHALL CALCULATE THE MEMBER'S OPTION 1 BENEFIT UNDER EITHER SUBSECTION (1) OR (2) OF THIS SECTION, WHICHEVER RESULTS IN THE GREATER BENEFIT.

(d) ON JULY 1, 1997, FOR ANY MEMBER OF THE JUDICIAL DIVISION WHOSE BENEFIT BECAME EFFECTIVE PRIOR TO JULY 1, 1997, AND WHO IS ELIGIBLE TO RECEIVE A BENEFIT UNDER THIS SUBSECTION (2), THE ASSOCIATION SHALL CALCULATE THE MEMBER'S OPTION 1 BASE BENEFIT PROSPECTIVELY FOR BENEFIT PAYMENTS PAYABLE ON OR AFTER JULY 1, 1997, UNDER EITHER SUBSECTION (1) OR (2) OF THIS SECTION, WHICHEVER RESULTS IN THE GREATER BENEFIT. THE ASSOCIATION SHALL PROVIDE BENEFITS TO ALL SUCH BENEFIT RECIPIENTS BASED UPON SUCH RECALCULATED BASE BENEFITS EFFECTIVE JULY 1, 1997.

(3) (a) Regardless of total years of service credit, the option 1 benefit calculated pursuant to the provisions of this part 6 shall not exceed AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE HIGHEST AVERAGE SALARY, NOR SHALL THE OPTION 1 BENEFIT EXCEED the maximum permitted under federal income tax law.

(b) ~~On July 1, 1995, the association shall recalculate the base benefit for all benefit recipients whose benefits became effective prior to that date and are calculated based upon forty years of service credit. On and after July 1, 1995, service credit in excess of forty years shall be included in the computation of the option 1 base benefit for service retirement pursuant to the provisions of this section or section 24-51-605, whichever is applicable, subject to the limitation of paragraph (a) of this subsection (3). The association shall provide benefits to all such benefit recipients based upon such recalculated base benefits effective from July 1, 1995.~~

(c) EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, ON JULY 1, 1997, FOR BENEFIT RECIPIENTS WHOSE BENEFITS BECAME EFFECTIVE PRIOR TO JULY 1, 1997, THE ASSOCIATION SHALL RECALCULATE EACH RECIPIENT'S OPTION 1 BASE BENEFIT AS SET FORTH IN SUBSECTION (1) OF THIS SECTION, PROSPECTIVELY FOR BENEFIT PAYMENTS PAYABLE ON OR AFTER JULY 1, 1997. THE ASSOCIATION SHALL PROVIDE BENEFITS TO ALL SUCH BENEFIT RECIPIENTS BASED UPON SUCH RECALCULATED BASE BENEFITS EFFECTIVE JULY 1, 1997.

SECTION 12. Part 7 of article 51 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

PART 7
SHORT-TERM DISABILITY AND
DISABILITY RETIREMENT

24-51-701. Eligibility to apply for short-term disability program payments and disability retirement. (1) EXCEPT AS OTHERWISE PROVIDED FOR IN THIS SECTION, ANY MEMBER SHALL BE ELIGIBLE TO APPLY FOR DISABILITY RETIREMENT BENEFITS OR SHORT-TERM DISABILITY PROGRAM PAYMENTS IF:

(a) APPLICATION IS RECEIVED BY THE ASSOCIATION WITHIN NINETY DAYS AFTER THE DATE OF TERMINATION OF EMPLOYMENT;

(b) THE MEMBER CONTRIBUTION ACCOUNT HAS NOT BEEN REFUNDED;

(c) THE MEMBER HAS AT LEAST FIVE YEARS OF EARNED SERVICE CREDIT, OF WHICH AT LEAST SIX MONTHS HAVE BEEN EARNED DURING THE MOST RECENT PERIOD OF MEMBERSHIP;

(d) THE MEMBER IS NOT ELIGIBLE FOR SERVICE RETIREMENT PURSUANT TO THE PROVISIONS OF SECTION 24-51-602.

(2) STATE TROOPERS SHALL BE ELIGIBLE TO APPLY FOR DISABILITY RETIREMENT OR SHORT-TERM DISABILITY PROGRAM PAYMENTS IMMEDIATELY UPON BECOMING STATE TROOPERS IF THE DISABILITY RESULTED FROM INJURIES SUSTAINED DURING THE PERFORMANCE OF DUTIES AS A STATE TROOPER.

(3) MEMBERS OF THE JUDICIAL DIVISION SHALL BE ELIGIBLE TO APPLY FOR DISABILITY RETIREMENT OR SHORT-TERM DISABILITY PROGRAM PAYMENTS WITHOUT REGARD TO THE AMOUNT OF EARNED SERVICE CREDIT OR TO ELIGIBILITY FOR SERVICE RETIREMENT.

24-51-702. Disability programs. (1) THE ASSOCIATION SHALL PROVIDE FOR TWO TYPES OF DISABILITY PROGRAMS FOR DISABILITIES INCURRED ON OR BEFORE TERMINATION OF EMPLOYMENT:

(a) **Short-term disability.** A MEMBER WHO IS FOUND BY THE DISABILITY PROGRAM ADMINISTRATOR TO BE MENTALLY OR PHYSICALLY INCAPACITATED FROM PERFORMANCE OF THE ESSENTIAL FUNCTIONS OF THE MEMBER'S JOB WITH REASONABLE ACCOMMODATION AS REQUIRED BY FEDERAL LAW, BUT WHO IS NOT TOTALLY AND PERMANENTLY INCAPACITATED FROM REGULAR AND SUBSTANTIAL GAINFUL EMPLOYMENT, SHALL BE PROVIDED WITH REASONABLE INCOME REPLACEMENT, OR REHABILITATION OR RETRAINING SERVICES, OR A COMBINATION THEREOF UNDER A PROGRAM PROVIDED BY THE DISABILITY PROGRAM ADMINISTRATOR FOR A PERIOD SPECIFIED IN THE RULES ADOPTED BY THE BOARD. THE COST OF THE PROGRAM SHALL BE FUNDED BY THE ASSOCIATION.

(b) **Disability retirement.** A MEMBER WHO IS FOUND BY THE DISABILITY PROGRAM ADMINISTRATOR TO BE TOTALLY AND PERMANENTLY MENTALLY OR PHYSICALLY INCAPACITATED FROM REGULAR AND SUBSTANTIAL GAINFUL EMPLOYMENT AS OF THE DATE OF TERMINATION OF EMPLOYMENT SHALL BE PLACED ON DISABILITY RETIREMENT, AND THE ASSOCIATION SHALL PROVIDE TO SUCH PERSON A BENEFIT AS CALCULATED IN SECTION 24-51-704. THE BENEFIT SHALL BE PAID DIRECTLY BY THE ASSOCIATION. A MEMBER OF THE JUDICIAL DIVISION SHALL ALSO BE ELIGIBLE FOR DISABILITY RETIREMENT UPON THE ENTRY OF AN ORDER OF RETIREMENT PURSUANT TO SECTION 23 OF ARTICLE VI OF THE STATE CONSTITUTION FOR A DISABILITY INTERFERING WITH THE PERFORMANCE OF THE MEMBER'S DUTIES THAT IS, OR IS LIKELY TO BECOME, OF A PERMANENT NATURE.

24-51-703. Disability program design and administration. THE ASSOCIATION SHALL CONTRACT WITH A DISABILITY PROGRAM ADMINISTRATOR TO DETERMINE DISABILITY, TO PROVIDE SHORT-TERM DISABILITY INSURANCE COVERAGE, AND TO ADMINISTER THE SHORT-TERM DISABILITY PROGRAM. A CONTRACT SHALL CONFORM TO RULES ADOPTED BY THE BOARD, WHICH RULES SHALL INCLUDE BUT NOT BE LIMITED TO STANDARDS RELATING TO THE DETERMINATION OF DISABILITY; THE INDEPENDENT REVIEW, BY A QUALIFIED PANEL, OF DETERMINATIONS MADE BY THE DISABILITY PROGRAM ADMINISTRATOR AND CHALLENGED BY THE APPLICANT; REQUIREMENTS FOR MEDICAL OR PSYCHOLOGICAL EXAMINATIONS; THE ADJUSTMENT OR TERMINATION OF PAYMENTS BASED ON THE MENTAL OR PHYSICAL CONDITION OF THE PROGRAM PARTICIPANT; THE CHANGE OF STATUS OF A PROGRAM PARTICIPANT FROM SHORT-TERM DISABILITY TO DISABILITY RETIREMENT OR FROM DISABILITY RETIREMENT TO SHORT-TERM DISABILITY BASED ON THE MENTAL OR PHYSICAL CONDITION, EDUCATION, TRAINING, AND EXPERIENCE OF THE PROGRAM PARTICIPANT; AND THE MONITORING OF THE DISABILITY PROGRAM ADMINISTRATOR'S PERFORMANCE BY THE ASSOCIATION.

24-51-704. Calculation of disability retirement benefit. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE DISABILITY RETIREMENT BENEFIT SHALL BE EQUAL TO THE AMOUNT OF THE BENEFIT PAYABLE PURSUANT TO THE PROVISIONS OF SECTION 24-51-603 WHICH WOULD HAVE BEEN PAYABLE UPON REACHING SIXTY-FIVE YEARS OF AGE. SUCH CALCULATION SHALL INCLUDE EARNED AND PURCHASED SERVICE CREDIT ACCUMULATED UP TO THE DATE OF DISABILITY PLUS PROJECTED SERVICE CREDIT UP TO SIXTY-FIVE YEARS OF AGE BUT NOT TO EXCEED A TOTAL OF TWENTY

YEARS OF SERVICE CREDIT. IN NO CASE SHALL THE AMOUNT OF ANY DISABILITY RETIREMENT BENEFIT EXCEED FIFTY PERCENT OF THE HIGHEST AVERAGE SALARY OF SAID MEMBER UNLESS THE MEMBER HAS EARNED AND PURCHASED SERVICE CREDIT IN EXCESS OF TWENTY YEARS WHICH ENTITLES THE MEMBER TO RECEIVE THE BENEFIT PROVIDED PURSUANT TO THE PROVISIONS OF SECTION 24-51-603, BASED ON THE ACTUAL SERVICE CREDIT OF SAID MEMBER.

24-51-705. Ineligibility. IF ANY DISABILITY IS THE DIRECT RESULT OF ANY INTENTIONALLY SELF-INFLICTED INJURY, THE MEMBER SHALL NOT BE ELIGIBLE FOR SHORT-TERM PROGRAM PARTICIPATION OR DISABILITY RETIREMENT BENEFITS.

24-51-706. Disability determination for members of the judicial division. THE EARNED SERVICE CREDIT OF A MEMBER OF THE JUDICIAL DIVISION WHO RETIRES DUE TO DISABILITY SHALL INCLUDE SUCH SERVICE CREDIT AS WOULD HAVE BEEN EARNED HAD MEMBERSHIP CONTINUED TO THE END OF THE TERM OF OFFICE WHICH THE MEMBER WAS SERVING AT THE TIME OF TERMINATION OF EMPLOYMENT.

24-51-707. Continuation of disability retirement benefits - reduction based on earned income - applications made prior to January 1, 1999. (1) FOR ANY DISABILITY RETIREE WHOSE DISABILITY RETIREMENT DATE IS ON OR AFTER JULY 1, 1988, AND WHOSE APPLICATION FOR DISABILITY RETIREMENT WAS RECEIVED BY THE ASSOCIATION PRIOR TO JANUARY 1, 1999, THE AMOUNT OF THE ANNUAL DISABILITY BENEFIT SHALL BE REDUCED BY ONE-THIRD OF THE AMOUNT BY WHICH THE INCOME EARNED BY SUCH RETIREE IN THE PRECEDING CALENDAR YEAR PLUS THE AMOUNT OF THE INITIAL BENEFIT MULTIPLIED BY TWELVE EXCEEDS THE HIGHEST AVERAGE SALARY OF SUCH RETIREE MULTIPLIED BY TWELVE. THE FOLLOWING FORMULA SHALL BE USED TO DETERMINE SAID REDUCTION:

$$\frac{[\text{EARNED INCOME} + (\text{INITIAL BENEFIT} \times 12) - (\text{HIGHEST AVERAGE SALARY} \times 12)]}{3}$$

(2) THE PROVISIONS OF THIS SECTION SHALL APPLY FROM THE DATE OF DISABILITY RETIREMENT OR JANUARY 1, 1989, WHICHEVER IS LATER, TO THE DATE THE RETIREE MEETS THE REQUIREMENTS FOR SERVICE RETIREMENT SET FORTH IN SECTION 24-51-602 (1). UNLESS SUCH DISABILITY BENEFIT HAS BEEN TERMINATED, THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF WHETHER THE RETIREE IS DISABLED OR HAS RECOVERED FROM SUCH DISABILITY.

24-51-708. Division from which a disabled member retires. THE DIVISION IN WHICH THE RETIREE HAD MEMBERSHIP IMMEDIATELY PRECEDING THE DATE OF RETIREMENT SHALL BE THE DIVISION THAT DETERMINES THE ELIGIBILITY AND BENEFITS FOR SUCH RETIREE.

SECTION 13. The introductory portion to 24-51-1101 (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

24-51-1101. Employment after service retirement. (1) A service retiree from ~~the state, school, municipal, or judicial~~ ANY division may be employed by an employer, whether or not in a position subject to membership, and receive a salary without reduction in benefits if:

SECTION 14. 24-51-1104, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

24-51-1104. Employment after disability retirement. A disability retiree from ~~the state, school, or municipal~~ ANY division WHOSE DISABILITY APPLICATION WAS RECEIVED BY THE ASSOCIATION PRIOR TO JANUARY 1, 1999, may be employed by an employer, whether or not in a position subject to membership, without any reduction in benefits pursuant to the terms and conditions specified in sections 24-51-1101 to 24-51-1103 and in section 24-51-707. However, if the disabling condition returns, the disability benefit may begin again upon the application of such member and approval of such application by the board.

SECTION 15. 24-51-1204 (1), Colorado Revised Statutes, 1988 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

24-51-1204. Health care program - eligibility. (1) The following persons are eligible to enroll in the health care program:

(e) A MEMBER WHILE RECEIVING SHORT-TERM DISABILITY PROGRAM PAYMENTS PURSUANT TO PART 7 OF THIS ARTICLE.

SECTION 16. 24-51-1402 (4), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-51-1402. Contributions to the voluntary investment program. (4) The employer shall forward all voluntary contributions to the association by the ~~tenth calendar day of each month~~ DATE SPECIFIED IN RULES ADOPTED BY THE BOARD.

SECTION 17. 23-21-508 (3) (b), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

23-21-508. Retirement benefits - rights of former state employees - PERA membership. (3) (b) If the amount of reserves on deposit in the state AND SCHOOL division trust fund of PERA to provide such benefits and health care, as calculated by the actuary, exceeds the amount of reserves required pursuant to paragraph (a) of this subsection (3), then the excess amount shall be paid to a retirement trust established by the authority as further provided in this subsection (3). Such payment shall be made if the actuarial report certifies that the payment will not have an adverse impact on the actuarial soundness of the state AND SCHOOL division trust fund or the PERA health care fund. If the actuary determines, in accordance with accepted actuarial principles, that the payment provided by this paragraph (b) will have an adverse impact on the actuarial soundness of these funds, the payment shall not be permitted.

SECTION 18. 2-2-317 (1) (a), Colorado Revised Statutes, 1980 Repl. Vol., as amended, is amended to read:

2-2-317. Expense, subsistence, and travel allowance. (1) (a) Except as provided in paragraph (b) of this subsection (1), each member of the general assembly shall be entitled to receive up to forty-five dollars per legislative day for expenses incurred during the sessions of the general assembly. SUCH ALLOWANCE SHALL BE CONSIDERED AS SALARY PURSUANT TO SECTION 24-51-101 (42), C.R.S. EACH MEMBER

OF THE GENERAL ASSEMBLY WHO IS SERVING ON JULY 1, 1997, AND WHO IS ENTITLED TO SUCH ALLOWANCE MAY ELECT TO HAVE ALL OF SUCH ALLOWANCE THAT WAS PAID TO THE MEMBER DURING THE PERIOD FROM JANUARY 1, 1992, THROUGH MAY 31, 1994, BE CONSIDERED SALARY PURSUANT TO SECTION 24-51-101 (42), C.R.S., SUBJECT TO THE FOLLOWING CONDITIONS:

(I) PAYMENT SHALL BE RECEIVED BY THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF THE AMOUNT OF MEMBER CONTRIBUTIONS FROM THE MEMBER AND EMPLOYER CONTRIBUTIONS FROM THE EMPLOYER ON THE ALLOWANCE THAT WAS PAID DURING THE PERIOD, WITH APPROPRIATE INTEREST CALCULATED BY THE ASSOCIATION;

(II) THE ELECTION SHALL BE MADE NO LATER THAN DECEMBER 31, 1997; AND

(III) PAYMENT OF THE TOTAL AMOUNT REQUIRED, THROUGH A LUMP SUM OR THROUGH INSTALLMENTS, SHALL BE RECEIVED BY THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION ON OR BEFORE DECEMBER 31, 1998.

SECTION 19. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the legislative department for allocation to the house of representatives and the senate, for the fiscal year beginning July 1, 1997, the sum of sixty-nine thousand five hundred sixty-six dollars (\$69,566), or so much thereof as may be necessary, for the payment of employer contributions on allowances paid to members of the general assembly pursuant to section 2-2-317 (1) (a), Colorado Revised Statutes.

(2) For the implementation of section 24-51-401 (1.7), Colorado Revised Statutes, there is hereby reduced from the annual appropriation, to the departments listed in the table below, for the fiscal year beginning July 1, 1997, the sum of one million four hundred fifty-three thousand three hundred sixty-six dollars (\$1,453,366). Said reductions shall be made and derived from such sources as follows:

Government - State

Ch. 158

DEPARTMENT	General Fund	Cash Funds	Cash Funds Exempt	HUTF	Federal Funds	Total
Agriculture	(4,970)	(4,547)	(465)	0	(119)	(10,101)
Corrections	(127,014)	(615)	(5,529)	0	0	(133,158)
Education	(13,160)	(873)	(1,043)	0	0	(15,076)
Governor	(7,435)	0	0	0	0	(7,435)
Health Care Policy and Financing	(3,201)	0	0	0	(3,280)	(6,481)
Higher Education	(302,414)	(285,949)	0	0	0	(588,363)
Human Services	(109,444)	(767)	(49,749)	0	(5,798)	(165,758)
Judicial	(72,395)	(1,147)	0	0	0	(73,542)
Public Defender	(2,824)	0	0	0	0	(2,824)
Alternate Defense Counsel	(153)	0	0	0	0	(153)
Labor and Employment	0	(8,789)	(2,673)	0	(30,500)	(41,962)
Law	(4,686)	(691)	(8,138)	0	(425)	(13,940)
Legislature	(10,060)	0	0	0	0	(10,060)
Local Affairs	(5,864)	(123)	(763)	0	(3,561)	(10,311)
Military Affairs	(1,471)	0	0	0	(2,248)	(3,719)
Natural Resources	(14,363)	(33,419)	(5,201)	0	(5,201)	(58,184)

DEPARTMENT	General Fund	Cash Funds	Cash Funds Exempt	HUTF	Federal Funds	Total
Personnel	(9,650)	(22)	(13,779)	0	0	(23,451)
Public Health and Environment	(6,743)	(9,702)	(8,989)	0	(21,835)	(47,269)
Public Safety	(8,163)	(1,893)	(2,058)	(29,512)	(917)	(42,543)
Regulatory Agencies	(1,317)	(18,266)	(3,027)	0	0	(22,610)
Revenue	(40,054)	(1,641)	(8,820)	(4,944)	0	(55,459)
State	0	(2,474)	0	0	0	(2,474)
Transportation	0	(3,254)	(5,120)	(81,885)	(27,142)	(117,401)
Treasury	(1,092)	0	0	0	0	(1,092)
Total	(746,473)	(374,172)	(115,354)	(116,341)	(101,026)	(1,453,366)

SECTION 20. Effective date - applicability. Sections 1, 4, and 12 of this act shall take effect January 1, 1999, and shall apply to disability applications received by the association on or after January 1, 1999, and the remainder of this act shall take effect July 1, 1997.

SECTION 21. 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 6, 1997