

CHAPTER 11

GOVERNMENT - STATE

HOUSE BILL 01-1057

BY REPRESENTATIVE(S) Stafford, Bacon, Boyd, Cloer, Daniel, Garcia, Hodge, Kester, Mace, Marshall, Miller, Romanoff, Swenson, Tochtrop, Vigil, and Williams S.;
also SENATOR(S) Hanna.

AN ACT

CONCERNING PARTICIPATION BY A RETIREE OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IN THE VOLUNTARY INVESTMENT PROGRAM ADMINISTERED BY THE ASSOCIATION.

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

SECTION 1. 24-51-1401 (2), Colorado Revised Statutes, is amended to read:

24-51-1401. Voluntary investment program established and fund created.

(2) The voluntary investment program shall be available to all members AND RETIREES and shall be in addition to any other retirement or tax-deferred compensation system established by the state or its political subdivisions.

SECTION 2. 24-51-1402 (1), (2), and (3), Colorado Revised Statutes, are amended to read:

24-51-1402. Contributions to the voluntary investment program. (1) A member OR A RETIREE may participate in the voluntary investment program authorized in section 24-51-1401 by authorizing his OR HER employer, AS DEFINED IN SECTION 24-51-101 (20), to contribute an amount by payroll deduction in lieu of receiving such amount as MEMBER salary OR RETIREE PAY. The amount of such contribution BY A MEMBER OR A RETIREE shall be subject to any limitations established by federal law. These voluntary contributions, in addition to investment earnings, shall be exempt from federal and state income taxes until the ultimate distribution of such contributions has been made to the member, former member, or beneficiary.

(2) The board may, at its discretion, allow members AND RETIREES to elect to make after-tax voluntary contributions to the voluntary investment program by payroll

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

deduction. Investment earnings on such contributions are exempt from federal and state income taxes until the ultimate distribution of such contributions has been made to the member, former member, or beneficiary.

(3) All voluntary contributions BY A PARTICIPATING MEMBER shall be included in the salary of such ~~participating~~ member for the purpose of calculating member and employer contributions pursuant to the provisions of section 24-51-401. THE MEMBER AND EMPLOYER CONTRIBUTION PROVISIONS OF SECTION 24-51-401 AND THE MATCHING EMPLOYER CONTRIBUTION PROVISIONS OF SECTION 24-51-408.5 SHALL NOT APPLY TO ANY VOLUNTARY CONTRIBUTION MADE BY A RETIREE.

SECTION 3. 24-51-1404, Colorado Revised Statutes, is amended to read:

24-51-1404. Investments of the voluntary investment program. Members AND RETIREES participating in the voluntary investment program shall designate that their voluntary contributions be invested in one or more types of investments made available by the board. These investments may include, but are not limited to, equity investments, fixed-income investments, life insurance company products, and any investments permitted pursuant to the provisions of section 24-51-206.

SECTION 4. Effective date. This act shall take effect July 1, 2001.

SECTION 5. 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 9, 2001