

CHAPTER 83

GOVERNMENT - MUNICIPAL

SENATE BILL 05-067

BY SENATOR(S) May R., Entz, Jones, Lamborn, Shaffer, Taylor, Tochtrop, Wiens, and Williams;
also REPRESENTATIVE(S) Cadman, Berens, Massey, and Stafford.

AN ACT

CONCERNING THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE FIRE AND POLICE PENSION ASSOCIATION TO INCORPORATE A LOCAL EMPLOYER'S EXEMPT DEFINED BENEFIT PENSION PLAN INTO THE STATEWIDE DEFINED BENEFIT PLAN AT THE REQUEST OF THE LOCAL EMPLOYER'S GOVERNING BODY.

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

SECTION 1. 31-31-706, Colorado Revised Statutes, is amended to read:

31-31-706. Affiliation by or incorporation of exempt defined benefit pension plans. (1) At the request of any local employer having an exempt defined benefit pension plan, the board is authorized to make an agreement with the employer's governing body to manage such employer's exempt defined benefit pension plan fund for investment.

(2) (a) AS AN ALTERNATIVE TO AFFILIATION FOR INVESTMENT MANAGEMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, AT THE REQUEST OF ANY LOCAL EMPLOYER HAVING AN EXEMPT DEFINED BENEFIT PENSION PLAN, THE BOARD IS AUTHORIZED TO MAKE AN AGREEMENT WITH THE EMPLOYER'S GOVERNING BODY TO INCORPORATE THE EXEMPT DEFINED BENEFIT PENSION PLAN INTO THE STATEWIDE DEFINED BENEFIT PLAN. THE INCORPORATION SHALL BE UNDER TERMS AND CONDITIONS THAT ARE MUTUALLY AGREEABLE TO THE EMPLOYER'S GOVERNING BODY AND THE BOARD AND AS MAY BE REQUIRED TO MAINTAIN THE QUALIFIED STATUS OF THE PLAN UNDER THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

(b) PRIOR TO THE IMPLEMENTATION OF AN AGREEMENT OF INCORPORATION PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2), THE BOARD SHALL FIND THAT THE INCORPORATION IS NOT PROJECTED TO HAVE AN ADVERSE ACTUARIAL IMPACT ON EXISTING MEMBERS OF THE STATEWIDE DEFINED BENEFIT PLAN. THE BOARD AND THE

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

EMPLOYER'S GOVERNING BODY ARE AUTHORIZED TO TAKE ALL ACTIONS NECESSARY TO ACCOMPLISH THE AGREEMENT AND TO MAINTAIN THE QUALIFIED STATUS OF THE FORMERLY EXEMPT DEFINED BENEFIT PENSION PLAN AFTER INCORPORATION INTO THE STATEWIDE DEFINED BENEFIT PLAN. NOTWITHSTANDING ANY OTHER REQUIREMENT, AN EXEMPT DEFINED BENEFIT PENSION PLAN MAY BE INCORPORATED INTO THE STATEWIDE DEFINED BENEFIT PLAN WITHOUT THE APPROVAL OF THE MEMBERS OF THE EXEMPT PLAN OR THE STATEWIDE PLAN.

(c) THE BOARD MAY REQUIRE THAT EMPLOYEES HIRED BY THE LOCAL EMPLOYER WITH THE FORMERLY EXEMPT DEFINED BENEFIT PENSION PLAN AFTER THE DATE OF INCORPORATION PURSUANT TO THIS SUBSECTION (2) BE MEMBERS OF THE STATEWIDE DEFINED BENEFIT PLAN PURSUANT TO PART 4 OF THIS ARTICLE.

SECTION 2. 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: April 14, 2005