

CHAPTER 2

GOVERNMENT - STATE

SENATE BILL 10-001

BY SENATOR(S) Shaffer B. and Penry, Bacon, Boyd, Brophy, Carroll M., Foster, Gibbs, Heath, Hodge, Hudak, Johnston, Keller, Kester, Morse, Newell, Romer, Sandoval, Schwartz, Steadman, Tapia, Tochtrop, Whitehead, Williams;
also REPRESENTATIVE(S) Kerr A., Benefield, Fischer, Kagan, Labuda, Pommer, Schafer S., Tyler.

AN ACT

CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION NECESSARY TO REACH A ONE HUNDRED PERCENT FUNDED RATIO WITHIN THE NEXT THIRTY YEARS.

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

SECTION 1. 24-51-101 (6.5) and (30), Colorado Revised Statutes, are amended, and the said 24-51-101 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-101. Definitions. As used in this article, unless the context otherwise requires and except as otherwise defined in part 17 of this article:

(6.5) "Base benefit" means the initial benefit for a benefit ~~which~~ THAT becomes effective after ~~March 1, 2000~~ MARCH 1, 2009. For a benefit ~~which~~ THAT became effective on or before ~~March 1, 2000~~ MARCH 1, 2009, "base benefit" means the total benefit payable as of ~~February 28, 2001~~ JUNE 30, 2010, including the sum of the initial benefit, accumulated annual increases, and cost of living increases.

(30) "Member contribution" means the money paid to the association ~~which~~ THAT equals a percentage of the member's salary as determined pursuant to the provisions of section 24-51-401 (1.7). "MEMBER CONTRIBUTION" DOES NOT INCLUDE WORKING RETIREE CONTRIBUTIONS AS DEFINED IN SUBSECTION (53) OF THIS SECTION.

(53) "WORKING RETIREE CONTRIBUTIONS" MEANS AN AMOUNT PAID TO THE ASSOCIATION THAT EQUALS THE PERCENTAGE OF SALARY THAT WOULD BE PAID AS MEMBER CONTRIBUTIONS PURSUANT TO SECTION 24-51-401 (1.7) (a); EXCEPT THAT WORKING RETIREE CONTRIBUTIONS SHALL NOT BE CONSIDERED MEMBER CONTRIBUTIONS AND SHALL NOT BE DEPOSITED IN THE MEMBER CONTRIBUTION

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

ACCOUNT.

SECTION 2. 24-51-101 (25) (b), Colorado Revised Statutes, 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 and except as otherwise defined in part 17 of this article:

(25) (b) (V) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH (b), IN CALCULATING HIGHEST AVERAGE SALARY FOR A MEMBER OR INACTIVE MEMBER NOT ELIGIBLE FOR SERVICE OR REDUCED SERVICE RETIREMENT ON JANUARY 1, 2011, THE ASSOCIATION SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH FOUR PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THIS SUBPARAGRAPH (V) SHALL NOT APPLY TO MEMBERS OF THE JUDICIAL DIVISION, EXCEPT FOR DPS MEMBERS OF THE JUDICIAL DIVISION WHO HAVE EXERCISED PORTABILITY PURSUANT TO SECTION 24-51-1747 AND SELECTED THE DENVER PUBLIC SCHOOLS BENEFIT STRUCTURE. THIS SUBPARAGRAPH (V) SHALL APPLY TO DPS MEMBERS IN ACCORDANCE WITH SECTION 24-51-1702 (17).

SECTION 3. 24-51-204 (7), Colorado Revised Statutes, is amended to read:

24-51-204. Duties of the board. (7) (a) The board or its designated agent shall submit an annual actuarial valuation report to the legislative audit committee and the joint budget committee of the general assembly, together with any recommendations concerning such liabilities that have accrued.

(b) IN THE ANNUAL ACTUARIAL VALUATION, THE BOARD SHALL FIRST DETERMINE THE TOTAL AGGREGATE ACTUARIAL FUNDED RATIO OF THE ASSOCIATION, APPLY THE ADJUSTMENTS PURSUANT TO SECTION 24-51-1009.5, AND THEN DETERMINE THE ACTUARIAL FUNDED RATIO OF EACH DIVISION SEPARATELY.

SECTION 4. Part 2 of article 51 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

24-51-211.5. Notice of possible change in benefits - actuarial necessity. THE ASSOCIATION SHALL PROVIDE WRITTEN NOTICE TO EACH MEMBER, DPS MEMBER, AND INACTIVE MEMBER OF THE ASSOCIATION THAT THE POSSIBILITY OF AN ACTUARIAL NECESSITY COULD OCCUR IN THE FUTURE, AND THE GENERAL ASSEMBLY MAY MODIFY BY BILL THE BENEFITS ALLOWED TO MEMBERS OF THE DEFINED BENEFIT PLAN.

SECTION 5. Part 2 of article 51 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

24-51-220. Report to general assembly. THE ASSOCIATION SHALL PROVIDE A REPORT TO THE GENERAL ASSEMBLY ON JANUARY 1, 2016, AND EVERY FIVE YEARS THEREAFTER, REGARDING THE ECONOMIC IMPACT OF THE 2010 LEGISLATIVE CHANGES TO THE ANNUAL INCREASE PROVISIONS ON THE RETIREES AND BENEFIT RECIPIENTS AS COMPARED TO THE ACTUAL RATE OF INFLATION AND THE PROGRESS MADE TOWARD ELIMINATING THE UNFUNDED LIABILITIES OF EACH DIVISION OF THE ASSOCIATION.

SECTION 6. 24-51-401 (1.7) (a) and (3), Colorado Revised Statutes, are amended to read:

24-51-401. Employer and member contributions. (1.7) (a) Employers shall deliver a contribution report and the full amount of employer ~~and~~ CONTRIBUTIONS, member contributions, AND WORKING RETIREE CONTRIBUTIONS to the association within five days after the date members and retirees are paid. Except as provided in subsection (7) of this section and section 24-51-408.5, such contributions shall be based upon the rates for the appropriate division as set forth in the following table multiplied by the salary, as defined in section 24-51-101 (42), paid to members and retirees for the payroll period:

**TABLE A
CONTRIBUTION RATES**

Division	Membership	Employer Rate	Member Rate
State	All Members	10.15%	8.0%
	Except State Troopers	12.85%	10.0%
School	All Members		
	1/1/2006 through 12/31/2012	10.15%	8.0%
	1/1/2013 and thereafter	10.55%	8.0%
	ALL MEMBERS	10.15%	8.0%
Local Government	All Members	10.0%	8.0%
Judicial	All Members	13.66%	8.0%
DPS	1/1/2010 through 12/31/2012	13.75%	8.0%
	1/1/2013 and	14.15%	8.0%

thereafter

ALL MEMBERS	13.75%	8.0%
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(3) The employer shall be assessed by the association, pursuant to rules adopted by the board, interest on the contributions, INCLUDING WORKING RETIREE CONTRIBUTIONS, if either contributions or member information is not submitted by the date established in subsection (1.7) of this section.

SECTION 7. 24-51-403, Colorado Revised Statutes, is amended to read:

24-51-403. Contributions assumed and paid by the employer. For purposes of deferring federal income tax imposed on salary, the member contributions AND THE WORKING RETIREE CONTRIBUTIONS assumed and paid for by the employer shall be in lieu of paying such amounts as salary and shall be treated as employer contributions pursuant to the provisions of 26 U.S.C. sec. 414 (h) (2), as amended. For all other purposes of this article, member contributions assumed and paid for by the employer shall be considered member contributions.

SECTION 8. The introductory portion to 24-51-408 (2) and 24-51-408 (4), Colorado Revised Statutes, are amended, and the said 24-51-408 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-408. Matching employer contributions. (2) For members who HAVE FIVE OR MORE YEARS OF EARNED SERVICE CREDIT AND receive a refund prior to sixty-five years of age and prior to meeting the age and service requirements for a service or reduced service retirement benefit, the amount of matching employer contributions paid shall be one-half of an amount equal to the member contribution account less:

(2.5) NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION, FOR A MEMBER WHO HAS LESS THAN FIVE YEARS OF EARNED SERVICE CREDIT AS OF THE DATE OF REFUND AND WHO RECEIVES A REFUND PRIOR TO SIXTY-FIVE YEARS OF AGE AND PRIOR TO MEETING THE AGE AND SERVICE REQUIREMENTS FOR A SERVICE OR REDUCED SERVICE RETIREMENT BENEFIT, THE AMOUNT OF MATCHING EMPLOYER CONTRIBUTIONS PAID SHALL BE ONE-HALF OF AN AMOUNT EQUAL TO THE MEMBER CONTRIBUTION ACCOUNT ACCUMULATED PRIOR TO JANUARY 1, 2011, LESS:

- (a) ANY AMOUNTS PAID FOR THE PURCHASE OF SERVICE CREDIT;
- (b) ANY PAYMENTS IN LIEU OF MEMBER CONTRIBUTIONS; AND
- (c) ANY INTEREST ACCRUED ON THE AMOUNTS SPECIFIED IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (2.5).

(4) The provisions of this section shall not apply to DPS member CONTRIBUTION accounts that exist on December 31, 2009, with regard to past contributions or future contributions. Member CONTRIBUTION accounts in the Denver public schools division created on or after January 1, 2010, shall be governed by this section.

SECTION 9. 24-51-411, Colorado Revised Statutes, is amended to read:

24-51-411. Amortization equalization disbursement. (1) Beginning January 1, 2006, each employer shall deliver to the association an amortization equalization disbursement and, beginning January 1, 2008, a supplemental amortization equalization disbursement pursuant to the same procedures specified for employer contributions in section 24-51-401 (1.7).

(2) For the calendar year beginning January 1, 2006, the amortization equalization disbursement shall be one-half of one percent of the employer's total payroll. The amortization equalization payment shall increase by one-half of one percent of total payroll on January 1, 2007, and, SUBJECT TO SUBSECTION (4) OF THIS SECTION, shall increase by four-tenths of one percent of total payroll at the start of each of the calendar years following 2007 through 2012. For purposes of this section, the employer's total payroll shall be calculated by applying the definition of salary, pursuant to section 24-51-101 (42), to the payroll for all employees working for the employer who are members of the association, or who were eligible to elect to become members of the association on or after January 1, 2006, including any amounts paid in connection with the employment of a retiree by an employer pursuant to section 24-51-1101 (2). Beginning January 1, 2010, employers of the Denver public schools division shall pay the then-applicable accumulated rate of amortization equalization disbursement and the escalating rate in accordance with the provisions of this section.

(3) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2013, FOR EMPLOYERS IN THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS, THE AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY FOUR-TENTHS OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE CALENDAR YEARS THROUGH 2015. FOR THE CALENDAR YEAR 2016, FOR EMPLOYERS IN THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS, THE AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY THREE-TENTHS OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF THE 2016 CALENDAR YEAR. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO BECOME MEMBERS OF THE ASSOCIATION ON OR AFTER JANUARY 1, 2006, INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).

(3.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2013, FOR EMPLOYERS IN THE STATE DIVISION, THE AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY FOUR-TENTHS OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE CALENDAR YEARS THROUGH 2017. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO BECOME MEMBERS OF THE ASSOCIATION ON OR AFTER JANUARY 1, 2006, INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).

(4) FOR EMPLOYERS IN THE LOCAL GOVERNMENT DIVISION AND THE JUDICIAL

DIVISION, THE AMORTIZATION EQUALIZATION DISBURSEMENT SHALL NOT EXCEED THE 2010 CALENDAR YEAR RATES UNLESS THE RATES ARE REQUIRED TO INCREASE IN ACCORDANCE WITH SUBSECTION (9) OF THIS SECTION.

~~(3.2)~~ (5) For the calendar year beginning January 1, 2008, the supplemental amortization equalization disbursement shall be one-half of one percent of the employer's total payroll. The supplemental amortization equalization disbursement, SUBJECT TO SUBSECTION (7) OF THIS SECTION, shall increase by one-half of one percent of total payroll on January 1 of each year following 2008 through 2013. For purposes of this section, the employer's total payroll shall be calculated by applying the definition of salary, pursuant to section 24-51-101 (42), to the payroll for all employees working for the employer who are members of the association, or who were eligible to elect to become members of the association on or after January 1, 2006, including any amounts paid in connection with the employment of a retiree by an employer pursuant to section 24-51-1101 (2). Beginning on January 1, 2010, employers of the Denver public schools division shall pay the then-applicable accumulated rate of supplemental amortization equalization disbursement and the escalating rate in accordance with the provisions of this section.

(6) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2014, FOR EMPLOYERS IN THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS, THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY ONE-HALF OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE CALENDAR YEARS THROUGH 2018. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO BECOME MEMBERS OF THE ASSOCIATION ON OR AFTER JANUARY 1, 2006, INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).

(6.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2014, FOR EMPLOYERS IN THE STATE DIVISION, THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY ONE-HALF OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE CALENDAR YEARS THROUGH 2017. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO BECOME MEMBERS OF THE ASSOCIATION ON OR AFTER JANUARY 1, 2006, INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).

(7) FOR EMPLOYERS IN THE LOCAL GOVERNMENT DIVISION AND THE JUDICIAL DIVISION, THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT SHALL NOT EXCEED THE 2010 CALENDAR YEAR RATES UNLESS THE RATES ARE REQUIRED TO INCREASE IN ACCORDANCE WITH SUBSECTION (9) OF THIS SECTION.

~~(3.5)~~ (8) The amortization equalization disbursement and the supplemental amortization equalization disbursement payments by ~~all~~ EMPLOYERS IN THE STATE,

SCHOOL, AND DENVER PUBLIC SCHOOLS divisions shall continue AT THE RATE SPECIFIED IN SUBSECTIONS (3), (3.5), (6), AND (6.5) OF THIS SECTION until adjusted pursuant to this ~~subsection (3.5)~~ SUBSECTION (8). When the actuarial funded ratio of ~~a particular~~ THE STATE, SCHOOL, OR DENVER PUBLIC SCHOOLS division of the association, BASED ON THE ACTUARIAL VALUE OF ASSETS, IS AT OR ABOVE one hundred THREE percent as determined in the annual actuarial study of the association, ~~the actuary shall determine the amount by which the~~ OF THE amortization equalization disbursement and supplemental amortization equalization disbursement ~~can~~ SHALL be reduced, in equal parts, for that particular division ~~and still maintain the actuarial funded ratio of that division at one hundred percent. The~~ amortization equalization disbursement and supplemental amortization equalization disbursement shall be reduced for that division in the amounts determined by the actuary effective January 1 of the following year. At such time as a division is determined in the annual actuarial valuation to have reached a thirty-year or less amortization period of its unfunded liabilities, the board shall cause to be conducted an actuarial study to assess the amortization equalization disbursement and the supplemental amortization equalization disbursement, and the board may make appropriate recommendations to the general assembly BY ONE-HALF OF ONE PERCENT EACH. IF THE ACTUARIAL FUNDED RATIO OF THE DIVISION BASED ON THE ACTUARIAL VALUE OF ASSETS REACHES ONE HUNDRED THREE PERCENT AND SUBSEQUENTLY THE ACTUARIAL FUNDED RATIO OF THE DIVISION IS BELOW NINETY PERCENT, THE AMORTIZATION EQUALIZATION DISBURSEMENT AND SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT SHALL BE INCREASED BY ONE-HALF OF ONE PERCENT EACH; EXCEPT THAT, AT NO TIME SHALL THE AMORTIZATION EQUALIZATION DISBURSEMENT FOR THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS EXCEED FOUR AND ONE-HALF PERCENT OR FOR THE STATE DIVISION EXCEED FIVE PERCENT NOR SHALL THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT FOR THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS EXCEED FIVE AND ONE-HALF PERCENT EACH OR FOR THE STATE DIVISION EXCEED FIVE PERCENT.

(9) THE AMORTIZATION EQUALIZATION DISBURSEMENT AND THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENTS BY EMPLOYERS IN THE LOCAL GOVERNMENT DIVISION AND JUDICIAL DIVISION SHALL CONTINUE AT THE RATE SPECIFIED IN SUBSECTIONS (4) AND (7) OF THIS SECTION UNTIL ADJUSTED PURSUANT TO THIS SUBSECTION (9). WHEN THE ACTUARIAL FUNDED RATIO OF THE LOCAL GOVERNMENT DIVISION OR JUDICIAL DIVISION OF THE ASSOCIATION, BASED ON THE ACTUARIAL VALUE OF THE ASSETS, IS AT OR ABOVE ONE HUNDRED THREE PERCENT AS DETERMINED IN THE ANNUAL ACTUARIAL STUDY OF THE ASSOCIATION, THE AMOUNT OF THE AMORTIZATION EQUALIZATION DISBURSEMENT AND SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT SHALL BE REDUCED FOR EMPLOYERS IN THAT PARTICULAR DIVISION BY ONE-HALF OF ONE PERCENT EACH. IF THE ACTUARIAL FUNDED RATIO OF THE DIVISION BASED ON THE ACTUARIAL VALUE OF THE ASSETS REACHES NINETY PERCENT AND SUBSEQUENTLY THE ACTUARIAL FUNDED RATIO OF THE DIVISION IS BELOW NINETY PERCENT, THE AMORTIZATION EQUALIZATION DISBURSEMENT AND SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT SHALL BE INCREASED BY ONE-HALF OF ONE PERCENT EACH; EXCEPT THAT, AT NO TIME SHALL THE AMORTIZATION EQUALIZATION DISBURSEMENT OR THE SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT EXCEED FIVE PERCENT EACH.

~~(3.7)~~ (10) For state employers in the state division, for the 2007-08 state fiscal year and for each fiscal year through the ~~2012-13~~ 2016-17 state fiscal year, from the amount of changes to state employees' salaries and any adjustments to the annual general appropriation act pursuant to section 24-50-104, an amount equal to one-half of one percent of total salary shall be deducted and such amount shall be utilized by the employer to fund the supplemental amortization equalization disbursement. For the school, local government, judicial, and Denver public schools divisions, and the remaining employers in the state division who are not state employers, the supplemental amortization equalization disbursement shall, to the extent permitted by law, be funded by allocation of funds otherwise available for use as employee compensation increases prior to award as salary or other compensation to employees.

~~(4)~~ (11) ~~Any reduction in the amortization equalization disbursement and in the supplemental amortization equalization disbursement pursuant to subsection (3.5) of this section shall be irrevocable. If the disbursements become no longer necessary pursuant to subsection (3.5) of this section, then the association shall notify the revisor of statutes to repeal this section. Moneys made available due to any reduction in the supplemental amortization equalization disbursement pursuant to subsection (3.5) SUBSECTION (8) OR (9) of this section, WHICHEVER IS APPLICABLE, shall, to the extent permitted by law, be allocated to employee compensation increases to the extent such source was originally used by an employer to fund the supplemental amortization equalization disbursement.~~

~~(5) This section is repealed, effective upon receipt by the revisor of statutes of a notice pursuant to subsection (4) of this section.~~

SECTION 10. 24-51-501 (1), Colorado Revised Statutes, is amended to read:

24-51-501. Earned service credit. (1) Service credit is earned for periods of employment with an employer during which salary is received by such employee and contributions are made to the association pursuant to the provisions of section 24-51-401 (1.7). NO SERVICE CREDIT SHALL BE EARNED IN CONNECTION WITH THE PAYMENT OF WORKING RETIREE CONTRIBUTIONS.

SECTION 11. 24-51-509, Colorado Revised Statutes, is amended to read:

24-51-509. Combining service credit. Service credit earned by a member during the most recent period of membership shall be combined with the service credit associated with the existing member contribution account of such member. Notwithstanding the provisions of this section, members exercising portability between the Denver public schools division and other association divisions are governed by the provisions of section 24-51-1747, RETIREES SUSPENDING RETIREMENT OR REDUCED SERVICE RETIREMENT BENEFITS ARE GOVERNED BY SECTION 24-51-1103 (1), AND DPS RETIREES SUSPENDING RETIREMENT BENEFITS ARE GOVERNED BY SECTION 24-51-1726.5.

SECTION 12. 24-51-602 (1) and (5), Colorado Revised Statutes, are amended, and the said 24-51-602 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

24-51-602. Service retirement eligibility. (1) (a) Members, except state troopers, WHO HAVE FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND who have met the age and service credit requirements stated in the following table shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603 (1) (a), (2), and (3):

**TABLE B
SERVICE RETIREMENT ELIGIBILITY**

Age Requirement (years)	Service Credit Requirement (years)
50	30
60	20
65	5

(a.5) Notwithstanding paragraph (a) of this subsection (1), any person except a state trooper WHO HAD FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND who was not a member, inactive member, or retiree on June 30, 2005, but was a member, inactive member, or retiree on December 31, 2006, shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603 (1) (a), (2), and (3) if the member has met the age and service credit requirements stated in the following table:

**TABLE B.05
SERVICE RETIREMENT ELIGIBILITY**

Age Requirement (years)	Service Credit Requirement (years)
Any age	35
55	30
60	20
65	5

(a.7) Notwithstanding paragraphs (a) and (a.5) of this subsection (1), any person except a state trooper who was not a member, inactive member, or retiree on December 31, 2006, OR WHO WAS A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2006, BUT AS OF JANUARY 1, 2011, DID NOT HAVE FIVE YEARS OF SERVICE CREDIT, OR WHO IS A DPS MEMBER WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603 (1) (a), (2), and (3), if the member has met the age and service credit requirements stated in the following table:

**TABLE B.07
SERVICE RETIREMENT ELIGIBILITY**

Age Requirement (years)	Service Credit Requirement (years)
Any age	35
55	30
60	25
65	5

(b) State troopers who have met the age and service credit requirements stated in the following table shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603 (1) and (3):

**TABLE B.1
SERVICE RETIREMENT ELIGIBILITY**

Age Requirement (years)	Service Credit Requirement (years)
Any age	30
50	25
55	20
65	5

(c) Members who were members, inactive members, or retirees on December 31, 2006, WHO HAD FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, and who are fifty-five years of age or older shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603, without reduction pursuant to section 24-51-604, if they have at least five years of service credit and if the number of years of their age plus the number of years of their service credit equals eighty years or more.

(d) Members who were not members, inactive members, or retirees on December 31, 2006, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2010, OR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, BUT AS OF JANUARY 1, 2011, DID NOT HAVE FIVE YEARS OF SERVICE CREDIT, OR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, and who are fifty-five years of age or older shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603, without reduction pursuant to section 24-51-604, if they have at least five years of service credit and if the number of years of their age plus the number of years of their service credit equals eighty-five years or more.

(1.5) (a) MEMBERS, EXCEPT STATE TROOPERS, WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2010, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2016, AND WHO HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603:

**TABLE B.2
SERVICE RETIREMENT ELIGIBILITY**

AGE REQUIREMENT (YEARS)	SERVICE CREDIT REQUIREMENT (YEARS)
ANY AGE	35
58	30
65	5

(b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO THIS SUBSECTION (1.5) AND WHO ARE FIFTY-EIGHT YEARS OF AGE OR OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY-EIGHT YEARS OR MORE.

(1.7) (a) MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2016, WHO HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE AND WHO ARE NOT ELIGIBLE FOR SERVICE RETIREMENT BENEFITS PURSUANT TO SUBSECTION (1.8) OF THIS SECTION SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603:

**TABLE B.3
SERVICE RETIREMENT ELIGIBILITY**

AGE REQUIREMENT (YEARS)	SERVICE CREDIT REQUIREMENT (YEARS)
ANY AGE	35
60	30
65	5

(b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO THIS SUBSECTION (1.7) AND WHO ARE SIXTY YEARS OF AGE OR OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS NINETY YEARS OR MORE.

(1.8) (a) MEMBERS OF THE SCHOOL DIVISION OR DENVER PUBLIC SCHOOLS DIVISION WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2016, WHO HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, PROVIDED, HOWEVER, THAT AT LEAST

THE MOST RECENT TEN YEARS OF SERVICE CREDIT USED IN MEETING THE REQUIREMENTS OF THE TABLE BELOW MUST BE EARNED IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISIONS IN ORDER FOR THE MEMBER TO BE ELIGIBLE PURSUANT TO THIS PARAGRAPH (a):

**TABLE B.4
SERVICE RETIREMENT ELIGIBILITY**

AGE REQUIREMENT (YEARS)	SERVICE CREDIT REQUIREMENT (YEARS)
ANY AGE	35
58	30
65	5

(b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO THIS SUBSECTION (1.8) AND WHO ARE FIFTY-EIGHT YEARS OF AGE OR OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY-EIGHT YEARS OR MORE.

(5) ~~Retirement benefits of DPS members shall be governed by the provisions of sections 24-51-1713 to 24-51-1726 and 24-51-1747.~~

SECTION 13. The introductory portion to 24-51-603 (1) (a) and 24-51-603 (3) (a), Colorado Revised Statutes, are amended to read:

24-51-603. Benefit formula for service retirement. (1) (a) Except as otherwise provided in subsection (2) of this section, effective July 1, 1997, the option 1 benefit OR OPTION A BENEFIT, WHICHEVER IS APPLICABLE, for service retirement for members 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. The following formula shall be used for this calculation:

(3) (a) Regardless of total years of service credit, the option 1 benefit OR OPTION A BENEFIT, WHICHEVER IS APPLICABLE, 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 OR OPTION A BENEFIT, WHICHEVER IS APPLICABLE, exceed the maximum permitted under federal income tax law.

SECTION 14. The introductory portion to 24-51-604, Colorado Revised Statutes, is amended to read:

24-51-604. Reduced service retirement eligibility. DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND members who have met the age and service credit requirements stated in the following table and who do not meet the requirements of section 24-51-602 shall, upon written application and approval of the board, receive reduced service retirement benefits

pursuant to the benefit formula set forth in section 24-51-605:

SECTION 15. 24-51-605 (1) and the introductory portion to 24-51-605 (3), Colorado Revised Statutes, are amended, and the said 24-51-605 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-605. Benefit formula for reduced service retirement. (1) (a) FOR A MEMBER WHO IS A STATE TROOPER, WHO IS ELIGIBLE TO RETIRE on and after July 1, 1998, ~~for a member who is a state trooper~~ BUT ON OR BEFORE JANUARY 1, 2011, and who retires upon reaching fifty years of age or older but before reaching sixty years of age, a reduced service retirement benefit shall be the option 1 benefit for service retirement, as calculated according to the formula set forth in section 24-51-603, reduced by three percent for each year and a proportional percentage for each fraction of a year from the effective date of reduced service retirement to the date the member would have become eligible for a service retirement pursuant to the provisions of section 24-51-602 (1).

(b) FOR A MEMBER WHO IS NOT A STATE TROOPER, WHO IS ELIGIBLE TO RETIRE on and after July 1, 1998, ~~for a member who is not a state trooper~~ BUT ON OR BEFORE JANUARY 1, 2011, and who retires upon reaching fifty-five years of age or older but before reaching sixty years of age, a reduced service retirement benefit shall be the option 1 benefit for service retirement, as calculated according to the formula set forth in section 24-51-603, reduced by:

(I) Three percent for each year and a proportional percentage for each fraction of a year from the effective date of reduced service retirement to the date the member would have reached sixty years of age, or the date the member would have become eligible for a service retirement pursuant to the provisions of section 24-51-602 (1), if earlier than sixty years of age; and

(II) Four percent for each year and a proportional percentage for each fraction of a year from the date the member reaches sixty years of age to the date the member would have become eligible for a service retirement pursuant to the provisions of section 24-51-602 (1), if on such date the member would have been older than sixty years of age.

(c) FOR A MEMBER WHO IS NOT A STATE TROOPER, WHO IS ELIGIBLE TO RETIRE on and after July 1, 1998, ~~for a member who is not a state trooper~~ BUT ON OR BEFORE JANUARY 1, 2011, and who retires upon reaching sixty years of age or older but before reaching sixty-five years of age, a reduced service retirement benefit shall be the option 1 benefit for service retirement, as calculated according to the formula set forth in section 24-51-603, reduced by four percent for each year and a proportional percentage for each fraction of a year from the effective date of reduced service retirement to the date the member would have become eligible for a service retirement pursuant to the provisions of section 24-51-602 (1).

(3) Notwithstanding the provisions of subsection (1) of this section, on and after July 1, 1993, for a member who is not a state trooper, WHO IS ELIGIBLE FOR A REDUCED SERVICE RETIREMENT BENEFIT AS OF JANUARY 1, 2011, and who retires upon reaching fifty years of age or older but before reaching fifty-five years of age, a reduced service retirement benefit shall be the option 1 benefit for service

retirement, as calculated according to the formula set forth in section 24-51-603, reduced by:

(4) FOR A MEMBER, DPS MEMBER, OR INACTIVE MEMBER WHO IS NOT ELIGIBLE FOR A RETIREMENT BENEFIT AS OF JANUARY 1, 2011, THE FOLLOWING PROVISIONS SHALL APPLY:

(a) FOR A MEMBER OR INACTIVE MEMBER WHO RETIRES PRIOR TO REACHING ELIGIBILITY FOR A FULL SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, A REDUCED SERVICE RETIREMENT BENEFIT SHALL BE THE OPTION 1 BENEFIT FOR SERVICE RETIREMENT, AS CALCULATED ACCORDING TO THE FORMULA SET FORTH IN SECTION 24-51-603, REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE TO ENSURE THAT, AS OF THE EFFECTIVE DATE OF RETIREMENT, THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE SERVICE RETIREMENT BENEFIT.

(b) FOR A DPS MEMBER WHO RETIRES PRIOR TO REACHING ELIGIBILITY FOR RETIREMENT PURSUANT TO SECTION 24-51-1713 OR 24-51-602, WHICHEVER IS APPLICABLE, A RETIREMENT WITH AN ACTUARIAL REDUCTION SHALL BE THE OPTION A BENEFIT AS CALCULATED ACCORDING TO THE FORMULA SET FORTH IN SECTION 24-51-1715 (1) (a) (I) OR 24-51-603, WHICHEVER IS APPLICABLE, REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE TO ENSURE THAT THE BENEFIT, AS OF THE EFFECTIVE DATE OF RETIREMENT, IS THE ACTUARIAL EQUIVALENT OF THE RETIREMENT BENEFIT WITHOUT AN ACTUARIAL REDUCTION.

SECTION 16. 24-51-606.5, Colorado Revised Statutes, is amended to read:

24-51-606.5. Indexation of benefits for vested inactive members. A vested inactive member who was a member or inactive member on December 31, 2006, WHO HAS REACHED THE AGE AND SERVICE REQUIREMENTS FOR A SERVICE OR REDUCED SERVICE RETIREMENT BENEFIT ON OR BEFORE JANUARY 1, 2011, AND who has at least twenty-five years of service credit prior to terminating membership shall be eligible, upon retirement, for a benefit, as calculated pursuant to the provisions of section 24-51-603 or 24-51-605, which has been increased by the annual increase specified in sections 24-51-1001 to 24-51-1003, from the date of termination of membership or July 1, 1993, whichever is later, to the effective date of retirement.

SECTION 17. 24-51-802 (2), Colorado Revised Statutes, is amended to read:

24-51-802. Change in option or cobeneficiary. (2) The election of an option or the designation of a cobeneficiary may be changed if the retiree returns to membership and thereafter earns one year of service credit; HOWEVER, A MEMBER WHOSE RETIREMENT OR REDUCED SERVICE RETIREMENT BENEFITS ARE IN SEPARATE BENEFIT SEGMENTS PURSUANT TO SECTION 24-51-1103 (1.5) SHALL ELECT THE SAME OPTION AND DESIGNATE THE SAME COBENEFICIARY FOR ALL OF HIS OR HER SEPARATE BENEFIT SEGMENTS.

SECTION 18. 24-51-908 (1), Colorado Revised Statutes, is amended to read:

24-51-908. Survivor benefits. (1) Survivor benefits paid to a cobeneficiary pursuant to the provisions of section 24-51-906 (1) (a) shall be calculated in the same manner as option 3 benefits pursuant to the provisions of section 24-51-910.

Survivor benefits paid to a surviving spouse pursuant to the provisions of section 24-51-905 (2) (a) shall be calculated in the same manner as option 3 benefits pursuant to the provisions of section 24-51-910, and if the deceased vested inactive member had at least twenty-five years of service credit AND WAS ELIGIBLE FOR A RETIREMENT BENEFIT ON OR BEFORE JANUARY 1, 2011, such benefits shall be increased by the annual increase specified in sections 24-51-1001 to 24-51-1003, from the date of termination of membership or July 1, 1993, whichever is later, to the date benefits commence.

SECTION 19. 24-51-1001 (1) and (3) (b), Colorado Revised Statutes, are amended, and the said 24-51-1001 (3) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

24-51-1001. Types of benefit increases. (1) For benefit recipients whose benefits are based on the account of a member who was a member, inactive member, or retiree on December 31, 2006, OR FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A DPS MEMBER OR DPS RETIREE, annual increases in retirement benefits and survivor benefits shall ~~occur on March 1 if said benefits have been paid for at least three months preceding March 1~~ BE EFFECTIVE WITH THE JULY BENEFIT. Such increases in benefits shall be calculated in accordance with the provisions of sections 24-51-1002 and 24-51-1003 and shall be paid from the ~~division trust funds~~ RETIREMENT BENEFITS RESERVE OR THE SURVIVOR BENEFITS RESERVE, AS APPROPRIATE, SO LONG AS THE FOLLOWING REQUIREMENTS ARE SATISFIED:

(a) FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED ON A RETIREE OR DPS RETIREE WHOSE EFFECTIVE DATE OF RETIREMENT IS PRIOR TO JANUARY 1, 2011, OR WHOSE SURVIVOR BENEFITS ARE BASED ON A DATE OF DEATH THAT OCCURRED PRIOR TO JANUARY 1, 2011, THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR AT LEAST SEVEN MONTHS PRECEDING JULY 1.

(b) FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED ON A RETIREE OR DPS RETIREE WHOSE EFFECTIVE DATE OF RETIREMENT IS ON OR AFTER JANUARY 1, 2011, OR WHOSE SURVIVOR BENEFITS ARE BASED ON A DATE OF DEATH THAT IS ON OR AFTER JANUARY 1, 2011, THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1, AND FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED UPON A RETIREE OR DPS RETIREE WHO WAS NOT ELIGIBLE TO RETIRE AS OF JANUARY 1, 2011, THE RETIREE MET THE FOLLOWING REQUIREMENTS:

(I) FOR DPS MEMBERS WITH FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHO BEGAN MEMBERSHIP PRIOR TO JULY 1, 2005, AND HAVE FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR 24-51-1713, WHICHEVER IS APPLICABLE, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 OR 24-51-1714, WHICHEVER IS APPLICABLE, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(II) FOR MEMBERS WHO BEGAN MEMBERSHIP ON OR AFTER JULY 1, 2005, BUT

PRIOR TO JANUARY 1, 2007, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY; OR

(III) FOR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHOSE MEMBERSHIP BEGAN PRIOR TO JANUARY 1, 2007, WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY.

(c) NO MINIMUM AGE OR SERVICE CREDIT REQUIREMENT SHALL APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.

(3) For benefit recipients whose benefits are based on the account of a member who was not a member, inactive member, or retiree on December 31, 2006, annual increases in retirement benefits and survivor benefits, if any, shall be effective with the July benefit in accordance with the provisions of section 24-51-1009 and shall be paid from the retirement benefits reserve or the survivor benefits reserve, as appropriate, so long as the following requirements are satisfied:

(b)(I) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2007, BUT PRIOR TO JANUARY 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; ~~No minimum age or service credit requirement shall apply to disability retirees or survivor benefit recipients.~~

(II) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY; OR

(III) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (IV) OF THIS PARAGRAPH (b), FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE

CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY.

(IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED FROM THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY.

(c) NO MINIMUM AGE OR SERVICE CREDIT REQUIREMENT SHALL APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.

SECTION 20. 24-51-1002, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

24-51-1002. Annual percentages to be used. (1) FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A MEMBER WHO WAS A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2006, OR FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A DPS MEMBER OR DPS RETIREE, THE INCREASE APPLIED TO BENEFITS FOR THE YEAR 2010 SHALL BE THE LESSER OF TWO PERCENT OR THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT, AS CALCULATED BY THE UNITED STATES DEPARTMENT OF LABOR, IN THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS FOR EACH OF THE MONTHS IN THE 2009 CALENDAR YEAR.

(2) BEGINNING IN THE YEAR 2011, SUBJECT TO THE PROVISIONS OF SECTION 24-51-1009.5, FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A MEMBER WHO WAS A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2006, OR FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A DPS MEMBER OR DPS RETIREE, THE INCREASE APPLIED TO BENEFITS PAID SHALL BE THE LESSER OF TWO PERCENT OR THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT, AS CALCULATED BY THE UNITED STATES DEPARTMENT OF LABOR, IN THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS DURING THE CALENDAR YEAR PRECEDING THE INCREASE IN THE BENEFIT. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (2), THE INCREASE SHALL BE THE MAXIMUM PERMITTED UNDER THIS SUBSECTION (2) AND SECTION 24-51-1009.5 UNLESS THE ASSOCIATION'S ANNUAL AUDITED RETURN ON INVESTMENTS IS NEGATIVE FOR THE PRECEDING CALENDAR YEAR, AT WHICH POINT THE ANNUAL INCREASE FOR THE SUBSEQUENT THREE YEARS SHALL BE THE LESSER OF TWO PERCENT OR THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT, AS CALCULATED BY THE UNITED STATES DEPARTMENT OF LABOR, IN THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS DURING THE CALENDAR YEAR PRECEDING THE INCREASE IN THE BENEFIT. THE INCREASE APPLIED TO SUCH BENEFITS SHALL BE RECALCULATED ANNUALLY AS OF JULY 1, AND SHALL BE THE

COMPOUNDED ANNUAL PERCENTAGE OF THE ANNUAL INCREASES APPLIED TO SUCH BENEFITS. IN THE FIRST YEAR THAT THE BENEFIT RECIPIENT IS ELIGIBLE TO RECEIVE AN ANNUAL INCREASE PURSUANT TO SECTION 24-51-1001, THE ANNUAL INCREASE SHALL BE PRORATED.

(3) BENEFITS FOR VESTED INACTIVE MEMBERS WITH AT LEAST TWENTY-FIVE YEARS OF SERVICE CREDIT AND BENEFITS FOR SURVIVORS OF DECEASED VESTED INACTIVE MEMBERS WHO HAD AT LEAST TWENTY-FIVE YEARS OF SERVICE CREDIT SHALL BE INCREASED BY THE ANNUAL INCREASE SPECIFIED IN THIS SECTION AND SECTIONS 24-51-1001 AND 24-51-1003 UNDER PRIOR LAW FROM THE DATE OF TERMINATION OF MEMBERSHIP OR JULY 1, 1993, WHICHEVER IS LATER, TO MARCH 1, 2009, OR THE DATE BENEFITS COMMENCE, WHICHEVER IS EARLIER. THIS SUBSECTION (3) SHALL ONLY APPLY TO MEMBERS AND INACTIVE MEMBERS WHO ARE ELIGIBLE TO RECEIVE A RETIREMENT BENEFIT AS OF JANUARY 1, 2011.

(4) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE INCREASE, IF ANY, APPLIED TO THE BENEFITS OF PERSONS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2006, WILL BE CALCULATED AND PAID IN ACCORDANCE WITH SECTION 24-51-1009.

SECTION 21. 24-51-1003, Colorado Revised Statutes, is amended to read:

24-51-1003. Annual increases in the base benefit. The percentage recalculated pursuant to the provisions of section 24-51-1002 shall be multiplied by the base benefit OR RETIREMENT ALLOWANCE AS DEFINED IN SECTION 24-51-1702 (34), WHICHEVER IS APPLICABLE, to determine the increased benefit. In no case shall the benefit paid be less than the base benefit OR RETIREMENT ALLOWANCE, WHICHEVER IS APPLICABLE.

SECTION 22. The introductory portion to 24-51-1009 (4) and 24-51-1009 (4) (a) and (4) (b), Colorado Revised Statutes, are amended, and the said 24-51-1009 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-1009. Annual increase reserve - creation. (4) An actuarial valuation shall be conducted each year for the annual increase reserve of each division for the purposes of this section. The actuarial valuation shall include a determination of the total market value of the assets in the reserve and a calculation of the net present value of the actuarial liabilities associated with providing each of the annual increases described in paragraphs (a), (b), and (c) of this subsection (4). SUBJECT TO SECTION 24-51-1009.5, the maximum annual increase awarded by the board shall be the lesser of the following calculations:

(a) A permanent increase equal to ~~three~~ TWO percent of current benefits payable to benefit recipients then eligible for an annual increase in accordance with section 24-51-1001 (3);

(b) SUBJECT TO THE PROVISIONS OF SUBSECTION (4.5) OF THIS SECTION, a permanent increase of current benefits payable to benefit recipients then eligible for an annual increase in accordance with section 24-51-1001 (3) that is equal to ~~the actual increase~~ THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH

MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT, as calculated by the United States department of labor, in the national consumer price index for urban wage earners and clerical workers DURING THE CALENDAR YEAR PRECEDING THE INCREASE IN THE BENEFIT for the year associated with the actuarial valuation of the annual increase reserve; or

(4.5) FOR THE YEAR 2010, THE ASSOCIATION SHALL USE THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT, AS CALCULATED BY THE UNITED STATES DEPARTMENT OF LABOR, IN THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS FOR EACH OF THE MONTHS IN THE 2009 CALENDAR YEAR.

SECTION 23. Part 10 of article 51 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

24-51-1009.5. Annual increase amount changes. WHEN THE ACTUARIAL FUNDED RATIO OF THE ASSOCIATION, BASED ON THE ACTUARIAL VALUE OF ASSETS, IS AT OR ABOVE ONE HUNDRED THREE PERCENT AS DETERMINED IN THE ANNUAL ACTUARIAL STUDY OF THE ASSOCIATION, THE UPPER LIMIT OF THE ANNUAL INCREASE SHALL BE INCREASED BY ONE-QUARTER OF ONE PERCENT. IF THE ACTUARIAL FUNDED RATIO OF THE ASSOCIATION, BASED ON THE ACTUARIAL VALUE OF ASSETS, REACHES ONE HUNDRED THREE PERCENT AND SUBSEQUENTLY ANY ANNUAL ACTUARIAL STUDY REFLECTS THE ACTUARIAL FUNDED RATIO OF THE ASSOCIATION, BASED ON THE ACTUARIAL VALUE OF ASSETS, IS BELOW NINETY PERCENT, THE UPPER LIMIT OF THE ANNUAL INCREASE SHALL BE DECREASED BY ONE-QUARTER OF ONE PERCENT. AT NO TIME SHALL THE UPPER LIMIT OF THE ANNUAL INCREASE FALL BELOW TWO PERCENT.

SECTION 24. The introductory portion to 24-51-1101 (1) and 24-51-1101 (2), Colorado Revised Statutes, are amended, and the said 24-51-1101 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-1101. Employment after service retirement. (1) Except as otherwise provided in ~~subsection (1.5) or (1.7)~~ SUBSECTION (1.8) of this section or part 17 of this article, a service retiree from 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 the service retiree has not worked for any employer, as defined in section 24-51-101 (20), during the month of the effective date of retirement, and if:

(1.8) (a) A SERVICE RETIREE WHO IS HIRED BY A STATE COLLEGE OR UNIVERSITY OR BY AN EMPLOYER IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISION OF THE ASSOCIATION PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (1.8) MAY RECEIVE SALARY WITHOUT REDUCTION IN BENEFITS IF EMPLOYMENT OF MORE THAN FOUR HOURS PER DAY DOES NOT EXCEED ONE HUNDRED FORTY DAYS IN THE CALENDAR YEAR, IF EMPLOYMENT OF FOUR HOURS OR LESS PER DAY DOES NOT EXCEED NINE HUNDRED SIXTEEN HOURS IN THE CALENDAR YEAR, OR IF EMPLOYMENT CONSISTING OF A COMBINATION OF DAILY AND HOURLY EMPLOYMENT DOES NOT EXCEED ONE HUNDRED FORTY DAYS PER CALENDAR YEAR, AND IF THE SERVICE RETIREE HAS NOT WORKED FOR ANY EMPLOYER, AS DEFINED IN SECTION 24-51-101 (20), DURING THE MONTH OF THE EFFECTIVE DATE OF RETIREMENT. A SERVICE RETIREE DESCRIBED IN

THIS PARAGRAPH (a) WHO WORKS FOR ANY EMPLOYER, AS DEFINED IN SECTION 24-51-101 (20), DURING THE MONTH OF THE EFFECTIVE DATE OF RETIREMENT SHALL BE SUBJECT TO A REDUCTION IN BENEFITS AS PROVIDED IN SECTION 24-51-1102 (2).

(b) A STATE COLLEGE OR UNIVERSITY OR AN EMPLOYER IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISION MAY HIRE UP TO TEN SERVICE RETIREES IN AREAS WHERE THE EMPLOYER DETERMINES THAT THERE IS A CRITICAL SHORTAGE OF QUALIFIED CANDIDATES AND THAT THE SERVICE RETIREE HAS UNIQUE EXPERIENCE, SKILL, OR QUALIFICATIONS THAT WOULD BENEFIT THE EMPLOYER. THE EMPLOYER SHALL NOTIFY THE ASSOCIATION UPON HIRING A SERVICE RETIREE PURSUANT TO THIS SUBSECTION (1.8). A LIST OF ANY AND ALL SERVICE RETIREES EMPLOYED BY THE EMPLOYER SHALL BE PROVIDED TO THE ASSOCIATION AT THE START OF EACH CALENDAR YEAR AND SHALL BE UPDATED PRIOR TO ANY ADDITIONAL HIRINGS DURING THE SAME CALENDAR YEAR.

(c) A STATE COLLEGE OR UNIVERSITY OR AN EMPLOYER IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISION SHALL PROVIDE FULL PAYMENT OF ALL EMPLOYER CONTRIBUTIONS AND ALL DISBURSEMENTS IN ACCORDANCE WITH PART 4 OF THIS ARTICLE, AND ALL WORKING RETIREE CONTRIBUTIONS IN ACCORDANCE WITH PART 11 OF THIS ARTICLE, ON THE SALARY PAID TO THE SERVICE RETIREE DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1.8).

(d) A SERVICE RETIREE WHO IS EMPLOYED PURSUANT TO THIS SUBSECTION (1.8) SHALL NOT BE REQUIRED TO RESUME MEMBERSHIP. UPON TERMINATION OF SUCH RETIREE'S EMPLOYMENT, THERE SHALL BE NO BENEFIT CALCULATION REFLECTING ADDITIONAL SERVICE CREDIT OR ANY INCREASE IN THE HIGHEST AVERAGE SALARY OF SUCH PERSON.

(e) FOR PURPOSES OF THIS SUBSECTION (1.8), "STATE COLLEGE OR UNIVERSITY" MEANS ANY POSTSECONDARY EDUCATIONAL INSTITUTION, INCLUDING COMMUNITY AND JUNIOR COLLEGES, ESTABLISHED AND EXISTING PURSUANT TO TITLE 23, C.R.S., AS AN AGENCY OF THE STATE OF COLORADO AND SUPPORTED WHOLLY OR IN PART BY TAX REVENUES.

(2) Salary from the employment, engagement, retention, or other use of a service retiree OR DPS RETIREE in an individual capacity or of any entity owned or operated by a service retiree or affiliated party by an employer to perform any service as an employee, contract employee, consultant, independent contractor, or through any other arrangement, shall be subject to employer contributions but shall not be subject to member contributions. ~~except as provided in section 24-51-1103.~~ EFFECTIVE JANUARY 1, 2011, SUCH SALARY SHALL ALSO BE SUBJECT TO WORKING RETIREE CONTRIBUTIONS. Salary from employment by a retiree who is serving in a state elected official's position shall not be subject to employer contributions OR WORKING RETIREE CONTRIBUTIONS. SALARY FROM EMPLOYMENT OF A RETIREE WHO IS PARTICIPATING IN AN EDUCATIONAL EMPLOYEES' OPTIONAL RETIREMENT PLAN PURSUANT TO ARTICLE 54.5 OF THIS TITLE SHALL NOT BE SUBJECT TO WORKING RETIREE CONTRIBUTIONS.

SECTION 25. 24-51-1103 (1) and (3), Colorado Revised Statutes, are amended, and the said 24-51-1103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-51-1103. Contributions for a retiree who returns to membership - benefit calculation upon subsequent retirement - survivor benefit rights - disability retirement benefits. (1) Except as otherwise provided in section 24-51-1747, a retiree who returns to work in a position that is subject to membership may voluntarily suspend the service retirement benefits or the reduced service retirement benefits and resume membership. Upon such suspension, employer and member contributions are required to be made pursuant to the provisions of part 4 of this article. ~~Any additional service credit accumulated and any increase in the highest average salary of such person shall be reflected in the benefit calculation upon subsequent termination of membership only after one year of service credit has been earned.~~

(1.5) A RETIREE WHO, ON OR AFTER JANUARY 1, 2011, SUSPENDS HIS OR HER SERVICE RETIREMENT OR REDUCED SERVICE RETIREMENT BENEFITS SHALL NOT ADD ANY SERVICE CREDIT TO THE BENEFIT SEGMENT FROM WHICH THE RETIREE SUSPENDS HIS OR HER RETIREMENT. SUBJECT TO THE ELECTION SET FORTH BELOW, ANY ADDITIONAL SERVICE CREDIT ACCUMULATED WILL BE REFLECTED IN SEPARATE BENEFIT SEGMENTS UPON SUBSEQUENT TERMINATION OF MEMBERSHIP, BUT ONLY AFTER ONE YEAR OF SERVICE CREDIT HAS BEEN EARNED DURING A PERIOD OF SUSPENSION. THE SERVICE RETIREMENT OR REDUCED SERVICE RETIREMENT BENEFITS FOR EACH QUALIFYING SEPARATE BENEFIT SEGMENT WILL BE CALCULATED PURSUANT TO THE BENEFIT STRUCTURE UNDER WHICH THE RETIREE ORIGINALLY RETIRED. THE BENEFIT FOR EACH SEPARATE BENEFIT SEGMENT RESULTING FROM SUSPENSION SHALL BE DETERMINED USING THE MEMBER'S SALARY AND SERVICE CREDIT ACQUIRED DURING THE PERIOD OF SUSPENSION. THE MEMBER'S AGE AND TOTAL SERVICE CREDIT WITH THE ASSOCIATION UPON RETIREMENT AFTER EACH SUSPENSION SHALL GOVERN WHETHER THE MEMBER SHALL RECEIVE A SERVICE RETIREMENT CALCULATION OR A REDUCED SERVICE RETIREMENT CALCULATION PURSUANT TO SECTION 24-51-605 FOR THAT SEGMENT. PREVIOUS SEPARATE BENEFIT SEGMENTS SHALL BE SUBJECT TO RECALCULATION ONLY TO REFLECT A CHANGE IN THE SELECTED OPTION OR A DESIGNATED COBENEFICIARY, IF APPLICABLE, AND NO BENEFIT INCREASES PURSUANT TO SECTION 24-51-1001 WILL BE APPLICABLE TO ANY SEPARATE BENEFIT SEGMENT DURING ANY PERIOD OF SUSPENSION. UPON REINSTATEMENT OF THE RETIREMENT BENEFIT ALLOWANCE PAYMENTS, NO INCREASE SHALL BE MADE UNTIL SUCH RESUMED PAYMENTS HAVE BEEN PAID CONTINUOUSLY FOR THE TWELVE MONTHS PRIOR TO JULY 1. UPON RESUMPTION OF RETIREMENT AFTER SUSPENSION, THE ASSOCIATION SHALL REFUND ALL MONEYS CREDITED TO THE MEMBER CONTRIBUTION ACCOUNT DURING THE PERIOD OF SUSPENSION PURSUANT TO SECTION 24-51-405 UNLESS, WITHIN A TIME PERIOD SET BY THE ASSOCIATION, THE RETIREE MAKES WRITTEN ELECTION TO ESTABLISH A SEPARATE BENEFIT SEGMENT CALCULATED AS SET FORTH ABOVE. THE REFUND SHALL BE AN AMOUNT EQUAL TO ALL MONEYS CREDITED TO THE MEMBER CONTRIBUTION ACCOUNT DURING THE PERIOD OF SUSPENSION AND PAYMENT OF MATCHING EMPLOYER CONTRIBUTIONS PURSUANT TO SECTION 24-51-408. THE REQUIREMENT TO HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT TO BE ELIGIBLE FOR THE MATCHING EMPLOYER CONTRIBUTIONS PROVIDED IN SECTION 24-51-408 SHALL NOT APPLY IN THE EVENT OF RETURNING TO RETIREMENT AFTER SUSPENSION. NO REFUND MAY BE ISSUED FOR ANY BENEFIT SEGMENT FROM WHICH A BENEFIT HAS BEEN DRAWN. SUCH REFUND SHALL BE REQUIRED FOR ANY SEPARATE BENEFIT SEGMENT DURING WHICH LESS THAN ONE YEAR OF SERVICE CREDIT HAS BEEN EARNED.

~~(3) Disability retirement benefits provided for in part 7 of this article shall be available to a retiree after five years of service credit has been earned during the most recent period of membership.~~

SECTION 26. 24-51-1702 (17) and (34), Colorado Revised Statutes, are amended to read:

24-51-1702. Definitions. As used in this part 17, unless the context otherwise requires:

(17) "Highest average salary" means the average monthly compensation of the thirty-six months of accredited service having the highest rates, multiplied by twelve, or the "career average salary", whichever is greater, and shall be applied to benefits, except for benefits under sections 24-51-1727 to 24-51-1731, attributable to retirement or death on or after July 1, 1994. For benefits under sections 24-51-1727 to 24-51-1731, "highest average salary" applies to cases where termination of service occurs on or after July 1, 1994. THIS SUBSECTION (17) SHALL APPLY ONLY TO DPS MEMBERS ELIGIBLE FOR A RETIREMENT BENEFIT AS OF JANUARY 1, 2011. FOR DPS MEMBERS NOT ELIGIBLE FOR A RETIREMENT BENEFIT AS OF JANUARY 1, 2011, THE DEFINITION OF "HIGHEST AVERAGE SALARY" SPECIFIED IN SECTION 24-51-101 (25) (b) (V) SHALL APPLY.

(34) "Retirement allowance" or "total retirement allowance" means the ~~total of pension, annuity, and all postretirement increases~~ INITIAL BENEFIT FOR A BENEFIT THAT BECOMES EFFECTIVE ON OR AFTER JANUARY 1, 2010. FOR A BENEFIT THAT BECAME EFFECTIVE BEFORE JANUARY 1, 2010, "RETIREMENT ALLOWANCE" MEANS THE TOTAL BENEFIT PAYABLE AS OF JUNE 30, 2010, INCLUDING THE SUM OF THE INITIAL BENEFIT, ACCUMULATED ANNUAL INCREASES, AND COST OF LIVING INCREASES.

SECTION 27. 24-51-1713, Colorado Revised Statutes, is amended to read:

24-51-1713. Eligibility - retirements without actuarial reduction. (1) THIS SECTION SHALL ONLY APPLY TO DPS MEMBERS WHO HAVE FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011. FOR DPS MEMBERS WHO HAVE LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, ELIGIBILITY FOR RETIREMENT WITHOUT AN ACTUARIAL REDUCTION SHALL BE GOVERNED BY SECTION 24-51-602 (1) (a.7) AND (1) (d).

~~(1)~~(2) Whenever a contributing member or affiliate member pursuant to the DPS plan has completed a period of twenty-five years of active service, of which not less than fifteen years shall have been with the district, and has attained the age of fifty-five years while in the service of the district, said member shall be eligible for retirement for superannuation. Such retirement shall be made upon due application and subject to such rules as may be prescribed by the association.

~~(2)~~(3) Whenever a contributing member or affiliate member of the DPS plan has completed a period of five years of active service and has attained the age of sixty-five while in the service of the district, said member shall be eligible for retirement for superannuation. Such retirement shall be made upon due application and subject to such rules as may be prescribed by the board of trustees.

(3)(4) Whenever a contributing member or affiliate member pursuant to the DPS plan has completed a period of thirty years of active service with the district and has attained the age of fifty years while in the service of the district, said member shall be eligible for retirement for superannuation. Such retirement shall be made upon due application and subject to such rules as may be prescribed by the association.

SECTION 28. 24-51-1714, Colorado Revised Statutes, is amended to read:

24-51-1714. Eligibility - retirements requiring actuarial reduction. (1) THIS SECTION SHALL ONLY APPLY TO DPS MEMBERS WHO HAVE FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011. FOR DPS MEMBERS WHO HAVE LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, ELIGIBILITY FOR RETIREMENT REQUIRING AN ACTUARIAL REDUCTION SHALL BE GOVERNED BY SECTION 24-51-604.

(1)(2) Whenever a contributing member or affiliate member pursuant to the DPS plan has completed a period of twenty-five years of active service with the district but has not attained the age of fifty-five years, said member shall be eligible for retirement for superannuation but with reduced benefits in accordance with the applicable provisions of section 24-51-1715. Any such retirement shall be voluntary and reflect the choice of the member.

(2)(3) Whenever a contributing member or affiliate member pursuant to the DPS plan has completed a period of fifteen years of active service with the district and has attained the age of fifty-five years while in the service of the district, said member shall be eligible for retirement for superannuation but with reduced benefits in accordance with the applicable provisions of section 24-51-1715. Any such retirement shall be voluntary and reflect the choice of the contributing member.

(3)(4) Whenever a contributing member or affiliate member pursuant to the DPS plan has completed a period of thirty years of active service with the district but has not attained the age of fifty years, said contributing member shall nevertheless be eligible for retirement for superannuation but with reduced benefits in accordance with the applicable provisions of section 24-51-1715. Any such retirement shall be voluntary and reflect the choice of the member.

SECTION 29. 24-51-1715 (1) (a) and (1) (c), Colorado Revised Statutes, are amended to read:

24-51-1715. Benefits. (1) The annual superannuation retirement allowance shall be determined in the following manner:

(a) Subject to the provisions of paragraph (c) of this subsection (1) pertaining to certain members appointed or reappointed on or after July 1, 2005, and for persons who become affiliate members on or after July 1, 2005, the following calculations shall apply:

(I) If said member shall retire pursuant to section 24-51-1713, the highest average salary as defined in section 24-51-1702 (17) shall be multiplied by the primary percentage which shall determine the annual retirement allowance expressed as a single life annuity and known as option A.

(II) If, however, said member shall retire pursuant to section ~~24-51-1714 (1)~~ 24-51-1714 (2), and if the member HAS REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, AND has attained a minimum age of fifty years, the annual retirement allowance, calculated pursuant to subparagraph (I) of this paragraph (a), shall be reduced by the lesser of four percent for each year that fifty-five exceeds said member's attained age or four percent for each year that thirty exceeds said member's number of years of active service with the district, in either case prorated for a partial year. FOR MEMBERS WHO HAVE NOT REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), SHALL BE REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE AS OF THE EFFECTIVE DATE OF RETIREMENT TO ENSURE THAT THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

(III) If said member shall retire pursuant to section ~~24-51-1714 (1)~~ 24-51-1714 (2), and if the member HAS REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, AND is younger than age fifty, the annual retirement allowance, calculated pursuant to subparagraph (I) of this paragraph (a), shall be reduced by the greater of four percent for each year that fifty exceeds said member's attained age or FOUR percent for each year that thirty exceeds said member's number of years of active service with the district, in either case prorated for a partial year. FOR MEMBERS WHO HAVE NOT REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), SHALL BE REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE AS OF THE EFFECTIVE DATE OF RETIREMENT TO ENSURE THAT THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

(IV) If said member shall retire pursuant to section ~~24-51-1714 (2)~~ 24-51-1714 (3), AND THE MEMBER HAS REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, the annual retirement allowance, calculated pursuant to subparagraph (I) of this paragraph (a), shall be reduced by the lesser of four percent for each year that twenty-five exceeds said member's number of years of active service with the district or four percent for each year that sixty-five exceeds said member's age, in either case prorated for a partial year. FOR MEMBERS WHO HAVE NOT REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), SHALL BE REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE AS OF THE EFFECTIVE DATE OF RETIREMENT TO ENSURE THAT THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

(V) If said member shall retire pursuant to section ~~24-51-1714 (3)~~ 24-51-1714 (4), AND IF THE MEMBER HAS REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, the annual retirement allowance, calculated pursuant to subparagraph (I) of this paragraph (a), shall be reduced by four percent for each year that fifty exceeds said member's age. FOR MEMBERS WHO HAVE NOT REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), SHALL BE REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE AS OF THE EFFECTIVE

DATE OF RETIREMENT TO ENSURE THAT THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

(c) In making the calculation of the annual retirement allowance adjustment for a member who initially was appointed or who became an affiliate member on or after July 1, 2005, AND WHO HAS REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, the reduction percentage provided in paragraph (a) of this subsection (1) shall be changed in each instance from four percent to six percent. ~~This paragraph (c) shall not apply to a member whose contributing or affiliate membership began on or before June 30, 2005, and whose accumulated contribution balance remains continuously on deposit in the Denver public schools division through the effective date of such member's retirement.~~ FOR MEMBERS WHO HAVE NOT REACHED RETIREMENT ELIGIBILITY AS OF JANUARY 1, 2011, THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (1), SHALL BE REDUCED BY AN ACTUARIALLY DETERMINED PERCENTAGE AS OF THE EFFECTIVE DATE OF RETIREMENT TO ENSURE THAT THE BENEFIT IS THE ACTUARIAL EQUIVALENT OF THE ANNUAL RETIREMENT ALLOWANCE, CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (1).

SECTION 30. Part 17 of article 51 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

24-51-1726.5. Contributions for a retiree who returns to membership - benefit calculation upon subsequent retirement - survivor benefit rights.

(1) EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-51-1747, A DPS RETIREE WHO RETURNS TO WORK IN A POSITION THAT IS SUBJECT TO MEMBERSHIP MAY VOLUNTARILY SUSPEND HIS OR HER RETIREMENT ALLOWANCE AND RESUME MEMBERSHIP. UPON SUCH SUSPENSION, EMPLOYER AND MEMBER CONTRIBUTIONS ARE REQUIRED TO BE MADE PURSUANT TO THE PROVISIONS OF PART 4 OF THIS ARTICLE.

(2) A DPS RETIREE WHO, ON OR AFTER JANUARY 1, 2011, SUSPENDS HIS OR HER RETIREMENT ALLOWANCE SHALL NOT ADD ANY SERVICE CREDIT TO THE BENEFIT SEGMENT FROM WHICH THE RETIREE SUSPENDS HIS OR HER RETIREMENT. SUBJECT TO THE ELECTION SET FORTH BELOW, ANY ADDITIONAL SERVICE CREDIT ACCUMULATED WILL BE REFLECTED IN SEPARATE BENEFIT SEGMENTS UPON SUBSEQUENT TERMINATION OF MEMBERSHIP, BUT ONLY AFTER ONE YEAR OF SERVICE CREDIT HAS BEEN EARNED DURING A PERIOD OF SUSPENSION. THE RETIREMENT ALLOWANCE FOR EACH QUALIFYING SEPARATE BENEFIT SEGMENT WILL BE CALCULATED PURSUANT TO THE BENEFIT STRUCTURE UNDER WHICH THE RETIREE ORIGINALLY RETIRED. THE BENEFIT FOR EACH SEPARATE BENEFIT SEGMENT RESULTING FROM SUSPENSION SHALL BE DETERMINED USING THE DPS MEMBER'S SALARY AND SERVICE CREDIT ACQUIRED DURING THE PERIOD OF SUSPENSION. THE DPS MEMBER'S AGE AND TOTAL SERVICE CREDIT WITH THE ASSOCIATION UPON RETIREMENT AFTER EACH SUSPENSION SHALL GOVERN WHETHER THE DPS MEMBER SHALL RECEIVE A RETIREMENT ALLOWANCE PURSUANT TO SECTION 24-51-1713 OR 24-51-1714 FOR THAT SEGMENT. PREVIOUS SEPARATE BENEFIT SEGMENTS SHALL BE SUBJECT TO RECALCULATION ONLY TO REFLECT A CHANGE IN THE SELECTED OPTION OR A DESIGNATED COANNUITANT, IF APPLICABLE, AND NO BENEFIT INCREASES

PURSUANT TO SECTION 24-51-1001 WILL BE APPLICABLE TO ANY SEPARATE BENEFIT SEGMENT DURING ANY PERIOD OF SUSPENSION. UPON REINSTATEMENT OF THE RETIREMENT BENEFIT ALLOWANCE PAYMENTS, NO INCREASE SHALL BE MADE UNTIL SUCH RESUMED PAYMENTS HAVE BEEN PAID CONTINUOUSLY FOR THE TWELVE MONTHS PRIOR TO JULY 1. UPON RESUMPTION OF RETIREMENT AFTER SUSPENSION, THE ASSOCIATION SHALL REFUND ALL MONEYS CREDITED TO THE MEMBER CONTRIBUTION ACCOUNT DURING THE PERIOD OF SUSPENSION PURSUANT TO SECTION 24-51-405 UNLESS, WITHIN A TIME SET BY THE ASSOCIATION, THE RETIREE MAKES WRITTEN ELECTION TO ESTABLISH A SEPARATE BENEFIT SEGMENT CALCULATED AS SET FORTH ABOVE. THE REFUND SHALL BE AN AMOUNT EQUAL TO ALL MONEYS CREDITED TO THE MEMBER CONTRIBUTION ACCOUNT DURING THE PERIOD OF SUSPENSION AND PAYMENT OF MATCHING EMPLOYER CONTRIBUTIONS PURSUANT TO SECTION 24-51-1711 OR 24-51-1729 (6) (a) (I), WHICHEVER IS APPLICABLE. NO REFUND CAN ISSUE FOR ANY BENEFIT SEGMENT FROM WHICH A BENEFIT HAS BEEN DRAWN. SUCH REFUND SHALL BE REQUIRED FOR ANY SEPARATE BENEFIT SEGMENT DURING WHICH LESS THAN ONE YEAR OF SERVICE CREDIT HAS BEEN EARNED.

(3) (a) A DPS MEMBER WHOSE RETIREMENT ALLOWANCES ARE IN SEPARATE BENEFIT SEGMENTS PURSUANT TO THIS SECTION MUST ELECT THE SAME OPTION AND DESIGNATE THE SAME COANNUITANT FOR ALL OF HIS OR HER SEPARATE BENEFIT SEGMENTS.

(b) A DPS RETIREE WHO SUSPENDS HIS OR HER RETIREMENT AND ELECTS A SEPARATE BENEFIT SEGMENT PURSUANT TO THIS SECTION MAY CHANGE HIS OR HER ORIGINAL OPTION AND COANNUITANT ELECTION ONLY IF THE ORIGINAL OPTION SELECTED WAS OPTION A, P2, OR P3. DPS RETIREES WHO SELECTED OPTION B, C, D, OR E SHALL NOT BE ALLOWED TO CHANGE THAT ELECTION.

(4) SURVIVOR BENEFIT RIGHTS PROVIDED FOR IN THIS PART 17 SHALL BE AVAILABLE TO A DPS RETIREE WHO VOLUNTARILY SUSPENDS THE BENEFITS AND RETURNS TO MEMBERSHIP AS IF SUCH RETIREE HAD NOT RETIRED.

SECTION 31. 24-51-1729 (1) (a) (V), Colorado Revised Statutes, is amended to read:

24-51-1729. Benefits - deferred members. (1) In the event the employment of such member with the district terminates on or after July 1, 1962, the deferred retirement allowance, subject to the limitations set forth in section 24-51-1731, shall be computed in the following manner and paid under the following conditions:

(a) The amount of the deferred retirement allowance under option A shall be determined in the same manner and subject to the same conditions as is set forth in section 24-51-1715, if the member was a contributing member or affiliate member at the time that employment was terminated, with the following limitations:

(V) In making the calculation of the deferred retirement allowance for one qualified for deferred benefits, the provisions of section 24-51-1715 (1) (c) changing the reduction percentage from four percent to six percent for certain retirements ~~and section 24-51-1732 basing the annual retirement allowance adjustment on the lesser of three percent or the actual increase, as calculated by the United States department of labor, in the national consumer price index for urban wage earners and clerical~~

~~workers during the calendar year preceding the increase, but in no case less than zero; shall not apply if the retiree terminated employment on or before June 30, 2005.~~

SECTION 32. 24-51-1732 (1), (2), (3), and (5), Colorado Revised Statutes, are amended to read:

24-51-1732. Benefit increases - annual retirement allowance adjustment - contributing members - affiliate members - deferred members - survivors (2001 and 2005). (1) (a) Monthly retirement and survivor benefit payments, including the increases determined under the provisions of the DPS plan document attributable to retirement or death of an eligible employee of the district who retired or died after December 1, 1945, shall be increased ~~as follows:~~ IN ACCORDANCE WITH PART 10 OF THIS ARTICLE.

~~(a) (i) Subject to section 24-51-1747 (13), effective on January 1 of every year, beginning January 1, 2001, the retirement allowance or survivor benefit payment payable on December 31 of the preceding year shall be increased by three and one-quarter percent, provided, however, that increases for contributing members initially appointed on or after July 1, 2005, and for persons who become affiliate members on or after July 1, 2005, or for benefits derived through such members, shall be calculated and shall be effective as follows:~~

~~(A) The increase shall be based on the lesser of three percent or the actual increase, as calculated by the United States department of labor, in the national consumer price index for urban wage earners and clerical workers during the calendar year preceding the increase, but in no case less than zero;~~

~~(B) The resulting percentage shall be prorated, for the initial increase only, based on the number of months and fractional months that the annuitant was retired or receiving survivor benefits by March 1 of the year following the year of retirement or the date survivor benefits initially became payable; and~~

~~(C) The increase shall be effective on March 1 of each year following the year in which the effective date of retirement falls or the year in which survivor benefits become payable.~~

~~(H) The increase last stated shall not apply to a member, or for benefits derived through such member, whose contributing or affiliate membership began on or before June 30, 2005, and whose accumulated contribution balance remains continuously on deposit in the Denver public schools division through the effective date of such member's retirement.~~

(b) Adjusted payments based on survivor benefits that are suspended by reason of the beneficiary not having attained the minimum age requirements provided in sections 24-51-1738 to 24-51-1740 or pursuant to the provisions of the DPS plan document shall not continue to accumulate or accrue during such period of suspension.

(2) Upon attainment of the minimum age requirements and resumption of such survivor's benefit payments or reinstatement under the provisions of the DPS plan

document, no increase shall be made until such resumed payments have been paid continuously for ~~an entire calendar year~~ THE TWELVE MONTHS PRIOR TO JULY 1.

(3) ~~Annual retirement allowance adjustments shall be payable to retired employees, survivors, or beneficiaries meeting the above requirements who are eligible to receive monthly benefits under the provisions of the DPS plan document.~~

(5) PURSUANT TO SECTION 24-51-1726.5, adjusted payments based on benefits that are suspended by reason of the annuitant's having returned to service with ~~the district~~ AN EMPLOYER AFFILIATED WITH THE ASSOCIATION as a regular employee shall not continue to accumulate or accrue during such period of suspension. Upon reinstatement of the retirement allowance payments, no increase shall be made until such resumed payments have been paid continuously for ~~an entire calendar year~~ THE TWELVE MONTHS PRIOR TO JULY 1.

SECTION 33. 24-51-1747 (6) (a), Colorado Revised Statutes, is amended to read:

24-51-1747. Portability between the Denver public schools division and the other four divisions within the association. (6) (a) A person who is a retiree of the Denver public schools retirement system before January 1, 2010, shall not be subject to THE WORKING RETIREE CONTRIBUTIONS OR a benefit reduction due to postretirement employment with an affiliated employer of the association existing before January 1, 2010, as long as the retiree continues to be employed by that same employer. A retiree so situated shall be entitled to a second and entirely separate retirement coverage segment under the PERA benefit structure.

SECTION 34. 24-54.5-105 (2) (a), the introductory portion to 24-54.5-105 (2) (b), and 24-54.5-105 (2) (c) (II), (3) (b) (II), and (5), Colorado Revised Statutes, are amended to read:

24-54.5-105. Participation. (2) (a) Any eligible employee who is not a member, ~~or~~ inactive member, OR RETIREE of the association and who is initially appointed to an eligible position on or after the effective date of the establishment of one or more optional retirement plans at such eligible employee's employing institution shall participate in an optional retirement plan established by the eligible employee's employing institution pursuant to the provisions of this article.

(b) Any eligible employee who is a member or inactive member of the association with at least one year of service credit OR WHO IS A RETIREE OF THE ASSOCIATION, and is initially appointed to an eligible position on or after the effective date of the establishment of one or more optional retirement plans at such eligible employee's employing institution shall elect, within thirty days after such appointment, either:

(c) Any eligible employee who elects to participate in an optional retirement plan established by such eligible employee's employing institution pursuant to the provisions of paragraph (b) of this subsection (2) shall specify one of the following options:

(II) To terminate membership in the association and to require payment by the

association of all employee contributions and any accrued interest on such contributions. Such election shall constitute a waiver of all rights and benefits provided by the association except as otherwise provided by the provisions of this article. Within ninety days after receipt of notice of an election to terminate membership pursuant to the provisions of this subparagraph (II), the association shall pay to the employing institution's retirement plan on behalf of the eligible employee an amount equal to the employee's member contributions plus accrued interest on such contributions at the rate specified in section 24-51-101 (28) (a) through June 30, 1991, and at the rate specified in section 24-51-101 (28) (c) after June 30, 1991. THIS SUBPARAGRAPH (II) IS NOT APPLICABLE TO RETIREES OF THE ASSOCIATION.

(3) (b) Any eligible employee who elects to participate in an optional retirement plan established by such eligible employee's employing institution pursuant to the provisions of paragraph (a) of this subsection (3) shall specify one of the following options:

(II) To terminate membership in the association and to require payment by the association of all employee contributions and any accrued interest on such contributions. Such election shall constitute a waiver of all rights and benefits provided by the association except as otherwise provided by the provisions of this article. Within ninety days after receipt of notice of an election to terminate membership pursuant to the provisions of this subparagraph (II), the association shall pay to the employing institution's retirement plan on behalf of the eligible employee an amount equal to the employee's retirement contributions plus accrued interest on such contributions at the rate specified in section 24-51-101 (28) (a) through June 30, 1991, and at the rate specified in section 24-51-101 (28) (c) after June 30, 1991. THIS SUBPARAGRAPH (II) IS NOT APPLICABLE TO RETIREES OF THE ASSOCIATION.

(5) An election by an eligible employee to participate in an optional retirement plan of the employing institution shall be irrevocable and shall be accompanied by an appropriate application, where required, for the issuance of a contract or contracts under such optional retirement plan. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (5), A RETIREE WILL HAVE THE CHOICE PURSUANT TO THIS SUBSECTION (5) EACH TIME THE RETIREE IS EMPLOYED BY THE EMPLOYING INSTITUTION.

SECTION 35. Specified effective date. This act shall take effect January 1, 2011, except that the following sections of this act shall take effect upon passage: Section 24-51-101 (6.5), Colorado Revised Statutes, as contained in section 1 of this act; sections 19, 20, 21, 22, and 23; section 24-51-1702 (34), Colorado Revised Statutes, as contained in section 26 of this act; and sections 32, 35, and 36.

SECTION 36. 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: February 23, 2010