

CHAPTER 51

GOVERNMENT - LOCAL

SENATE BILL 14-024

BY SENATOR(S) Tochtrop, Newell;
also REPRESENTATIVE(S) Scott, Court, Dore, Peniston, Rosenthal, Schafer, Wright, Conti, Ginal, Hullinghorst, Kraft-Tharp,
Labuda, Mitsch Bush, Pabon, Singer, Williams, Young.

AN ACT

CONCERNING THE RESPONSIBILITIES OF CERTAIN ENTITIES IN MANAGING VOLUNTEER FIREFIGHTER PENSION PLANS THAT ARE AFFILIATED WITH THE FIRE AND POLICE PENSION ASSOCIATION.

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

SECTION 1. In Colorado Revised Statutes, 31-30-1108, **amend** (1) (d) as follows:

31-30-1108. Board powers and duties. (1) A board created by this part 11 to control a fund:

(d) May make agreements with the fire and police pension association to administer the plan and manage the funds of the plan for investment IN ACCORDANCE WITH SECTION 31-31-705;

SECTION 2. In Colorado Revised Statutes, 31-30-1112, **amend** (1) as follows:

31-30-1112. State contributions - intent - advisory committee - repeal.
(1) (a) Prior to July 1, 2004, the state treasurer may transfer moneys annually to the fire and police pension association for distribution as provided in this section to assist in funding volunteer firefighter pension funds.

(b) On and after July 1, 2004, the state treasurer shall transfer moneys to the department of local affairs for distribution as provided in this section to assist in funding volunteer firefighter pension plans. THE DEPARTMENT OF LOCAL AFFAIRS SHALL DISTRIBUTE MONEYS FOR FUNDING VOLUNTEER FIREFIGHTER PENSION PLANS AFFILIATED WITH THE FIRE AND POLICE PENSION ASSOCIATION PURSUANT TO SECTION 31-31-705 DIRECTLY TO THE FIRE AND POLICE PENSION ASSOCIATION AS 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.

ADMINISTRATOR OF THE PLAN. THE ASSOCIATION SHALL CREDIT THE TRANSFERRED MONEYS TO THE ASSETS OF THE PLAN FOR WHICH THEY ARE TRANSFERRED.

SECTION 3. In Colorado Revised Statutes, **amend 31-31-705** as follows:

31-31-705. Affiliation by volunteer pension plans. (1) The board is authorized to make AFFILIATION agreements with governing bodies that provide pension plans for volunteer firefighters to administer such plans and manage the funds of such plans for investment. THE FIRE AND POLICE PENSION ASSOCIATION MAY REQUIRE PERIODIC RENEWAL OF THE AGREEMENT.

(2) THE FIRE AND POLICE PENSION ASSOCIATION HAS THE FOLLOWING RESPONSIBILITIES IN CONNECTION WITH A VOLUNTEER FIREFIGHTER PENSION PLAN THAT HAS AN AGREEMENT WITH THE ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION:

(a) INVESTING THE ASSETS OF THE PLAN, INCLUDING DETERMINING THE ALLOCATION OF ASSETS;

(b) COLLECTING AND ACCOUNTING FOR CONTRIBUTIONS TO THE PLAN;

(c) DISTRIBUTING BENEFITS PROVIDED UNDER THE PLAN AS DIRECTED BY THE GOVERNING BODY OR ITS AGENT AND ISSUING TAX FORMS AND FILING TAX REPORTS REGARDING DISTRIBUTIONS;

(d) CONDUCTING ACTUARIAL VALUATIONS AND FINANCIAL AUDITS OF THE PLAN ON AT LEAST A BIENNIAL BASIS OR AS REQUIRED BY REGULATORY BODIES OR BY LAW;

(e) MAINTAINING RECORDS AND REPORTING THE INVESTMENTS, ASSETS, AND BENEFITS OF THE PLAN AS REQUIRED BY STATUTE OR BY REGULATORY BODIES;

(f) AUTHORIZING THE PAYMENT OF EXPENSES OF THE PLAN FROM THE ASSETS OF THE PLAN. ANY EXPENSES THAT ARE INCURRED BY THE FIRE AND POLICE PENSION ASSOCIATION THAT ARE DIRECTLY RELATED TO THE ASSOCIATION'S ADMINISTRATION OF THE PLAN SHALL BE PAID FROM THAT PLAN'S ASSETS. ANY EXPENSES INCURRED BY THE ASSOCIATION THAT ARE ATTRIBUTABLE TO MORE THAN ONE PLAN ADMINISTERED BY THE ASSOCIATION SHALL BE ALLOCATED TO EACH PLAN ON AN EQUITABLE BASIS AS DETERMINED BY THE ASSOCIATION. THE ALLOCATED EXPENSE SHALL BE PAID FROM THE ASSETS OF EACH PLAN.

(g) TAKING SUCH OTHER ACTIONS AS MAY BE ALLOWED OR REQUIRED BY STATUTE.

(3) THE GOVERNING BODY OF A VOLUNTEER PENSION PLAN OR ITS LOCAL PENSION BOARD HAS THE FOLLOWING RESPONSIBILITIES WHEN THE PLAN IS AFFILIATED WITH THE FIRE AND POLICE PENSION ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION:

(a) ESTABLISHING ELIGIBILITY FOR AND THE AMOUNT OF BENEFITS TO BE RECEIVED BY MEMBERS AND BENEFICIARIES OF THE PLAN, INCLUDING THE

DETERMINATION OF BASE BENEFITS, YEARS OF SERVICE UNDER THE PLAN, MARITAL STATUS, AND CONTINUING ELIGIBILITY OF RETIREES AND SURVIVORS;

(b) ELECTING OPTIONS FOR THE ALLOCATION OF ASSETS, IF SUCH OPTIONS ARE PROVIDED BY THE FIRE AND POLICE PENSION ASSOCIATION;

(c) MAINTAINING RECORDS OF THE TERMS AND PROVISIONS OF THE PLAN AS THEY MAY BE ADOPTED AND AMENDED;

(d) MAKING DETERMINATIONS REGARDING BENEFIT IMPROVEMENTS, IF ANY; AND

(e) PERIODICALLY CERTIFYING INFORMATION REQUIRED BY THE FIRE AND POLICE PENSION ASSOCIATION TO ADMINISTER THE PLAN BENEFITS.

(4) A GOVERNING BODY THAT PROVIDES PENSION BENEFITS FOR VOLUNTEER FIREFIGHTERS MAY TERMINATE ITS AFFILIATION WITH THE FIRE AND POLICE PENSION ASSOCIATION UPON GIVING WRITTEN NOTICE TO THE ASSOCIATION AT LEAST SIXTY DAYS PRIOR TO THE END OF ANY QUARTER OF A CALENDAR YEAR. THE ASSOCIATION MAY ALLOW A SHORTER NOTICE PERIOD. THE ASSOCIATION MAY TERMINATE THE AFFILIATION OF A VOLUNTEER PLAN UPON SIXTY DAYS WRITTEN NOTICE TO THE GOVERNING BODY FOR FAILURE TO FULFILL ITS RESPONSIBILITIES TO THE PLAN OR ITS FAILURE TO RENEW AN AFFILIATION AGREEMENT.

SECTION 4. 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 20, 2014