

## **Pension Review Commission**

### **Members of the Committee**

Representative Jovan Melton, Chair  
Senator Joann Ginal, Vice-Chair

Senator Jessie Danielson  
Senator Leroy M. Garcia, Jr.  
Senator Ray Scott  
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### **Legislative Council Staff**

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### **Office of Legislative Legal Services**

Nicole Myers, Senior Attorney

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# Pension Review Commission

## Committee Charge

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Pursuant to Section 24-51.1-101, C.R.S., the Pension Review Commission is responsible for studying and developing proposed legislation for two pension systems in Colorado: the Fire and Police Pension Association (FPPA) and the Public Employees' Retirement Association (PERA). The law directs the commission to study, review, and propose legislation related to the following subjects including, but not limited to:

- normal retirement age;
- payment of benefits prior to normal retirement age;
- service requirements for eligibility;
- rate of accrual of benefits;
- disability benefits;
- survivors' benefits;
- vesting of benefits;
- employee and employer contributions;
- post-retirement increases;
- creation of an administration board;
- creation of a consolidated statewide system;
- coordination of benefits with other programs; and
- state laws related to each pension system.

## Committee Activities

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The committee held two meetings during the 2019 interim. Presentations were made by the FPPA and PERA. Both entities provided an overview of their pension's mission and governance structure, as well as an update on current funded status, investments, membership, and other relevant issues.

## Committee Recommendations

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As a result of committee discussion and deliberation, the Pension Review Commission recommends the following bill for consideration in the 2020 legislative session.

**Bill A – Modify Pension Plans Administered by FPPA.** The bill modifies various pension plans administered by FPPA and requires the General Assembly to make a lump-sum payment to the Statewide Death and Disability Plan (SWD&D plan) in order to fund the unfunded liabilities for members hired before January 1, 1997. The bill increases member and employer contributions to the SWD&D plan and increases the employer contribution rate to the Statewide Defined Benefit (SWDB) plan.

The bill also allows a member to retire with unreduced retirement benefits if they are at least 50 years old and have a combined age and years of service equal to at least 80 years. Under certain circumstances, the bill authorizes the FPPA Board to increase the member contribution rate. The bill grants authority to the FPPA Board to modify the method used to set the contribution policy for employers as the plans' liabilities wind down. It also makes changes to stabilization reserve account requirements. Finally, the bill codifies certain sections in statute to conform to current plan benefits and increases in member contribution rates already in effect.