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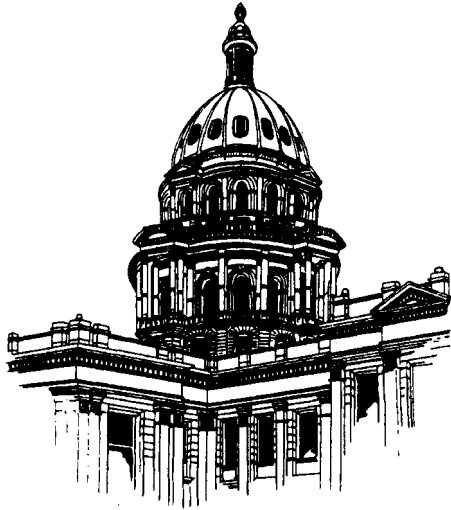
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**Police Officer's and
Firefighter's Pension
Reform Commission**

**Report to the
COLORADO
GENERAL ASSEMBLY**

**Colorado Legislative Council
Research Publication No. 493
December 2001**

RECOMMENDATIONS FOR 2002

**POLICE OFFICERS' AND FIREFIGHTERS'
PENSION REFORM COMMISSION**

**Report to the
Colorado General Assembly**

**Research Publication No. 493
December 2001**

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LEGISLATIVE COUNCIL

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December 2001

To Members of the Sixty-third General Assembly:

Submitted herewith is the final report of the Police Officers' and Firefighters' Pension Reform Commission. This commission is a statutory committee established under Section 31-31-1001, C.R.S.

At its meeting on November 15, 2001, the Legislative Council reviewed the report of this commission. A motion to forward this report and the bills therein for consideration in the 2002 session was approved.

Respectfully submitted,

/s/ Senator Stan Matsunaka
Chairman
Legislative Council

SM/GJ/dg

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POLICE OFFICERS' AND FIREFIGHTERS' PENSION REFORM COMMISSION

Members of the Commission

Representative Jim Snook,
Chairman
Senator Terry Philips,
Vice Chairman
Senator Norma Anderson
Senator Ken Arnold
Senator Deanna Hanna
Senator Alice Nichol
Representative Bill Cadman

Representative Frana Mace
Representative Carl Miller
Representative Mark Paschall
Representative Tom Plant
Representative Ann Ragsdale
Representative Pam Rhodes
Representative Glenn Scott
Representative Matt Smith
Representative Bill Webster

Legislative Council Staff

Geoffrey Johnson
Research Associate

Steve Tammeus
Senior Fiscal Analyst

Office of Legislative Legal Services

Christy Chase
Staff Attorney

Nicole Hoffman
Staff Attorney

STATUTORY AUTHORITY AND RESPONSIBILITIES

Commission Charge

In 1978, Senate Bill 46 (Parts 8 and 9, Article 30, Title 31, C.R.S.) created a statutory Police Officers' and Firefighters' Pension Reform Commission to study and develop legislation relating to the funding of police and fire pensions and the benefit designs of such plans. In 1996, Senate Bill 96-11 relocated these provisions to Articles 30.5 and 31 of Title 31, C.R.S.

Commission Activities and Recommendations

The commission held three meetings during the 2001 Interim. At these meetings the commission received an historical overview of state involvement in fire and police pension plans, a review of the 2001 Fire and Police Pension Association (FPPA) annual financial report, and detail about 2000 FPPA investment performance. The pension fund currently controls in excess of \$2.3 billion in assets. The commission considered legislation requested by the Board of Directors of the FPPA.

As a result of commission discussion and deliberation, the commission recommends three bills for consideration in the 2002 legislative session.

Bill A — Concerning State Contributions to Volunteer Firefighter Pension Plans

Bill A simplifies the method of calculating state matching contributions to local volunteer firefighter plans without changing the actual state contributions to those plans. The bill increases the minimum state contribution to \$1000 (from \$500) for any municipality or district that contributes the proceeds of a levy of one-half mill on the current valuation for assessment of the municipality or district.

Bill B — Concerning Authorization for Members of the Statewide Defined Benefit Plan to Acquire Service Credit for Prior Employment Not Covered by the Plan

Bill B allows FPPA members to purchase service credit for any prior public service, for prior private sector service of up to five years (after five years of service credit are earned), and would ease the process for granting service credit for funds rolled over from other eligible retirement plans. Service credit would be purchased for the Statewide Defined

Benefit Plan which is administered by the Fire and Police Pension Association and is funded entirely through employer and member contributions. By purchasing service credit an FPPA member increases the amount of service that the FPPA will use to determine eligibility for retirement and calculate retirement benefits.

Bill C — Concerning Death and Disability Benefits for Members of the Statewide Death and Disability Plan for Police Officers and Firefighters

The FPPA administers the Statewide Death and Disability Plan which covers nearly all paid police officers and firefighters in the state. The cost of the plan is covered through employer and/or member contributions. Bill C:

- creates a permanent occupational disability benefit and a temporary occupational disability benefit for members of the Statewide Death and Disability Plan;
- states that a member who becomes permanently occupationally disabled shall be retired from active service while such disability continues and specifies that the annual disability benefit for a permanent occupational disability shall be 50 percent of the annual base salary paid to the member immediately preceding retirement for disability;
- states that a member who becomes temporarily occupationally disabled shall be retired from active service for as long as the temporary occupational disability continues for a period of up to five years from the date of the original disablement and specifies that the annual disability benefit for a member who is temporarily disabled shall be 40 percent of the annual base salary paid to the member immediately preceding retirement for disability;
- states that a member who receives a temporary occupational disability benefit shall be subject to reexamination at the discretion of the Board of Directors of the FPPA;
- allows a member receiving a temporary occupational disability benefit to apply for an upgrade to a permanent occupational disability or total disability within a specified time;
- requires that all disability benefits be redetermined each year;
- reduces disability benefits by the actuarial equivalent of the benefits the member is eligible to receive from the separate retirement account or local pension plan if a member receives total or permanent occupational disability benefits and is eligible to receive payments from the member's separate retirement account or local pension plan;
- states that when a member's temporary occupational disability ceases to exist and the member is restored to active service, a transfer will be made from the Statewide Death and Disability Plan to the member's normal retirement plan in the amount of 16 percent of the monthly base salary that

the member was paid at the time of disability retirement, multiplied by the number of months the member received the temporary occupational disability benefit;

- states that if a member, while receiving a temporary occupational disability benefit, satisfies the age and service requirements for a normal retirement, a transfer will be made from the Statewide Death and Disability Plan to the member's defined benefit plan in the amount of 16 percent of the monthly base salary that the member was paid at the time of disability retirement, multiplied by the number of months the member received the temporary occupational disability benefit. States that such member shall then be granted a normal retirement and the disability benefit shall terminate;
- allows a member's family to receive the same survivor benefits that the family would receive had the member died while in active service if the member dies while receiving a temporary occupational disability benefit;
- increases the survivor benefit for survivors of members of the Statewide Death and Disability Plan for police officers and firefighters if the member dies while in active service in the line of duty; and
- modifies the division of the survivor benefit in the event that a surviving spouse and one or more dependent children residing in a separate household from the surviving spouse must share the benefit.

RESOURCE MATERIALS

The resource materials listed below were provided to the commission or developed by Legislative Council Staff during the course of the study. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303) 866-2055. For a limited period of time, the meeting summaries and materials developed by Legislative Council Staff are available on our web site at:

www.state.co.us/gov_dir/leg_dir/lcsstaff/2001/01interim

1. *Staff Summaries of Meetings: September 25, 2001, October 2, 2001, and October 4, 2001.*
2. *Fire and Police Pension Association of Colorado Annual Update, prepared for the State of Colorado Pension Reform Commission, September, 2001.*

Bill A

HOUSE SPONSORSHIP

Plant, and Mace

SENATE SPONSORSHIP

Phillips

A BILL FOR AN ACT

CONCERNING STATE CONTRIBUTIONS TO VOLUNTEER FIREFIGHTER PENSION PLANS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Police Officers' and Firefighters' Pension Reform Commission. Modifies the method of calculating the state contributions for volunteer firefighter pension plans. Increases the minimum state contribution for said plans to \$1,000 for any municipality or district that contributes the proceeds of a levy of one-half mill on the current valuation for assessment of the municipality or district.

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

SECTION 1. 31-30-1112 (2) (a), (2) (b), (2) (c), (2) (c.5), (2) (d), (2) (e), and (2) (f), Colorado Revised Statutes, are amended to read:

31-30-1112. State contributions - intent. (2) (a) Except as otherwise provided in paragraphs (b), (c), and (c.5) of this subsection (2), State contributions to any municipality or district must equal ninety percent of all

amounts levied, appropriated, and contributed by the municipality or district under section 31-30-1110, but, NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 11, the state contribution shall not exceed one-half mill on the current valuation for assessment of the municipality or district assuming one hundred percent collection.

(b) Notwithstanding paragraph (a) of this subsection (2), A municipality or district that was levying an amount equal to or less than one-half mill before July 1, 1993, and that subsequently increases its mill levy, appropriation, or contribution NECESSARY to pay volunteer firefighter pensions in excess of three hundred dollars per month shall receive state contributions under paragraph (a) of this subsection (2) IN AN AMOUNT NOT TO EXCEED ONE-HALF MILL ON THE CURRENT VALUATION FOR ASSESSMENT OF THE MUNICIPALITY OR DISTRICT ASSUMING ONE HUNDRED PERCENT COLLECTION BUT based upon the greater of:

(I) The mill levy, appropriation, or contribution that would be ACTUARIALLY required to be levied to pay a pension of three hundred dollars per month, as determined by the municipality or district; or

(II) The mill levy, appropriation, or ACTUAL contribution before RECEIVED BY the increase DISTRICT DURING THE CALENDAR YEAR 2001.

(c) Notwithstanding paragraph (a) of this subsection (2), a municipality or district that was levying an amount equal to or less than one-half mill before July 1, 1995, and that subsequently increases its mill levy, appropriation, or contribution to pay a short-term disability monthly annuity pursuant to section

~~31-30-1121 in excess of one hundred and fifty dollars per month, to pay a retirement pension pursuant to section 31-30-1123 in excess of two hundred dollars per month, to pay survivor benefits pursuant to section 31-30-1127 in excess of one hundred and fifty dollars per month, or to pay funeral benefits pursuant to section 31-30-1129 in excess of one hundred dollars shall receive state contributions under paragraph (a) of this subsection (2) based upon the greater of:~~

~~(f) The mill levy, appropriation, or contribution that would be required to be levied to pay the benefits at the amounts stated in this paragraph (c), as determined by the municipality or district, or~~

~~(H) The mill levy, appropriation, or contribution before the increase;~~

~~(c.5) Notwithstanding paragraph (a) of this subsection (2), a municipality or district that was levying an amount equal to or less than one-half mill before July 1, 1997, and that subsequently increases its mill levy, appropriation, or contribution to pay volunteer firefighter postretirement pension increases pursuant to section 31-30-1122 (3) shall receive state contributions under paragraph (a) of this subsection (2) based upon the mill levy, appropriation, or contribution that would be required to be levied to pay a pension of three hundred dollars per month, as determined by the municipality or district.~~

~~(d) The board in any municipality or district shall not increase benefits above the FOLLOWING amounts stated in paragraph (b) or (c) of this subsection (2) unless the increase is approved by the governing body of the municipality~~

or district and an actuarial review indicates a higher payment is actuarially sound. When the board in any municipality or district increases benefits above the amounts stated in paragraph (b) or (c) of this subsection (2), the board shall submit an actuarial study to the fire and police pension association that certifies that portion of the municipality's or district's mill levy, appropriation, or contribution to its fund that, pursuant to the provisions of this section, is to be used as the basis for calculating the state's matching contribution. The study shall be completed in accord with generally accepted actuarial principles and signed by a qualified actuary:

(I) FOR VOLUNTEER FIREFIGHTER PENSIONS, THREE HUNDRED DOLLARS PER MONTH;

(II) FOR A SHORT-TERM DISABILITY MONTHLY ANNUITY PURSUANT TO SECTION 31-30-1121, ONE HUNDRED FIFTY DOLLARS PER MONTH;

(III) FOR A RETIREMENT PENSION PURSUANT TO SECTION 31-30-1123, TWO HUNDRED DOLLARS PER MONTH;

(IV) FOR SURVIVOR BENEFITS PURSUANT TO SECTION 31-30-1127, ONE HUNDRED FIFTY DOLLARS PER MONTH; OR

(V) FOR FUNERAL BENEFITS PURSUANT TO SECTION 31-30-1129, ONE HUNDRED DOLLARS.

(e) In no event shall a municipality or district receive less than five hundred ONE THOUSAND dollars if the municipality or district contributes to its fund a sum equal to the proceeds of a levy of one-half mill on the current valuation for assessment of the municipality or district.

~~(f) In calculating the contribution by the state provided in this section, the cash equivalent of the death and disability benefit under part 8 of article 31 of this title for each municipality or district having members shall be subtracted. If the death and disability benefit is equal to or greater than the amount scheduled to be contributed to the municipality or district, the fire and police pension association shall not make a contribution, and the state payment of death and disability benefits shall be in lieu of any contribution previously made to the municipality or district. For the purposes of this paragraph (f), "member" has the meaning provided in section 31-31-102 (4).~~

SECTION 2. 31-30-1126 (4), Colorado Revised Statutes, is amended to read:

31-30-1126. Survivor benefit. (4) The benefits under this section may be increased in the same manner as postretirement benefit increases as provided in section 31-30-1122 (3), subject to the state contribution limit set forth in section 31-30-1112 (2). ~~(c.5).~~

SECTION 3. 31-30-1127 (4) (c), Colorado Revised Statutes, is amended to read:

31-30-1127. Survivor benefit - death from injuries in the line of duty. (4) The benefits under this section:

(c) May be increased in the same manner as postretirement benefit increases as provided in section 31-30-1122 (3), subject to the state contribution limit set forth in section 31-30-1112 (2). ~~(c.5).~~

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.

DRAFT

Bill A

Colorado Legislative Council Staff
**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 02-0084
Prime Sponsor(s): Rep. Plant
Sen. Phillips

Date: November 8, 2001
Bill Status: Police Officers' and Firefighters'
Pension Reform Commission
Fiscal Analyst: Steve Tammeus (303-866-2756)

TITLE: CONCERNING STATE CONTRIBUTIONS TO VOLUNTEER FIREFIGHTER PENSION PLANS.

Fiscal Impact Summary	FY 2002/2003	FY 2003/2004
State Revenues General Fund		
State Expenditures General Fund	\$3,000	\$3,000
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: Upon signature of the Governor		
Appropriation Summary for FY 2002/2003: State Treasurer - \$3,000 - General Fund		
Local Government Impact: Increases the minimum annual state contribution from \$500 to \$1,000 to six volunteer fire districts.		

Summary of Legislation

This bill simplifies the method of calculating state contributions for volunteer firefighter pension plans. The bill also increases the minimum state contribution from \$500 to \$1,000 for any municipality or fire district that contributes proceeds of a levy of one-half mill on the current valuation for assessment of the municipality or district.

State Expenditures

Under current law, the State Treasurer paid state contributions in the amount of \$3,555,110 General Fund to volunteer firefighter pension plans during FY 2001-02 per the request of the Fire and Police Pension Association (FPPA).

This bill will increase the annual state minimum contribution from \$500 to \$1,000 for six volunteer fire districts for a total increase of \$3,000 starting in FY 2002-03.

Local Government Impact

This bill will increase the minimum state contribution from \$500 to \$1,000 to the volunteer fire districts of Blanca, Boone, Crowley, Eads, Eckley, and Sugar City.

State Appropriations

The State Treasurer will require an annual General Fund appropriation increase of \$3,000 starting in FY 2002-03.

Departments Contacted

Fire and Police Pension Association

Local Affairs

Treasurer

Bill B

HOUSE SPONSORSHIP

Miller, Mace, and Webster

SENATE SPONSORSHIP

Hanna

A BILL FOR AN ACT

CONCERNING THE AUTHORIZATION FOR MEMBERS OF THE STATEWIDE
DEFINED BENEFIT PLAN TO ACQUIRE SERVICE CREDIT FOR PRIOR
EMPLOYMENT NOT COVERED BY THE PLAN.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Police Officers' and Firefighters' Pension Reform Commission.

Allows members of the statewide defined benefit plan, subject to fire and police pension association board rules, to purchase or roll over service credit:

For any other type of public employment; or

Of up to 5 years for private employment upon completion of at least 5 years of continuous service with an employer covered by the statewide defined benefit plan, submittal of specified documentation, verification that the member will not otherwise receive a benefit for that prior employment, and payment or transfer of the cost of the service credit.

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

SECTION 1. The introductory portion to 31-31-410 (1) and 31-31-410 (1) (c) and (1) (d), Colorado Revised Statutes, are amended, and the

said 31-31-410 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

31-31-410. Purchased or rolled over service credit. (1) A member may purchase service credit OR MAY BE GRANTED SERVICE CREDIT UPON THE QUALIFIED ROLL OVER OF DISTRIBUTIONS FROM AN ELIGIBLE PLAN, for OTHER public safety employment as such employment is defined by rules adopted by the board within the United States not covered by the plan, AS MAY BE ALLOWED UNDER RULES ADOPTED BY THE BOARD, subject to all of the following conditions:

(c) The member verifies that the member will not receive a benefit from any retirement plan covering such employment and that the service credit to be ~~purchased~~ GRANTED has not vested with that plan, except to the extent otherwise required by federal law.

(d) The member pays OR TRANSFERS to the fire and police pension association, at the time and in the manner prescribed by the board, the cost of the service credit, ~~purchased~~ such cost to be calculated by the board on an actuarially equivalent basis.

(2.5) A MEMBER MAY PURCHASE UP TO FIVE YEARS OF SERVICE CREDIT, OR MAY BE GRANTED UP TO FIVE YEARS OF SERVICE CREDIT UPON THE QUALIFIED ROLL OVER OF DISTRIBUTIONS FROM AN ELIGIBLE PLAN, FOR EMPLOYMENT WITH ANY PRIVATE EMPLOYER IN THE UNITED STATES, AS MAY BE ALLOWED UNDER RULES ADOPTED BY THE BOARD, SUBJECT TO ALL OF THE FOLLOWING CONDITIONS:

(a) THE MEMBER HAS AT LEAST FIVE YEARS OF CONTINUOUS SERVICE CREDIT WITH THE SAME EMPLOYER COVERED BY THE STATEWIDE DEFINED BENEFIT PLAN.

(b) THE MEMBER PROVIDES DOCUMENTATION OF THE DATES OF EMPLOYMENT NOT COVERED BY THE PLAN AND A RECORD OF THE SALARY RECEIVED.

(c) THE MEMBER VERIFIES THAT THE MEMBER WILL NOT RECEIVE A BENEFIT FROM ANY RETIREMENT PLAN COVERING SUCH EMPLOYMENT AND THAT THE SERVICE CREDIT TO BE GRANTED HAS NOT VESTED WITH THAT PLAN, EXCEPT TO THE EXTENT OTHERWISE REQUIRED BY FEDERAL LAW.

(d) THE MEMBER PAYS OR TRANSFERS TO THE FIRE AND POLICE PENSION ASSOCIATION, AT THE TIME AND IN THE MANNER PRESCRIBED BY THE BOARD, THE COST OF THE SERVICE CREDIT, SUCH COST TO BE CALCULATED BY THE BOARD ON AN ACTUARIALLY EQUIVALENT BASIS.

SECTION 2. Effective date. This act shall take effect January 1, 2003, unless a referendum petition is filed during the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution. If such a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part shall take effect on the specified date only if approved by the people.

DRAFT

Bill B

Colorado Legislative Council Staff
NO FISCAL IMPACT

Drafting Number: LLS 02-0085

Date: October 22, 2001

Prime Sponsor(s): Rep. Miller
Sen. Hanna

Bill Status: Police Officers' and Firefighters'
Pension Reform Commission

Fiscal Analyst: Steve Tammeus (303-866-2756)

TITLE: CONCERNING THE AUTHORIZATION FOR MEMBERS OF THE STATEWIDE DEFINED BENEFIT PLAN TO ACQUIRE SERVICE CREDIT FOR PRIOR EMPLOYMENT NOT COVERED BY THE PLAN.

Summary of Legislation

This bill allows members of the Statewide Defined Benefit Plan, subject to Fire and Police Pension Association Board rules, to purchase up to five years of service credit or to be granted up to five years of service credit upon the qualified roll over of distributions from a qualified plan, subject to certain conditions. The bill will become effective January 1, 2003, unless a referendum petition is filed.

This bill will not affect state or local government revenue or expenditures. The bill is not anticipated to affect Fire and Police Pension Association administrative expenses or the actuarial soundness of the Statewide Defined Benefit Plan.

Departments Contacted

Fire and Police Pension Association

Bill C

HOUSE SPONSORSHIP

Nichol

SENATE SPONSORSHIP

Cadman

A BILL FOR AN ACT

**CONCERNING DEATH AND DISABILITY BENEFITS FOR MEMBERS OF THE
STATEWIDE DEATH AND DISABILITY PLAN FOR POLICE OFFICERS
AND FIREFIGHTERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Police Officers' and Firefighters' Pension Reform Commission.

Creates a permanent occupational disability benefit and a temporary occupational disability benefit for members of the statewide death and disability plan for police officers and firefighters.

States that a member who becomes permanently occupationally disabled shall be retired from active service while such disability continues. Specifies that the annual disability benefit for a permanent occupational disability shall be 50% of the annual base salary paid to the member immediately preceding retirement for disability.

States that a member who becomes temporarily occupationally disabled shall be retired from active service for as long as the temporary occupational disability continues for a period of up to 5 years from the date of the original disablement. Specifies that the annual disability benefit for a member who is temporarily disabled shall be 40% of the annual base salary paid to the member immediately preceding retirement for disability.

States that a member who receives a temporary occupational disability benefit shall be subject to reexamination at the discretion of the board of directors of the fire and police pension association. States that the board may require treatment, counseling, or therapy necessary to rehabilitate the member. Specifies that it is the member's responsibility to show compliance with such requirements. Authorizes the board to terminate the temporary occupational disability benefit if the member fails to make rehabilitation efforts or if the member cannot provide evidence of a continuing disability.

Allows a member receiving a temporary occupational disability benefit to apply for an upgrade to a permanent occupational disability or total disability within a specified time.

For a member whose temporary occupational disability benefit ceases and who is not restored to active service or for a member who elects to terminate his or her temporary occupational disability benefit, entitles such member to any vested benefit earned prior to becoming disabled or a refund of the member's contributions if no benefit has vested.

Authorizes the board of directors of the fire and police pension association to consider any relevant evidence in the determination of an occupational, total, or on-duty disability.

Requires that all disability benefits be redetermined each year. Specifies that the member shall have received the disability benefit for at least 12 calendar months prior to the effective date of redetermination in order to be eligible for redetermination. Establishes that the amount of a member's permanent or temporary occupational disability benefit shall be increased by a percentage to be determined by the board of directors of the fire and police pension association, but such increase shall not be greater than 3% each year. Requires that the amount of a member's total disability benefit shall be increased by 3% each year.

If a member receives total or permanent occupational disability benefits and is eligible to receive payments from such member's separate retirement account or local pension plan, states that the disability benefit shall be reduced by the actuarial equivalent of the benefits such member is eligible to receive from the separate retirement account or local pension plan.

Allows any member who is awarded a total or permanent occupational disability benefit to receive the applicable normal disability pension or to make an election for a reduced pension to allow for survivor benefits in the event that the member dies while receiving such benefit.

Includes adult dependant and incapacitated children in the family payment option for survivor benefits for members receiving total and permanent occupational disability benefits.

Requires that an application for any disability benefit shall be filed by the member no later than 180 days after such member's last day on the payroll.

Allows a member in the disability benefit application process to irrevocably elect not to be considered for reinstatement in the event that such member becomes eligible for reinstatement.

Within the application for disability benefits, requires the employer to make a statement indicating the reason for the member's separation from employment and to submit a statement of additional basis for the member's disability under the death and disability program that the employer believes exists.

States that when a member's temporary occupational disability ceases to exist and the member is restored to active service, a transfer will be made from the statewide death and disability plan to the member's normal retirement plan in the amount of 16% of the monthly base salary that the member was paid at the time of disability retirement, multiplied by the number of months the member received the temporary occupational disability benefit.

States that if a member, while receiving a temporary occupational disability benefit, satisfies the age and service requirements for a normal retirement, a transfer will be made from the statewide death and disability plan to the member's defined benefit plan in the amount of 16% of the monthly base salary that the member was paid at the time of disability retirement, multiplied by the number of months the member received the temporary occupational disability benefit. States that such member shall then be granted a normal retirement and the disability benefit shall terminate.

If a member dies while receiving a temporary occupational disability benefit, allows the member's family to receive the same survivor benefits that the family would receive had the member died while in active service.

Increases the survivor benefit for survivors of members of the statewide death and disability pension plan for police officers and firefighters if the member dies while in active service in the line-of-duty and is not eligible for a normal retirement pension as follows:

Increases the survivor benefit for a spouse either with or without dependent children;

Increases the survivor benefit for one or more dependent children who were living in the member's home at the time of the member's death and when there is no surviving spouse; or

Increases the survivor benefit for one or more dependent children who were not living in the member's home at the time of the member's death and when there is no surviving spouse and specifies the limits for the total benefit.

Increases the benefit for survivors of members of the statewide death and disability pension plan for police officers and firefighters if the member dies while in active service in the line-of-duty and is eligible for a normal retirement pension as follows:

For a spouse either with or without children, in addition to the monthly retirement benefit otherwise payable, the monthly benefit paid shall be the difference between 70% of the monthly base salary paid to such member immediately preceding death and the amount of the retirement benefit otherwise payable;

For one or more dependent children who were living in the member's home at the time of the member's death, the monthly benefit paid shall be the difference between 70% of the monthly base salary paid to such member immediately preceding death and the amount of the retirement benefit otherwise payable; or

For one or more dependent children who were not living in the member's home at the time of the member's death, the monthly benefit paid shall be the sum of 40% of the monthly base salary paid to such member immediately preceding death for the first child plus 15% for each additional child, the total of which shall not be greater than 70% of the monthly base salary, less the amount payable under the normal retirement pension.

Modifies the division of the survivor benefit in the event that a surviving spouse and one or more dependent children residing in a separate household from the surviving spouse must share the benefit.

States that survivors of members of the statewide death and disability pension plan for police officers and firefighters who die while on-duty but whose death falls within an exception of the internal revenue code shall receive the same benefit as such survivor would receive if the member's death was off-duty.

Includes leave for military service within authorized leave as allowed by the board of directors of the fire and police pension association. Directs the board to adopt rules regarding authorized leave for absence for military service.

Defines terms. Makes conforming amendments.

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

SECTION 1. 31-31-407 (1), (2), and (4), Colorado Revised Statutes, are amended to read:

31-31-407. Adjustment of benefits. (1) The benefits payable under the statewide defined benefit plan established by this part 4 ~~and those payable pursuant to the statewide death and disability plan established in part 8 of this article~~ shall be redetermined effective October 1 each year, and such redetermined amount shall be payable for the following twelve months. To be eligible for redetermination, such benefits shall have been paid for at least twelve calendar months prior to the effective date of redetermination. ~~The annual redetermination of benefits provided in this section shall be required only for those employers not exempted by section 31-31-401 (1) which, on January 1, 1980, were providing an annual cost of living adjustment to pension benefits provided pursuant to this article or article 30.5 of this title. The annual redetermination of benefits made pursuant to this section shall be in lieu of any other annual cost of living adjustment, except for employer-determined and locally financed rank escalation benefits allowed in section 31-30.5-307 (1) (b) (H).~~

(2) (a) Subject to the limitations contained in subsection (3) of this section, ~~and except for total disability benefits payable pursuant to sections 31-31-803 (1) and 31-31-806.5,~~ the redetermination of benefits payable under

subsection (1) of this section shall be computed as follows: The amount of the benefit on the effective date of the benefit shall be increased by a percentage to be determined by the board but no more than three percent for each full year contained in the period commencing with the effective date of the benefit and ending with the effective date of the redetermination.

~~(b) The redetermination of total disability benefits payable pursuant to sections 31-31-803 (1) and 31-31-806.5 shall be computed as follows: The redetermined amount of the benefit shall be the amount calculated by application of the formula set forth in subparagraph (H) of paragraph (a) of subsection (3) of this section, but in no event shall the amount of the benefit on the effective date of the benefit be increased by more than three percent for each full year contained in the period commencing with the effective date of the benefit and ending with the effective date of the redetermination.~~

(4) The cost of the adjustment of benefits provided by this section shall be funded in the same manner as other defined benefits established by this part 4, ~~and part 8 of this article.~~

SECTION 2. 31-31-801 (1), Colorado Revised Statutes, is amended, and the said 31-31-801 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

31-31-801. Definitions. As used in this part 8, unless the context otherwise requires:

(1) "Assigned duties" means those specific tasks or jobs designated by the employer for a particular position within a job classification. The term does

not include the duties of a member's rank or grade that the member is not actually required to REGULARLY perform in the position which the member occupies.

(3.1) "PERMANENT OCCUPATIONAL DISABILITY" MEANS AN OCCUPATIONAL DISABILITY CAUSED BY A CONDITION THAT IS PERMANENT OR DEGENERATIVE, AND FOR WHICH THERE IS NO PROGNOSIS FOR IMPROVEMENT OR RECOVERY THROUGH SURGICAL TREATMENT, COUNSELING, MEDICATION, THERAPY, OR OTHER MEANS.

(3.2) "TEMPORARY OCCUPATIONAL DISABILITY" MEANS AN OCCUPATIONAL DISABILITY FOR WHICH THERE IS A PROGNOSIS FOR IMPROVEMENT OR RECOVERY THROUGH SURGICAL TREATMENT, COUNSELING, MEDICATION, THERAPY, OR OTHER MEANS.

SECTION 3. 31-31-803 (1) (b) (III), the introductory portion to 31-31-803 (2) (a), 31-31-803 (4) (a) (I), (5) (a), (6), and (7), the introductory portion to 31-31-803 (8) (a) and 31-31-803 (8) (a) (III) and (8) (b), Colorado Revised Statutes, are amended, and the said 31-31-803 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

31-31-803. Retirement for disability. (1) (b) Notwithstanding subsection (5) of this section, a member eligible for the normal annual disability benefit for total disability may elect to receive one of the following disability benefit options in lieu of the normal annual disability benefit provided under paragraph (a) of this subsection (1):

(III) Option 3. A reduced annual disability benefit payable to the member and, upon the member's death, all of such reduced annual disability benefit to be paid to the member's surviving spouse and dependent children, if any, until the death of the surviving spouse, THE DEATH OF ANY ADULT DEPENDENT CHILD FOUND TO BE INCAPACITATED BY THE BOARD, or until the youngest child, REGARDLESS OF ENROLLMENT IN SCHOOL OR MARITAL STATUS, reaches twenty-three years of age, whichever is later.

(2) (a) A member who becomes occupationally disabled, as defined in section 31-31-801 (3), AND IS AWARDED A DISABILITY RETIREMENT PRIOR TO OCTOBER 1, 2002, shall be retired from active service for such time as the occupational disability continues and shall be eligible to receive the disability benefit provided by this subsection (2) or section 31-31-806.5 if the member:

(2.1) (a) A MEMBER WHO BECOMES PERMANENTLY OCCUPATIONALLY DISABLED, AS DEFINED IN SECTION 31-31-801 (3.1), SHALL BE RETIRED FROM ACTIVE SERVICE FOR SUCH TIME AS THE PERMANENT OCCUPATIONAL DISABILITY CONTINUES AND SHALL BE ELIGIBLE TO RECEIVE THE DISABILITY BENEFIT PROVIDED BY THIS SUBSECTION (2.1) OR SECTION 31-31-806.5 IF THE MEMBER:

(I) IS NOT ELIGIBLE FOR THE NORMAL RETIREMENT PENSION DESCRIBED IN SECTION 31-31-403 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704 (3) OR PROVIDED PURSUANT TO ARTICLE 30.5 OF THIS TITLE; OR

(II) HAS NOT REACHED AGE FIFTY-FIVE WITH TWENTY-FIVE YEARS OF ACCUMULATED SERVICE AS A MEMBER AND IS A PARTICIPANT UNDER THE

STATEWIDE MONEY PURCHASE PLAN PURSUANT TO PART 5 OF THIS ARTICLE OR UNDER A LOCAL MONEY PURCHASE PLAN.

(b) THE ANNUAL DISABILITY BENEFIT FOR A PERMANENT OCCUPATIONAL DISABILITY FOR A MEMBER WHO IS RETIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.1) SHALL BE FIFTY PERCENT OF THE ANNUAL BASE SALARY PAID TO THE MEMBER IMMEDIATELY PRECEDING RETIREMENT FOR DISABILITY.

(2.2) (a) A MEMBER WHO BECOMES TEMPORARILY OCCUPATIONALLY DISABLED, AS DEFINED IN SECTION 31-31-801 (3.2), SHALL BE RETIRED FROM ACTIVE SERVICE FOR SUCH TIME AS THE TEMPORARY OCCUPATIONAL DISABILITY CONTINUES FOR A PERIOD UP TO FIVE YEARS FROM THE DATE OF ORIGINAL DISABLEMENT AND SHALL BE ELIGIBLE TO RECEIVE THE DISABILITY BENEFIT PROVIDED BY THIS SUBSECTION (2.2) OR SECTION 31-31-806.5 IF THE MEMBER:

(I) IS NOT ELIGIBLE FOR THE NORMAL RETIREMENT PENSION DESCRIBED IN SECTION 31-31-403 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704 (3) OR PROVIDED PURSUANT TO ARTICLE 30.5 OF THIS TITLE; OR

(II) HAS NOT REACHED AGE FIFTY-FIVE WITH TWENTY-FIVE YEARS OF ACCUMULATED SERVICE AS A MEMBER AND IS A PARTICIPANT UNDER THE STATEWIDE MONEY PURCHASE PLAN PURSUANT TO PART 5 OF THIS ARTICLE OR UNDER A LOCAL MONEY PURCHASE PLAN.

(b) THE ANNUAL DISABILITY BENEFIT FOR A TEMPORARY OCCUPATIONAL DISABILITY FOR A MEMBER WHO IS RETIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.2) SHALL BE FORTY PERCENT OF THE ANNUAL BASE SALARY PAID TO THE MEMBER IMMEDIATELY PRECEDING RETIREMENT FOR DISABILITY.

(c) A MEMBER FOUND TO HAVE A TEMPORARY OCCUPATIONAL DISABILITY SHALL BE SUBJECT TO REEXAMINATION AT SUCH TIMES AND IN SUCH MANNER AS THE BOARD MAY DIRECT. BASED ON THE RECOMMENDATIONS OF THE PHYSICIAN PANEL, THE BOARD MAY REQUIRE TREATMENT, COUNSELING, OR THERAPY NECESSARY TO REHABILITATE THE MEMBER FOR RETURN TO WORK. AT THE TIME OF REEXAMINATION, A MEMBER WITH A TEMPORARY DISABILITY SHALL PROVIDE EVIDENCE OF COMPLIANCE WITH THE REQUIREMENTS ESTABLISHED BY THE BOARD. BENEFITS MAY BE TERMINATED BY THE BOARD IF THE MEMBER FAILS TO MAKE REHABILITATION EFFORTS OR IF SUFFICIENT EVIDENCE OF COMPLIANCE AND CONTINUING DISABILITY IS NOT PROVIDED TO THE BOARD BY THE DISABLED MEMBER.

(d) A MEMBER WHO REMAINS DISABLED MAY APPLY FOR AN UPGRADE TO PERMANENT OCCUPATIONAL DISABILITY OR TO TOTAL DISABILITY NO LATER THAN SIX MONTHS PRIOR TO THE END OF FIVE YEARS FROM THE DATE OF ORIGINAL DISABLEMENT. A MEMBER MAY BE UPGRADED TO A PERMANENT OCCUPATIONAL DISABILITY UPON A FINDING BY THE BOARD THAT THE MEMBER MEETS THE DEFINITION CONTAINED IN SECTION 31-31-801 (3.1) OR TO A TOTAL DISABILITY UPON A FINDING BY THE BOARD THAT THE MEMBER MEETS THE

DEFINITION CONTAINED IN SECTION 31-31-801 (4). AFTER THE FIVE-YEAR PERIOD, BENEFITS SHALL CEASE UNLESS THE MEMBER HAS BEEN UPGRADED TO EITHER PERMANENT OCCUPATIONAL DISABILITY OR TOTAL DISABILITY.

(e) A MEMBER WHOSE DISABILITY BENEFITS CEASE AND WHO IS NOT RESTORED TO ACTIVE SERVICE OR A MEMBER WHO ELECTS TO TERMINATE HIS OR HER DISABILITY BENEFITS SHALL BE ENTITLED TO:

(I) ANY VESTED BENEFIT EARNED THROUGH HIS OR HER YEARS OF SERVICE PRIOR TO BECOMING DISABLED, PAYABLE AT NORMAL RETIREMENT AGE; OR

(II) A REFUND OF THE MEMBER'S CONTRIBUTIONS IF NO BENEFIT IS VESTED.

(4) (a) (I) The determination of disability, whether occupational or total or whether on-duty, shall be made by the board, and the board shall consider reports to be made by a panel of three physicians who shall be appointed by the board upon the recommendation of a medical advisor with whom the board shall contract to provide advisory services AND ANY OTHER EVIDENCE THE BOARD DEEMS RELEVANT. The board shall not make a determination of disability unless two of the three physicians examining the applicant agree that a disability exists, but the board shall not be bound by the physicians' determination that a disability exists.

(5) (a) Any member who is awarded a TOTAL disability pension OR A PERMANENT OCCUPATIONAL DISABILITY PENSION under this section or section 31-31-806.5 shall be eligible to receive the applicable normal disability pension

provided in this section or to make an election for a reduced pension in the manner provided in this section.

(6) (a) ~~The benefits established pursuant to this section are eligible for annual cost of living adjustments as permitted in section 31-31-407.~~ THE BENEFITS PAYABLE UNDER THE STATEWIDE DEATH AND DISABILITY PLAN ESTABLISHED IN THIS PART 8 SHALL BE REDETERMINED EFFECTIVE OCTOBER 1 EACH YEAR, AND SUCH REDETERMINED AMOUNT SHALL BE PAYABLE FOR THE FOLLOWING TWELVE MONTHS. TO BE ELIGIBLE FOR REDETERMINATION, SUCH BENEFITS SHALL HAVE BEEN PAID FOR AT LEAST TWELVE CALENDAR MONTHS PRIOR TO THE EFFECTIVE DATE OF REDETERMINATION. THE ANNUAL REDETERMINATION OF BENEFITS MADE PURSUANT TO THIS SECTION SHALL BE IN LIEU OF ANY OTHER ANNUAL COST OF LIVING ADJUSTMENT.

(b) (I) FOR THE REDETERMINATION OF OCCUPATIONAL DISABILITY BENEFITS PAYABLE PURSUANT TO SECTIONS 31-31-803 (2), (2.1), AND (2.2) AND 31-31-806.5, THE AMOUNT OF THE BENEFIT ON THE EFFECTIVE DATE OF THE BENEFIT SHALL BE INCREASED BY A PERCENTAGE TO BE DETERMINED BY THE BOARD BUT NOT MORE THAN THREE PERCENT FOR EACH FULL YEAR CONTAINED IN THE PERIOD COMMENCING WITH THE EFFECTIVE DATE OF THE BENEFIT AND ENDING WITH THE EFFECTIVE DATE OF THE REDETERMINATION.

(II) FOR THE REDETERMINATION OF TOTAL DISABILITY BENEFITS PAYABLE PURSUANT TO SECTIONS 31-31-803 (1) AND 31-31-806.5, THE AMOUNT OF THE BENEFIT ON THE EFFECTIVE DATE OF THE BENEFIT SHALL BE INCREASED BY THREE PERCENT FOR EACH FULL YEAR CONTAINED IN THE PERIOD

COMMENCING WITH THE EFFECTIVE DATE OF THE BENEFIT AND ENDING WITH THE EFFECTIVE DATE OF THE REDETERMINATION.

(c) THE COST OF THE ADJUSTMENT OF BENEFITS PROVIDED BY THIS SECTION SHALL BE FUNDED IN THE SAME MANNER AS OTHER BENEFITS ESTABLISHED BY THIS PART 8.

(7) The benefits payable under this section or section 31-31-806.5 to any member who is AWARDED AN OCCUPATIONAL DISABILITY PRIOR TO OCTOBER 1, 2002, A TOTAL DISABILITY, OR WHO IS PERMANENTLY OCCUPATIONALLY DISABLED AND WHO IS ~~also receiving~~ ELIGIBLE TO RECEIVE payments from the member's separate retirement account pursuant to section 31-31-406 OR A SIMILAR PROVISION IN A LOCAL PENSION PLAN shall be reduced by an amount that is the actuarial equivalent of the benefits such member ~~receives~~ IS ELIGIBLE TO RECEIVE from the separate retirement account, whether the benefits received from the account are paid on a periodic basis or in a lump sum.

(8) (a) A member eligible for ~~an~~ A PERMANENT occupational disability benefit under subsection (2.1) of this section or ~~an~~ A PERMANENT occupational disability benefit under section 31-31-806.5 may elect to receive one of the following disability benefit options in lieu of such disability benefit:

(III) Option 3. ~~A reduced annual disability benefit payable jointly to the member and the member's designated beneficiary and, upon the death of either, one-half of such reduced disability benefit to be paid to the survivor for life.~~ A REDUCED ANNUAL DISABILITY BENEFIT PAYABLE TO THE MEMBER AND,

UPON THE MEMBER'S DEATH, ALL OF SUCH REDUCED ANNUAL DISABILITY BENEFIT TO BE PAID TO THE MEMBER'S SURVIVING SPOUSE AND DEPENDENT CHILDREN, IF ANY, UNTIL THE DEATH OF THE SURVIVING SPOUSE, THE DEATH OF ANY ADULT DEPENDENT CHILD FOUND TO BE INCAPACITATED BY THE BOARD, OR UNTIL THE YOUNGEST CHILD, REGARDLESS OF ENROLLMENT IN SCHOOL OR MARITAL STATUS, REACHES TWENTY-THREE YEARS OF AGE, WHICHEVER IS LATER.

(b) A member shall be deemed to have elected option 1 specified in subparagraph (I) of paragraph (a) of this subsection (8) if the member is awarded ~~an~~ A PERMANENT occupational disability benefit under subsection (2.1) of this section or an occupational disability benefit under section 31-31-806.5, is survived by a spouse or dependent child, and dies before making an election allowed under paragraph (a) of this subsection (8).

(12) NOTWITHSTANDING ANY LIMITATION PROVIDED UNDER PART 1 OF ARTICLE 80 OF TITLE 13, C.R.S., OR ANY OTHER APPLICABLE LIMITATION, ANY APPLICATION FOR DISABILITY MUST BE FILED BY THE MEMBER NO LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE LAST DAY ON THE PAYROLL UNDER WHICH DISABILITY COVERAGE UNDER THIS SECTION IS PROVIDED.

(13) WITHIN THE APPLICATION FOR DISABILITY BENEFITS, A MEMBER MAY IRREVOCABLY ELECT NOT TO BE CONSIDERED FOR REINSTATEMENT IN THE EVENT THAT SUCH MEMBER BECOMES ELIGIBLE. ANY SUCH ELECTION SHALL TERMINATE ANY OBLIGATION FOR REINSTATEMENT BY THE EMPLOYER.

(14) WITHIN THE APPLICATION FOR DISABILITY BENEFITS, THE EMPLOYER SHALL:

(a) MAKE A STATEMENT INDICATING THE REASON FOR THE MEMBER'S SEPARATION FROM EMPLOYMENT; AND

(b) STATE ANY ADDITIONAL BASIS FOR DISABILITY UNDER THE DEATH AND DISABILITY PROGRAM WHICH THE EMPLOYER BELIEVES EXISTS AND INCLUDE ANY DOCUMENTATION OF RELEVANT MEDICAL EVIDENCE. IN THE EVENT THE MEMBER'S DISABILITY CEASES TO EXIST AND THE MEMBER BECOMES ELIGIBLE TO BE RESTORED TO ACTIVE SERVICE PURSUANT TO SECTION 31-31-805 (2), THE MEMBER MAY BE CONSIDERED FOR A CONTINUING DISABILITY BY THE BOARD WITH REGARD TO THE ADDITIONAL BASIS PROVIDED BY THE EMPLOYER. THE CONSIDERATION SHALL BE CONDUCTED AS IF THE MEMBER HAD FILED AN ORIGINAL APPLICATION; EXCEPT THAT LIMITATION PERIODS UNDER SECTION 31-31-805 (2) SHALL ACCRUE FROM THE DATE OF THE ORIGINAL DISABLEMENT. IF THE MEMBER FAILS TO BE EXAMINED WITH REGARD TO THE ADDITIONAL BASIS, THE MEMBER SHALL BE ENTITLED TO NEITHER REINSTATEMENT NOR CONTINUING DISABILITY BENEFITS.

SECTION 4. 31-31-804 (1) (a), (1) (c), and (2), Colorado Revised Statutes, are amended to read:

31-31-804. Reduction of disability benefits. (1) (a) If a member has any earned income other than that provided by a AN OCCUPATIONAL disability benefit award under section 31-31-803 or 31-31-806.5 and, if applicable, a workers' compensation award that provides a total income greater than an

amount equal to one hundred percent of the base salary provided to an active member of the same rank at which the member retired, ~~the~~ AN OCCUPATIONAL disability benefit shall be reduced by twenty-five percent of the additional earned income. The reduction shall be made for income earned up to and including the calendar year in which the member attains age fifty-five. In calculating total income for purposes of this paragraph (a), the amount includable with respect to money purchase plan benefits that a member is eligible to receive shall be the same amount as calculated pursuant to subsection (2) of this section.

(c) Any member receiving a AN OCCUPATIONAL disability benefit pursuant to section 31-31-803 or 31-31-806.5 shall file an annual report concerning any additional income earned up to and including the calendar year in which the member attains age fifty-five. If such member knowingly fails to file such report or files a fraudulent report, the disability benefit shall be discontinued.

(2) The benefits payable under section 31-31-803 or 31-31-806.5 to any member WHO IS OCCUPATIONALLY DISABLED PRIOR TO OCTOBER 1, 2002, IS PERMANENTLY OCCUPATIONALLY DISABLED, OR WHO IS TOTALLY DISABLED AND who at the time of the award of such benefits is a member of a money purchase plan pursuant to this article or article 30.5 of this title, including any department chief, who at the time of the award of such benefits has been exempted from the statewide defined benefit plan as permitted by section 31-31-401 (4), shall be reduced by an amount that is the actuarial equivalent of the benefits such member receives from any such money purchase plan, whether

the benefits received from the money purchase plan are paid on a periodic basis or in a lump sum. No such reduction shall exceed the actuarial equivalent of money purchase plan benefits if such benefits had been funded at the same rate of contributions specified in section 31-31-402 (1) and (2) as is required for benefits under section 31-31-403.

SECTION 5. 31-31-805 (1), (2) (e), and (2) (h), Colorado Revised Statutes, are amended, and the said 31-31-805 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

31-31-805. Change in disability status - reexamination. (1) At any time that a total disability, including an on-duty disability pursuant to section 31-31-806.5 (1), ceases to exist, based upon periodic reexamination as may be required by the board or based upon other evidence of ability to engage in substantial gainful activity, a member retired for such disability shall be declared PERMANENTLY occupationally disabled, and the benefits provided by section 31-31-803 (1) or 31-31-806.5 (1) shall be reduced to the level provided in section 31-31-803 (2.1). THE FIVE-YEAR LIMITATION ON INVESTIGATIONS CONTAINED IN SECTION 31-31-803 (4) (b) SHALL NOT BE APPLICABLE TO THE ENFORCEMENT OF THIS SUBSECTION (1).

(2) (e) If a member refuses to accept the same or a position of equal base pay, the benefits provided by ~~section 31-31-803 (2)~~ SECTION 31-31-803 shall be discontinued, but a member shall not lose benefits if there is no such vacancy or if the member refuses to accept a position that is not the same or of equal base pay to the member's former position, or if the employer refuses to

restore the member to active service, except as provided pursuant to paragraph (b) of this subsection (2).

(h) If the member refuses a vacancy in the same position the member held prior to retirement or in a position of equal base pay to the member's former position, the benefits provided by ~~section 31-31-803 (2)~~ SECTION 31-31-803 shall be discontinued. Except as otherwise provided pursuant to this subsection (2), if the employer refuses to allow a member who exercises such first right of refusal to fill the vacancy, the employer shall thereafter pay the cost of the benefits provided by ~~section 31-31-803 (2)~~ SECTION 31-31-803.

(i) WHEN A TEMPORARY OCCUPATIONAL DISABILITY CEASES TO EXIST AND THE MEMBER IS RESTORED TO ACTIVE SERVICE WITH THE MEMBER'S EMPLOYER, A TRANSFER WILL BE MADE FROM THE STATEWIDE DEATH AND DISABILITY PLAN TO THE MEMBER'S NORMAL RETIREMENT PLAN IN THE AMOUNT OF SIXTEEN PERCENT OF THE MONTHLY BASE SALARY THAT THE MEMBER WAS PAID AT THE TIME OF DISABILITY RETIREMENT, MULTIPLIED BY THE NUMBER OF MONTHS THE MEMBER RECEIVED TEMPORARY OCCUPATIONAL DISABILITY BENEFITS. THE MEMBER WILL RECEIVE SERVICE CREDIT FOR SUCH TRANSFER. A RESTORED MEMBER OF A LOCAL PLAN WHICH HAS A CONTRIBUTION RATE IN EXCESS OF SIXTEEN PERCENT SHALL HAVE THE DIFFERENCE BETWEEN THE AMOUNT TRANSFERRED AND THE AMOUNT THAT WOULD HAVE BEEN CONTRIBUTED AT THE EXCESS RATE, MADE UP BY AN ADDITIONAL CONTRIBUTION FROM THE EMPLOYER.

SECTION 6. 31-31-805 (3), Colorado Revised Statutes, is amended, and the said 31-31-805 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

31-31-805. Change in disability status - reexamination.

(2.5) WHEN A MEMBER OF THE STATEWIDE DEFINED BENEFIT PLAN OR A LOCAL DEFINED BENEFIT PLAN ON TEMPORARY OCCUPATIONAL DISABILITY SATISFIES THE AGE AND SERVICE REQUIREMENTS FOR A NORMAL RETIREMENT UNDER THE DEFINED BENEFIT PLAN, INCLUDING THE TIME THE MEMBER WAS ON TEMPORARY OCCUPATIONAL DISABILITY, A TRANSFER SHALL BE MADE FROM THE STATEWIDE DEATH AND DISABILITY PLAN TO THE MEMBER'S DEFINED BENEFIT PLAN IN THE AMOUNT OF SIXTEEN PERCENT OF THE MONTHLY BASE SALARY THAT THE MEMBER WAS PAID AT THE TIME OF DISABILITY RETIREMENT, MULTIPLIED BY THE NUMBER OF MONTHS THE MEMBER RECEIVED TEMPORARY OCCUPATIONAL DISABILITY BENEFITS. A MEMBER OF A LOCAL DEFINED BENEFIT PLAN WHICH HAS A CONTRIBUTION RATE IN EXCESS OF SIXTEEN PERCENT SHALL HAVE THE DIFFERENCE BETWEEN THE AMOUNT TRANSFERRED AND THE AMOUNT THAT WOULD HAVE BEEN CONTRIBUTED AT THE EXCESS RATE, MADE UP BY AN ADDITIONAL CONTRIBUTION FROM THE EMPLOYER. THE MEMBER SHALL THEN BE GRANTED A NORMAL RETIREMENT UNDER THE STATEWIDE OR LOCAL DEFINED BENEFIT PLAN AND THE TEMPORARY OCCUPATIONAL DISABILITY BENEFITS UNDER THE STATEWIDE DEATH AND DISABILITY PLAN SHALL TERMINATE.

(3) Within five years from the date of a board finding of occupational disability pursuant to subsection (1) of this section or ~~section 31-31-803 (2)~~ FROM THE DATE OF ORIGINAL DISABLEMENT PURSUANT TO SECTION 31-31-803 (2), (2.1), OR (2.2), a member retired for such disability may be declared totally disabled based upon periodic reexamination as ordered by the board in its discretion. If the member is declared totally disabled, the benefits provided by ~~section 31-31-803 (2)~~ SECTION 31-31-803 (2), (2.1), OR (2.2) shall be increased to the level provided in section 31-31-803 (1).

SECTION 7. 31-31-806, Colorado Revised Statutes, is amended to read:

31-31-806. Disqualification upon reemployment. If, subsequent to disability benefits being awarded to a member pursuant to the provisions of section 31-31-803 or 31-31-806.5, but prior to a decision of the board that an occupational disability ceases to exist pursuant to section 31-31-805 (2), a member is employed or reemployed in this state or any other jurisdiction, pursuant to either an agreement or court order, in a full-time salaried position that normally involves working at least one thousand six hundred hours in any given calendar year and the duties of which are directly involved with the provision of police or fire protection as determined by the board, the benefits provided pursuant to section 31-31-803 shall be discontinued. Any application for retirement for disability made by the member after such appointment or reinstatement shall be treated in all respects as a new application. THE

FIVE-YEAR LIMITATION ON INVESTIGATIONS CONTAINED IN SECTION 31-31-803 (4) (b) SHALL NOT BE APPLICABLE TO THE ENFORCEMENT OF THIS SECTION.

SECTION 8. 31-31-806.5 (2), Colorado Revised Statutes, is amended to read:

31-31-806.5. Disability benefits - on-duty. (2) If the board determines that a member, who is otherwise eligible to apply for disability retirement benefits under section 31-31-803, is required to terminate the member's regular employment due to an occupational disability, as defined in section 31-31-801 (3), that is the result of an injury received while performing official duties or an occupational disease arising out of and in the course of the member's employment, the member is eligible for a disability benefit in an amount provided for in ~~section 31-31-803 (2)~~ SECTION 31-31-803.

SECTION 9. The introductory portion to 31-31-807 (1) (a), and 31-31-807 (1) (a) (II) (A), Colorado Revised Statutes, as they will become effective January 1, 2002, are amended, and the said 31-31-807 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

31-31-807. Death of member - survivor benefits. (1) (a) If a member dies while in active service OR WHILE ON TEMPORARY OCCUPATIONAL DISABILITY UNDER SECTION 31-31-803 (2.2) and leaves a surviving spouse or dependent children, or both, one of the survivor benefits described in paragraph (b) of this subsection (1) shall be paid if the member:

(II) (A) Is not eligible for the normal retirement pension described in section 31-31-403 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704; or

(6) (a) THE SURVIVOR BENEFITS PAYABLE UNDER THE STATEWIDE DEATH AND DISABILITY PLAN ESTABLISHED IN THIS PART 8 SHALL BE REDETERMINED EFFECTIVE OCTOBER 1 EACH YEAR, AND SUCH REDETERMINED AMOUNT SHALL BE PAYABLE FOR THE FOLLOWING TWELVE MONTHS. TO BE ELIGIBLE FOR REDETERMINATION, SUCH BENEFITS SHALL HAVE BEEN PAID FOR AT LEAST TWELVE CALENDAR MONTHS PRIOR TO THE EFFECTIVE DATE OF REDETERMINATION. THE ANNUAL REDETERMINATION OF BENEFITS MADE PURSUANT TO THIS SECTION SHALL BE IN LIEU OF ANY OTHER ANNUAL COST OF LIVING ADJUSTMENT.

(b) FOR THE REDETERMINATION OF SURVIVOR BENEFITS PAYABLE PURSUANT TO THIS SECTION, THE AMOUNT OF THE BENEFIT ON THE EFFECTIVE DATE OF THE BENEFIT SHALL BE INCREASED BY A PERCENTAGE TO BE DETERMINED BY THE BOARD BUT NOT MORE THAN THREE PERCENT FOR EACH FULL YEAR CONTAINED IN THE PERIOD COMMENCING WITH THE EFFECTIVE DATE OF THE BENEFIT AND ENDING WITH THE EFFECTIVE DATE OF THE REDETERMINATION.

(c) THE COST OF THE ADJUSTMENT OF BENEFITS PROVIDED BY THIS SECTION SHALL BE FUNDED IN THE SAME MANNER AS OTHER BENEFITS ESTABLISHED BY THIS PART 8.

SECTION 10. The introductory portion to 31-31-807.5 (1) (a) and 31-31-807.5 (1) (a) (II) (A), (1) (b), (5), (6), and (7), Colorado Revised Statutes, as they will become effective January 1, 2002, are amended, and the said 31-31-807.5 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

31-31-807.5. Death of member - line-of-duty - survivor benefits.

(1) (a) If a member dies while in active service as the direct and proximate result of a personal injury sustained while performing official duties or as a result of an occupational disease arising out of and in the course of the member's employment, AND IF SUCH MEMBER QUALIFIES FOR LINE-OF-DUTY STATUS UNDER SECTION 101 (h) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, and leaves a surviving spouse or dependent children, or both, one of the survivor benefits described in paragraph (b) of this subsection (1) shall be paid if the member:

(II) (A) Is not eligible for the normal retirement pension described in section 31-31-403 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704; or

(b) One of the following survivor benefits shall be paid if the requirements of paragraph (a) of this subsection (1) are satisfied:

(I) ~~When there is a surviving spouse and no dependent children, the monthly benefit shall be forty percent of the monthly base salary paid to such member immediately preceding death.~~ THE MONTHLY BENEFIT WHEN THERE IS A SURVIVING SPOUSE, EITHER WITH OR WITHOUT CHILDREN, SHALL BE SEVENTY

PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRECEDING DEATH.

~~(II) When there is a surviving spouse and one dependent child, the monthly benefit shall be forty percent of the monthly base salary paid to such member immediately preceding death.~~ THE MONTHLY BENEFIT WHEN THERE IS NO SURVIVING SPOUSE BUT A SURVIVING CHILD OR CHILDREN SHALL BE:

(A) SEVENTY PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRIOR TO DEATH IF THE CHILD OR CHILDREN WERE LIVING IN THE MEMBER'S HOME AT THE TIME OF THE MEMBER'S DEATH; OR

(B) FORTY PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRIOR TO DEATH FOR ONE CHILD AND FIFTEEN PERCENT FOR EACH ADDITIONAL CHILD; HOWEVER, THE TOTAL BENEFIT RECEIVED SHALL NOT BE GREATER THAN SEVENTY PERCENT OF THE MONTHLY BASE SALARY IF THE CHILD OR CHILDREN WERE NOT LIVING IN THE MEMBER'S HOME AT THE TIME OF THE MEMBER'S DEATH.

~~(III) When there is a surviving spouse and two or more dependent children, the monthly benefit shall be fifty percent of the monthly base salary paid to such member immediately preceding death.~~

~~(IV) When there is no surviving spouse and three or more dependent children, the monthly benefit shall be fifty percent of the monthly base salary paid to each member immediately preceding death.~~

~~(V) When there is no surviving spouse and two dependent children, the monthly benefit shall be forty percent of the monthly base salary paid to such member immediately preceding death.~~

~~(VI) When there is no surviving spouse and one dependent child, the monthly benefit shall be forty percent of the monthly base salary paid to such member immediately preceding death.~~

(1.5) (a) IF A MEMBER DIES WHILE IN ACTIVE SERVICE AS THE DIRECT AND PROXIMATE RESULT OF A PERSONAL INJURY SUSTAINED WHILE PERFORMING OFFICIAL DUTIES OR AS A RESULT OF AN OCCUPATIONAL DISEASE ARISING OUT OF AND IN THE COURSE OF THE MEMBER'S EMPLOYMENT, AND IF SUCH MEMBER QUALIFIES FOR LINE-OF-DUTY STATUS UNDER SECTION 101 (h) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND LEAVES A SURVIVING SPOUSE OR DEPENDENT CHILDREN, OR BOTH, ONE OF THE SURVIVOR BENEFITS DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION (1.5) SHALL BE PAID IF THE MEMBER:

(I) IS ELIGIBLE FOR A NORMAL RETIREMENT PENSION UNDER AN OLD HIRE PENSION ESTABLISHED PURSUANT TO ARTICLE 30.5 OF THIS TITLE THAT PROVIDES FOR POSTRETIREMENT SURVIVOR BENEFITS TO A SPOUSE AND DEPENDENT CHILDREN IN THE EVENT THE MEMBER DIES IN ACTIVE SERVICE WHILE ELIGIBLE FOR NORMAL RETIREMENT;

(II) IS ELIGIBLE FOR THE NORMAL RETIREMENT PENSION DESCRIBED IN SECTION 31-31-403 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704 (3); OR

(III) HAS REACHED AGE FIFTY-FIVE WITH TWENTY-FIVE YEARS OF ACCUMULATED SERVICE AS A MEMBER AND IS A PARTICIPANT UNDER THE STATEWIDE MONEY PURCHASE PLAN PURSUANT TO PART 5 OF THIS ARTICLE OR UNDER A LOCAL MONEY PURCHASE PLAN.

(b) ONE OF THE FOLLOWING SURVIVOR BENEFITS SHALL BE PAID IF THE REQUIREMENTS OF PARAGRAPH (a) OF THIS SUBSECTION (1.5) ARE SATISFIED:

(I) THE MONTHLY BENEFIT TO BE PAID IN ADDITION TO THE MONTHLY RETIREMENT BENEFIT OTHERWISE PAYABLE WHEN THERE IS A SURVIVING SPOUSE, EITHER WITH OR WITHOUT CHILDREN, SHALL BE THE DIFFERENCE BETWEEN SEVENTY PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRECEDING DEATH AND THE AMOUNT PAYABLE PURSUANT TO BENEFITS RECEIVED UNDER THE PLAN IDENTIFIED IN SUBPARAGRAPH (I), (II), OR (III) OF PARAGRAPH (a) OF THIS SUBSECTION (1.5).

(II) THE MONTHLY BENEFIT TO BE PAID IN ADDITION TO THE MONTHLY RETIREMENT BENEFIT OTHERWISE PAYABLE WHEN THERE IS NO SURVIVING SPOUSE BUT THERE IS A SURVIVING CHILD OR CHILDREN SHALL BE:

(A) IF THE CHILD OR CHILDREN WERE LIVING IN THE MEMBER'S HOME AT THE TIME OF THE MEMBER'S DEATH, THE DIFFERENCE BETWEEN SEVENTY PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRECEDING DEATH AND THE AMOUNT PAYABLE PURSUANT TO BENEFITS RECEIVED UNDER THE PLAN IDENTIFIED IN SUBPARAGRAPH (I), (II), OR (III) OF PARAGRAPH (a) OF THIS SUBSECTION (1.5); OR

(B) IF THE CHILD OR CHILDREN WERE NOT LIVING IN THE MEMBER'S HOME AT THE TIME OF THE MEMBER'S DEATH, THE SUM OF FORTY PERCENT OF THE MONTHLY BASE SALARY PAID TO SUCH MEMBER IMMEDIATELY PRIOR TO DEATH FOR THE FIRST CHILD PLUS FIFTEEN PERCENT FOR EACH ADDITIONAL CHILD, THE TOTAL OF WHICH SHALL NOT BE GREATER THAN SEVENTY PERCENT OF THE MONTHLY BASE SALARY LESS THE AMOUNT PAYABLE PURSUANT TO BENEFITS RECEIVED UNDER THE PLAN IDENTIFIED IN SUBPARAGRAPH (I), (II), OR (III) OF PARAGRAPH (a) OF THIS SUBSECTION (1.5).

(5) (a) When there is a surviving spouse and one dependent child residing in a separate household from the surviving spouse, the surviving spouse shall receive ~~twenty-five percent~~ TWO-THIRDS of the ~~monthly base salary~~ BENEFIT and the child shall receive the balance of the benefit pursuant to ~~subparagraph (H) of paragraph (b) of subsection (1)~~ SUBSECTION (1) OR (1.5) of this section.

(b) When there is a surviving spouse and two or more dependent children residing in a separate household from the surviving spouse, the surviving spouse shall receive ~~twenty-five~~ FIFTY percent of the ~~monthly base salary~~ BENEFIT and the children shall receive the balance of the benefit pursuant to ~~subparagraph (H) of paragraph (b) of subsection (1)~~ SUBSECTION (1) OR (1.5) of this section.

(c) Upon the termination of the benefit payable to the child or children pursuant to paragraph (a) or (b) of this subsection (5), the surviving spouse

shall receive the ENTIRE benefit pursuant to ~~subparagraph (I) of paragraph (b) of subsection (1)~~ SUBSECTION (1) OR (1.5) of this section.

(6) In the event that a survivor benefit is payable for the benefit of more than one dependent child of the member pursuant to ~~subparagraph (H), (IV), or (V) of paragraph (b) of subsection (1)~~ SUBSECTION (1) OR (1.5) of this section and the dependent children reside in separate households from each other, the CHILDREN'S benefit shall be divided equally among the children.

(7) ~~Any surviving spouse or dependent child receiving benefits pursuant to subparagraph (I) or (VI) of paragraph (b) of subsection (1) of this section prior to January 1, 2002, shall receive any increased benefit established in subparagraph (I) or (VI) of paragraph (b) of subsection (1) of this section on January 1, 2002, as applicable.~~

(8) IF A MEMBER DIES WHILE IN ACTIVE SERVICE AS THE DIRECT AND PROXIMATE RESULT OF A PERSONAL INJURY SUSTAINED WHILE PERFORMING OFFICIAL DUTIES OR AS A RESULT OF AN OCCUPATIONAL DISEASE ARISING OUT OF AND IN THE COURSE OF THE MEMBER'S EMPLOYMENT AND OTHERWISE QUALIFIES FOR BENEFITS UNDER SUBSECTION (1.5) OF THIS SECTION, BUT FALLS WITHIN ONE OR MORE OF THE EXCEPTIONS SPECIFIED IN SECTION 101 (h) (2) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND LEAVES A SURVIVING SPOUSE OR DEPENDENT CHILDREN, OR BOTH, SAID SURVIVORS SHALL:

(a) RECEIVE BENEFITS AS ALLOWED UNDER SECTION 31-31-807; OR

(b) RECEIVE BENEFITS AS ALLOWED UNDER THE MEMBER'S NORMAL RETIREMENT PLAN.

SECTION 11. 31-31-808 (2), Colorado Revised Statutes, is amended to read:

31-31-808. Reduction of survivor benefits. (2) The benefits payable under sections 31-31-807 and 31-31-807.5 to the surviving spouse and dependent children of any member who are also receiving payments from the member's separate retirement account pursuant to section 31-31-406 OR A LOCAL DEFINED BENEFIT RETIREMENT PENSION SELECTED PURSUANT TO SECTION 31-31-704, shall be reduced by an amount that is the actuarial equivalent of the benefits such surviving spouse and dependent children receive from the separate retirement account, whether the benefits received from the account are paid on a periodic basis or in a lump sum.

SECTION 12. Part 8 of article 31 of title 31, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

31-31-812. Military leave of absence. (1) AUTHORIZED LEAVE OF ABSENCE SHALL INCLUDE LEAVE FOR MILITARY SERVICE AS ALLOWED BY THE BOARD. THE BOARD SHALL ADOPT RULES REGARDING AUTHORIZED LEAVE OF ABSENCE FOR MILITARY SERVICE, INCLUDING, BUT NOT LIMITED TO:

- (a) LIMITS ON THE LENGTH OF THE TERM OF THE LEAVE OF ABSENCE;
- (b) ASSESSMENT OF COSTS FOR COVERAGE DURING THE LEAVE OF

ABSENCE; AND

(c) ANY OTHER MATTER THAT THE BOARD DEEMS NECESSARY FOR COVERAGE UNDER THE STATEWIDE DEATH AND DISABILITY PLAN.

(2) THE BENEFITS PAYABLE TO THE MEMBER, THE SURVIVING SPOUSE OF THE MEMBER, AND THE DEPENDENT CHILDREN OF THE MEMBER PURSUANT TO THIS PART 8 SHALL BE REDUCED BY AN AMOUNT THAT IS THE ACTUARIAL EQUIVALENT OF ANY MILITARY BENEFIT RECEIVED AS A RESULT OF THE DEATH OR DISABILITY OF A MEMBER WHILE ON AUTHORIZED LEAVE FOR MILITARY SERVICE WHETHER THE BENEFITS ARE PAID ON A PERIODIC BASIS OR IN A LUMP SUM.

SECTION 13. Effective date. This act shall take effect October 1, 2002.

SECTION 14. 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.

DRAFT

Bill C

Colorado Legislative Council Staff
NO FISCAL IMPACT

Drafting Number: LLS 02-0086	Date: November 7, 2001
Prime Sponsor(s): Sen. Nichol Rep. Cadman	Bill Status: Police Officers' and Firefighters' Pension Reform Commission
	Fiscal Analyst: Steve Tammus (303-866-2756)

TITLE: CONCERNING DEATH AND DISABILITY BENEFITS FOR MEMBERS OF THE STATEWIDE DEATH AND DISABILITY PLAN FOR POLICE OFFICERS AND FIREFIGHTERS.

Summary of Assessment

This bill revises statutes governing the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan of the fire and police new hire pension plans under the Fire and Police Pension Association (FPPA). The FPPA is a body corporate and a political subdivision of the state, and is not a state agency subject to administrative direction by any state agency or department.

In summary, the bill:

- creates a permanent occupational disability benefit and a temporary occupational disability benefit for members of the Statewide Death and Disability Plan, and stipulates conditions by which members may qualify for those benefits;
- authorizes the FPPA board of directors to consider any relevant evidence in the determination of an occupational, total, or on-duty disability;
- requires that all benefits under the Statewide Death and Disability Plan be redetermined effective October 1 of each year, and specifies the manner by which benefits may be adjusted;
- allows any member awarded a total or permanent occupational disability benefit to receive the normal disability pension or elect for a reduced pension to allow for survivor benefits;
- specifies the amount of a transfer to be made from the Statewide Death and Disability Plan to the member's normal retirement plan when a member's temporary disability ceases to exist and the member is restored to active service;
- specifies the amount of a transfer to be made from the Statewide Death and Disability Plan to the member's defined benefit plan in order to grant a normal retirement and terminate a disability benefit when a member, while receiving a temporary disability benefit satisfies the age and service requirements for normal retirement;
- allows a member's family to receive the same survivor benefits the family would have received had the member died while in active service, if the member dies while receiving a temporary occupational disability benefit;
- under certain conditions, increases the survivor benefits for survivors of members of the Statewide Death and Disability Pension Plan if the member dies

- while in active service in the line-of-duty and is, or is not, eligible for a normal retirement pension;
- modifies the division of the survivor benefit in the event a surviving spouse and one or more dependent children residing in a separate household must share the benefit;
- states that survivors of members of the Statewide Death and Disability Pension Plan who die while on-duty but whose deaths fall within an exception of the Internal Revenue Code shall receive the same benefit as if the member's death was off-duty; and
- includes leave for military service within authorized leave as allowed by the FPPA board of directors, and requires the board to adopt rules regarding such authorized leave.

The bill will become effective October 1, 2002.

This bill will not affect state or local government revenue or expenditures, or FPPA administrative costs. The bill will not affect the actuarial soundness of the FPPA Statewide Defined Benefit Plan and the Statewide Death and Disability Plan since these plans are fully funded.

The bill will, however, affect the amounts of certain benefits payable to qualified members of the plans. The FPPA indicates the cost of any increased benefits will be covered by off-setting cost reductions created by the implementation of the temporary occupational disability benefit provisions. These provisions are considered to be more restrictive than those employed under current law.

Departments Contacted

Fire and Police Pension Association