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0562 Police Officers' and Firefighters' Pension Reform Commission



Police Officers' and Firefighters' Pension Reform Commission

**Report to the
COLORADO
GENERAL ASSEMBLY**

Colorado Legislative Council
Research Publication No. 562
December 2006

RECOMMENDATIONS FOR 2007

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

**Report to the
Colorado General Assembly**

**Research Publication No. 562
December 2006**

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December 2006

To Members of the Sixty-fifth General Assembly:

Submitted herewith is the final report of the Police Officers' and Firefighters' Pension Reform Commission. This commission was created pursuant to Section 31-31-1001, C.R.S. The purpose of the commission is to oversee legislation relating to the funding of police and fire pensions and the benefit designs of such plans.

At its meeting on October 16, 2006, the Legislative Council reviewed the report of this commission. A motion to forward this report and the bills therein for consideration in the 2007 session was approved.

Respectfully submitted,

/s/ Representative Andrew Romanoff
Chairman

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www.state.co.us/gov_dir/leg_dir/lcsstaff/2006/06interim.htm

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POLICE OFFICERS' AND FIREFIGHTERS' PENSION REFORM COMMISSION

Members of the Committee

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Senator Lewis H. Entz
Senator Dan Grossman
Senator Jack Taylor
Senator Suzanne Williams

Representative Bill Berens
Representative Mike Cerbo
Representative Gary Lindstrom
Representative Larry Liston
Representative Bob McCluskey
Representative Anne McGihon
Representative Ann Ragsdale
Representative Jim Riesberg
Representative Val Vigil
Representative Robert Witwer

Legislative Council Staff

Geoffrey Johnson
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Ed DeCecco
Senior Staff Attorney

Esther van Mourik
Staff Attorney

EXECUTIVE SUMMARY

Commission Charge

Pursuant to Section 31-31-1001, C.R.S., the Police Officers' and Firefighters' Pension Reform Commission is charged to develop legislation relating to the funding of police and fire pensions and to the benefit structure of such plans.

Commission Activities

The commission held one meeting during the 2006 interim and heard testimony regarding administration of retirement plans by the Fire and Police Pension Association (FPPA) as well as FPPA assets and investment performance. Six bills were recommended to the commission for introduction in the 2007 legislative session.

Commission Recommendations

As a result of commission discussion and deliberation, the commission recommends six bills for consideration in the 2007 legislative session.

Bill A — Property Tax Exemption for Property of the Fire and Police Pension Association. Bill A exempts from property taxation any property used and occupied by the FPPA for tax years beginning on and after January 1, 2007. A representative of the FPPA noted that the need for the legislation arises from a Colorado Supreme Court ruling requiring the property tax exemption to be specifically provided in statute in order to be recognized.

Bill B — Timing of Contribution Deposits for Plans Administered by the Fire and Police Pension Association. Bill B simplifies administration of FPPA plans by making the date uniform for remittance of FPPA employer contributions to the FPPA. The bill requires employers participating in FPPA new hire pension plans and the statewide death and disability plan to remit contribution deposits within ten days following salary payment to an FPPA member.

Bill C — Police Officers' and Firefighters' Pension Options for New Hire Members Who Have a Change in their Marital Status After Retiring Unmarried. Bill C allows certain FPPA members more flexibility in choosing pension benefit options. The bill affects FPPA new hire pension members who are single when they retire under the Statewide Defined Benefit Plan and then subsequently marry and wish to choose a new benefit option. The bill also affects members who are awarded a disability benefit and choose a single life annuity and then subsequently marry and wish to choose a new benefit option.

Bill D — Disability and Survivor Benefits for Members of the Fire and Police Pension Association. Bill D makes three changes to simplify administration of FPPA disability and survivor benefits.

- First, the bill simplifies administration of the Statewide Death and Disability Plan by changing eligibility for a disability or survivor benefit. Under the bill, to be eligible for disability and survivor benefits a member must not be age 55 or greater with 25 years or more of accumulated participation in the Statewide Death and Disability Plan.
- Second, the bill simplifies the definition of "dependent child" removing the criteria of marital status and whether the dependent child is in school from consideration. Under the bill, a dependent child may be any "child" under the age of 23 years. Current law defines "dependent child" as an unmarried child under the age of 19 years or, if the child is a full-time student, under the age of 23 years.
- Finally, the bill changes the method of calculating income offsets for permanent occupational disabilities to simplify the process and reduce the error rate in making the calculation.

Bill E — Qualification as a Volunteer Firefighter for Purposes of a Volunteer Firefighter Pension Plan. Bill E clarifies the law relating to volunteer firefighter benefits. Colorado law restricts the types of compensation that "volunteer firefighters" may receive. The bill specifies what is not to be considered as compensation for a volunteer firefighter, identifying types of benefits and payments that do not qualify as "compensation."

Bill F — Length of Service Awards for Bona Fide Volunteers Who Provide Qualified Emergency Services. Bill F authorizes municipalities, or authorities created by two or more municipalities, that provide firefighting and prevention services or emergency medical services and ambulance services to offer volunteer service awards. The benefit would be based on length of service of the volunteers.

STATUTORY AUTHORITY AND RESPONSIBILITIES

The Fire and Police Pension Association (FPPA) was established in 1980 and administers a statewide multiple employer public employee retirement system providing defined benefit plan coverage as well as death and disability coverage for police officers and firefighters throughout the state of Colorado.

Pursuant to Section 31-31-1001, C.R.S., the Police Officers' and Firefighters' Pension Reform Commission has the responsibility to study and develop proposed legislation relating to funding police officers' and firefighters' pensions in this state and the benefit designs of such pension plans. The commission consists of five members of the Senate and ten members of the House of Representatives. Colorado law directs the commission to study, review, and propose legislation regarding the following, among other subjects:

- normal retirement age and compulsory retirement;
- 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 contributions;
- post-retirement increases;
- creation of an administrative board;
- creation of a consolidated statewide system;
- distribution of state funds;
- coordination of benefits with other programs; and
- the volunteer firefighter pension system.

COMMISSION ACTIVITIES

The commission met once during the 2006 interim and heard testimony from staff and representatives of the Fire and Police Pension Association. The commission received an historical overview of the state's involvement in fire and police pension plans. Until 1978, all fire and police plans in Colorado were administered and funded by municipalities or fire protection districts. In the mid 1970s these plans were deemed to be underfunded by approximately \$500 million. This financial crisis led the General Assembly to limit membership in the existing local plans to police officers and firefighters who were hired before April 1978. The state agreed to contribute funding to the local plans if administrators of the local plans would significantly increase their employer contributions. At this time, the General Assembly also created the Fire and Police Pension Association and a Statewide Defined Benefit Plan for firefighters and police officers which is required to be funded on an actuarially sound basis.

The commission also received an overview of the FPPA membership and types of plans available to members. The FPPA administers retirement plans and a death and disability plan in which hundreds of Colorado local governments participate. Currently, the FPPA controls in excess of \$3.08 billion in assets accumulated through employer and member contributions as well as investment earnings. An FPPA representative provided an overview of four bills that were considered by the FPPA Board of Directors and recommended to the commission for introduction in the 2007 legislative session. The bills:

- (1) exempt property owned and occupied by the FPPA from property taxation;
- (2) set a uniform date for FPPA employers to remit contributions to the FPPA;
- (3) allow certain FPPA members more flexibility in choosing pension benefit options; and
- (4) simplify administration of FPPA disability and survivor benefits.

A representative from the Special District Association of Colorado (SDA) reviewed two bills for the commission which are supported by the SDA. The commission also recommends these two bills for introduction in the 2007 legislative session. These two bills would clarify the law relating to volunteer firefighter benefits, and would authorize the granting of volunteer "length of service" awards.

Property Tax Exemptions

Bill A exempts from property taxation any property used and occupied by the FPPA for tax years beginning on and after January 1, 2007. The bill specifies that the FPPA is a political subdivision of the state and that property used and occupied by the FPPA is

intended to be exempt from the assessment of property tax under the Colorado Constitution.

A representative of the FPPA noted that the legislation arises from a Colorado Supreme Court ruling requiring that a property tax exemption for the FPPA must be specifically provided in statute in order to be recognized (*City and County of Denver v. Board of Assessment Appeals*, 30 P.3d 177, Colo. 2001). The FPPA owns and occupies only one property, the FPPA headquarters building in Arapahoe County. The property is assessed approximately \$45,000 annually in property taxes.

Uniform Timing of Employer Contributions for Fire and Police Pension Association Administered Plans

Bill B simplifies administration of FPPA plans by making the date uniform for the remittance of FPPA employer contributions to the FPPA. The bill requires employers participating in FPPA pension plans and the statewide death and disability plan to remit contribution deposits within ten days following salary payment to an FPPA member. Current law allows these employers to remit contributions within ten days after the last day of their pay period. In addition, current law allows employers that make salary payments more than once each month to make those contributions by the tenth day of the following month. The bill puts in place a uniform deadline for all employers — including those that pay employees more than once each month — to remit contributions to the FPPA.

For example, under current law all employers who employ FPPA members who are covered by the FPPA Statewide Defined Benefit Plan must pay 8 percent of the member's salary into the FPPA Defined Benefit System Trust Fund no later than the tenth day after the end of each pay period. Under the bill, all employers must comply with the uniform requirement that these contributions be made ten days following the date of payment of salary to their member.

A representative of the FPPA said that the FPPA is in the process of implementing a new computer system. Some FPPA administrative processes are being automated as the new computer system is established. The bill is important to the FPPA since it will facilitate this computer automation.

Retirement Pension Options for New Hire Members Who Have a Change in their Marital Status

Bill C addresses pension benefit options for retirees who are single when they retire under the Statewide Defined Benefit Plan, or who are single when awarded a disability benefit under the Statewide Death and Disability Plan, and later marry. The purpose of the bill is to give these members greater flexibility in choosing pension benefit options than is available to them under current law.

The bill affects FPPA new hire pension members — members of FPPA pension plans who were hired after April 8, 1978. Specifically, it applies to new hire members who are single when they retire under the Statewide Defined Benefit Plan and then subsequently marry and wish to choose a new benefit option. The bill also affects FPPA members who are awarded a disability benefit under the Statewide Death and Disability Plan and choose a single life annuity and then subsequently marry and wish to choose a new benefit option.

The bill allows these members to add a beneficiary to their plans within 180 days of their marriage date. Existing FPPA plan members who retired single and later married who have not yet chosen a new benefit option must do so by January 1, 2008, or the option is lost. Finally, the bill requires that a disabled retiree who chooses a new benefit option must live for at least 180 days after the marriage date in order for survivor benefits to be payable.

Disability and Survivor Benefits

Bill D is a "housekeeping bill" proposed by the FPPA, designed to simplify statutes governing administration of FPPA disability and survivor benefits. The amendments were proposed by the FPPA to reduce its costs in administering disability and survivor benefits. The FPPA proposed three basic changes to these statutes.

- First, the bill simplifies administration of the Statewide Death and Disability Plan by changing eligibility for a disability or survivor benefit. The simplification is proposed to reduce administrative costs for the FPPA. Under current law, an FPPA member's length of service is measured as service under the member's pension plan. This provision of Bill D will eliminate the difficult administrative task of researching and accumulating service in multiple pension plans for disability and survivor qualification. Bill D provides the uniform condition that to be eligible for disability and survivor benefits the member must not have reached age 55 years or greater with 25 years or more of accumulated participation in the Statewide Death and Disability Plan. With this requirement in place the retirement plans that the member participated in will not matter when determining the member's eligibility for a disability or survivor benefit. Under current law, it is not clear how the FPPA should treat participation in multiple pension plans for disability and survivor benefit qualification, and this change will clarify the administration of such cases.

The bill would also disallow a member from taking refunds or early retirement from one pension plan and then subsequently joining a different department and qualifying for disability or survivor benefits when if they had remained in the original department they would not have qualified. The Statewide Death Disability Plan did not contemplate members changing departments during their service.

- The second part of Bill D is proposed by the FPPA to reduce its administrative burden and administrative costs in determining benefits for certain occupational disability retirees and survivors who receive a tiered benefit based on whether

or not the retiree or survivor has "dependent children." Such retirees and survivors receive a greater benefit if they have "dependent children." Current law relating to benefits for these disability retirees and survivors defines "dependent child" as an unmarried child under the age of 19 years or, if the child is a full-time student, under the age of 23 years. The law allows these "children" to qualify as a "dependent" of the disability retiree or survivor if they are in school until they are 23. A representative of the FPPA noted that this definition in current law forces the FPPA to constantly monitor the educational status of each person who qualifies as a "dependent child" between the ages of 19 and 23 to find out whether they are in school. Bill D simplifies the definition of "dependent child" removing the criteria of marital status and whether the dependent child is in school from consideration. Under the bill, a dependent child may be any "child" under the age of 23 years. The definition in current law results in greater administrative costs to the FPPA to track the status of this relatively small group of people than it would to simply pay the additional benefits that result from their status as a dependent child.

The current definition of "dependent child" also allows the Board of Directors of the FPPA to determine that a child meets the definition of "dependent child" if the child is mentally or physically incapacitated to the extent that the child cannot provide for his or her own care regardless of the age or marital status of the child. This provision is not changed by the bill. The change made in the bill would only affect pre-2002 occupational disability retirees and survivors who receive a tiered benefit based on whether they have children.

- Finally, Bill D changes the method of calculating income offsets for permanent occupational disabilities to simplify the process and reduce the error rate in making the calculation. Current law provides that if a member earns any income other than their occupational disability benefit in an amount that equals 100 percent of the base salary provided to a member of the same rank at which the member retired then the occupational disability benefit will be reduced by 25 percent of the additional earned income. The bill changes this income threshold to "the member's indexed base salary." A member's base salary is the annual salary paid to the member immediately preceding retirement for disability. Under the bill, the base salary used would be the previous base salary multiplied by the change in consumer price index (CPI) each year instead of the actual base salary used by the department over time. A representative of the FPPA said that the annual collection of base salary information for disabled members from the departments has been administratively burdensome and prone to error.

Volunteer Firefighter Qualifications for Pension Plans

Bill E clarifies Colorado law addressing the types of compensation that a volunteer firefighter may receive and still be eligible to participate in the FPPA volunteer firefighter pension program. These types of compensation are specified in the Colorado Volunteer

Firefighter Pension Act. Bill E clarifies types of compensation that are not to be considered "compensation" under the Colorado Volunteer Firefighter Pension Act.

Under current law, compensation provided to volunteer firefighters does not include reimbursement of expenses incurred by volunteer firefighters, and salary lost from the volunteer's regular employment as a result of the firefighting duties that caused an absence from their normal employment. Bill E adds to these exceptions:

- ✓ receipt of benefits from the Volunteer Firefighter's Pension Fund;
- ✓ receipt of benefits upon termination of volunteer services provided as part of a qualified volunteer service award plan;
- ✓ payments of federal monies for participation in temporary emergency incidents; and
- ✓ nominal benefits of fees paid on a per-call basis or as part of an merit award program.

Length of Service Awards for Volunteers

Bill F authorizes municipalities, or authorities created by two or more municipalities, that provide firefighting and prevention services or emergency medical services and ambulance services to offer volunteer service awards to persons volunteering for these agencies. The benefit would be based on the volunteer's length of service. The bill was recommended to the commission by the Colorado Special District Association to provide state enabling legislation for municipalities and authorities that provide firefighting and medical services on a volunteer basis to offer length of service awards to their volunteers. Under the bill, a "volunteer" is a person who provides firefighting and prevention services, emergency medical services, or ambulance services if the only compensation they receive for their services is reimbursement for expenses and reasonable benefits (including length of service awards.) Awards offered by departments must also be in compliance with federal requirements. The governing body of an emergency service provider that adopts a volunteer service award program may invest monies held to pay the awards only in securities permitted for the investment of public funds by public sector entities in Colorado.

RESOURCE MATERIALS

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

www.state.co.us/gov_dir/leg_dir/lcsstaff/2006/06interim

Meeting Summaries

Topics Discussed

September 12, 2006

Historical overview of the state's involvement in fire and police pension plans, membership information, and, investment performance.

Memoranda and Reports

Annual Update to the State of Colorado Pension Reform Commission, prepared by the Fire and Police Pension Association of Colorado, September 12, 2006.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill A

LLS NO. 07-0041.01 Ed DeCecco

HOUSE BILL

HOUSE SPONSORSHIP

Cerbo, and McGihon

SENATE SPONSORSHIP

Tochtrop, and Williams

House Committees

Senate Committees

A BILL FOR AN ACT

CONCERNING A PROPERTY TAX EXEMPTION FOR PROPERTY OF THE
FIRE AND POLICE PENSION ASSOCIATION.

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. For property tax years commencing on or after January 1, 2007, exempts real property used and occupied by the fire and police pension association and personal property used by the association from the levy and collection of property tax.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

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

2 **SECTION 1.** 31-31-201, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 **31-31-201. Association - creation - board - organization - tax**
5 **exemption.** (1.5) THE GENERAL ASSEMBLY HEREBY FINDS AND
6 DECLARES THAT THE FIRE AND POLICE PENSION ASSOCIATION IS A
7 POLITICAL SUBDIVISION OF THE STATE AND THAT PROPERTY USED AND
8 OCCUPIED BY THE ASSOCIATION IS INTENDED TO BE EXEMPT FROM
9 PROPERTY TAX AS PROPERTY OF THE STATE UNDER SECTION 4 OF ARTICLE
10 X OF THE STATE CONSTITUTION. ACCORDINGLY, FOR PROPERTY TAX
11 YEARS COMMENCING ON OR AFTER JANUARY 1, 2007, ALL REAL PROPERTY
12 USED AND OCCUPIED BY THE ASSOCIATION AND PERSONAL PROPERTY USED
13 BY THE ASSOCIATION SHALL BE EXEMPT FROM THE LEVY AND COLLECTION
14 OF PROPERTY TAX.

15 **SECTION 2. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill B

LLS NO. 07-0042.01 Esther van Mourik

HOUSE BILL

HOUSE SPONSORSHIP

Riesberg, Berens, Cerbo, Liston, and McGihon

SENATE SPONSORSHIP

Taylor, Tochtrop, and Williams

House Committees

Senate Committees

A BILL FOR AN ACT

**CONCERNING THE TIMING OF CONTRIBUTION DEPOSITS FOR PLANS
ADMINISTERED BY THE FIRE AND POLICE PENSION
ASSOCIATION.**

Bill Summary

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

~~Shading denotes HOUSE amendment.~~ Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

DRAFT

Police Officers' and Firefighters' Pension Reform Commission. Requires all contribution deposits for police officers' and firefighters' new hire pension plans and the statewide death and disability plan to be made 10 days following the payment of salary to the member, regardless of whether a member is paid more than once per month.

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

2 **SECTION 1.** 31-31-402 (1), (2), and (4), Colorado Revised
3 Statutes, are amended to read:

4 **31-31-402. Employer and member contributions.** (1) On and
5 after January 1, 1980, until the board is able to determine a contribution
6 rate from the first annual actuarial valuation, every member covered
7 under the statewide defined benefit plan established by this part 4 shall
8 pay into the defined benefit system trust fund eight percent of salary paid.
9 The payment shall be made by the employer by deduction from the salary
10 paid such member. Each employer shall pick up the employee
11 contributions required for all salaries paid after July 1, 1985, and the
12 contributions so picked up shall be treated as employer contributions
13 pursuant to section 414 (h) (2) of the federal "Internal Revenue Code of
14 1986", as amended, in determining tax treatment under such code. The
15 employer shall pay these employee contributions directly to the retirement
16 association, instead of paying such amounts to employees, and such
17 contributions shall be paid from the same funds that are used in paying
18 salaries to the employees. Such contributions, although designated as
19 employee contributions, shall be paid by the employer in lieu of
20 contributions by employees. Employees may not elect to choose to
21 receive such contributions directly instead of having them paid by the
22 employer to the pension plan. Employee contributions so picked up shall
23 be treated for all purposes of this article, other than federal tax, in the

1 same manner as employee contributions made before the date picked up.
2 Payment shall be made by one voucher for the aggregate amount
3 deducted and shall be made no later than ~~the tenth day after the end of~~
4 ~~each pay period~~ TEN DAYS FOLLOWING THE DATE OF PAYMENT OF SALARY
5 TO THE MEMBER. All such payments shall be credited to the defined
6 benefit system trust fund.

7 (2) On and after January 1, 1980, until the board is able to
8 determine a contribution rate from the first annual actuarial valuation,
9 every employer employing members who are covered by the statewide
10 defined benefit plan established by this part 4 shall pay into the defined
11 benefit system trust fund eight percent of the salary paid to such member,
12 and such payment shall be made no later than ~~the tenth day after the end~~
13 ~~of each pay period~~ TEN DAYS FOLLOWING THE DATE OF PAYMENT OF
14 SALARY TO THE MEMBER. All such payments shall be credited to the
15 defined benefit system trust fund.

16 (4) The payments required by this section are subject to penalties
17 if not submitted when due. Payments are due no later than ten days
18 following the date of payment of salary to the member. ~~unless the salary~~
19 ~~is paid more than once monthly, in which event such payments are due no~~
20 ~~later than the tenth day of the month following the month the salary is~~
21 ~~paid to the member.~~ An interest charge of one-half of one percent per
22 month shall be levied against any unpaid amount and added to the
23 employer payments required pursuant to this section; except that the
24 board may waive the interest charge for new accounts in hardship cases,
25 subject to rules promulgated by the board.

26 **SECTION 2.** 31-31-502 (4) (a), Colorado Revised Statutes, is
27 amended to read:

28 **31-31-502. Statewide money purchase plan - creation -**

1 **management.** (4) (a) Except as provided in paragraph (b) of this
2 subsection (4), upon the effective date of an employer's withdrawal from
3 the statewide defined benefit plan and election to participate in the
4 statewide money purchase plan, each member covered by the statewide
5 money purchase plan shall pay into the fund eight percent of salary paid.
6 The payment shall be made by the employer by deduction from the salary
7 paid such member. Except as provided in paragraph (b) of this subsection
8 (4), for each such member, the employer shall pay into the fund eight
9 percent of the salary paid to such member. All such payments shall be
10 made by one voucher for the aggregate amount and shall be made no later
11 than ~~the tenth day after the end of each pay period~~ TEN DAYS FOLLOWING
12 THE DATE OF PAYMENT OF SALARY TO THE MEMBER. All such payments
13 shall be credited to the fund. Late payments are subject to the penalty set
14 forth in section 31-31-402 (4).

15 **SECTION 3.** 31-31-811 (4), Colorado Revised Statutes, is
16 amended to read:

17 **31-31-811. State funding of death and disability.** (4) For each
18 member hired on or after January 1, 1997, who is eligible for the death
19 and disability coverage provided by this part 8, a contribution shall be
20 made to the death and disability account in the fund for the years 1997
21 and 1998 in an amount not greater than two and four tenths percent of the
22 member's salary. Thereafter, the board, based on an annual actuarial
23 valuation, may adjust the contribution rate every two years, but in no
24 event may the adjustment for any two-year period exceed one-tenth of one
25 percent of the member's salary. Any employer and any local pension
26 board or authority shall provide such information as may be required by
27 the board in order to complete the annual actuarial valuations. The
28 actuary appointed by the board may utilize either the entry age-normal

1 cost method or the aggregate cost method for purposes of the study
2 required by this subsection (4). Any unfunded accrued liability shall be
3 funded over a period not to exceed thirty years. The actuarial study shall
4 not include any consideration of a cost of living adjustment to benefits
5 awarded to members who are occupationally disabled. Payments shall be
6 made by the employer and are due no later than ten days following the
7 date of payment of salary to the member. ~~unless the salary is paid more~~
8 ~~than once monthly, in which event such payments are due no later than~~
9 ~~the tenth day of the month following the month the salary is paid to the~~
10 ~~member.~~ An interest charge of one-half of one percent per month shall
11 be levied against any unpaid amount and shall be the responsibility of the
12 employer. Any decision regarding whether the contribution required by
13 this subsection (4) shall be assessed against the employer or the member,
14 or shall in some manner be assessed jointly against the employer and the
15 member, will be made at the local level utilizing the usual process for
16 determining employee benefits. If it is not already part of the usual
17 process for determining employee benefits, the employer shall confer with
18 the employees or their representative prior to making a determination on
19 how the contribution will be assessed.

20 **SECTION 4.** 31-31-1102 (4) (a), Colorado Revised Statutes, is
21 amended to read:

22 **31-31-1102. Statewide hybrid plan - creation - management.**

23 (4) (a) Except as provided in paragraph (b) of this subsection (4), upon
24 the effective date of coverage under the statewide hybrid plan, each
25 member covered by the plan shall pay into the defined benefit system
26 trust fund eight percent of salary paid. The payment shall be made by the
27 employer by deduction from the salary paid to such member. Except as
28 provided in paragraph (b) of this subsection (4), for each such member,

1 the employer shall pay into the defined benefit system trust fund eight
2 percent of the salary paid to such member. Payments are due no later
3 than ten days following the date of payment of salary to the member.
4 ~~unless the salary is paid more than once monthly, in which event such~~
5 ~~payments are due no later than the tenth day of the month following the~~
6 ~~month the salary is paid to the member.~~ An interest charge of one-half of
7 one percent per month shall be levied against any unpaid amount and
8 added to the employer payments required pursuant to this section.

9 **SECTION 5. Effective date - applicability.** (1) This act shall
10 take effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly that is
12 allowed for submitting a referendum petition pursuant to article V,
13 section 1 (3) of the state constitution; except that, if a referendum petition
14 is filed against this act or an item, section, or part of this act within such
15 period, then the act, item, section, or part, if approved by the people, shall
16 take effect on the date of the official declaration of the vote thereon by
17 proclamation of the governor.

18 (2) The provisions of this act shall apply to contribution deposits
19 made to police officers' and firefighters' new hire pension plans on or
20 after January 1, 2008.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill C

LLS NO. 07-0043.01 Esther van Mourik

HOUSE BILL

HOUSE SPONSORSHIP

Liston, Berens, Cerbo, and McGihon

SENATE SPONSORSHIP

Tochtrop, and Williams

House Committees

Senate Committees

A BILL FOR AN ACT

101 CONCERNING POLICE OFFICERS' AND FIREFIGHTERS' PENSION OPTIONS
102 FOR NEW HIRE MEMBERS WHO HAVE A CHANGE IN THEIR
103 MARITAL STATUS AFTER RETIRING UNMARRIED.

Bill Summary

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

~~Shading denotes HOUSE amendment; Double underlining denotes SENATE amendment.~~
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

DRAFT

Police Officers' and Firefighters' Pension Reform Commission. For a police officers' and firefighters' new hire pension member (member) who is single when he or she retires under the statewide defined benefit plan or is awarded a disability benefit and chooses a single life annuity and who subsequently marries or remarries and wishes to choose a new pension option, allows the member to do so within a specified number of days of the date of marriage or remarriage or by a specified date, whichever is later.

Specifies that a disabled member must survive for a specified number of days after the change of pension option in order for the survivor benefit to be payable.

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

SECTION 1. 31-31-403 (5) (c) and (5) (d), Colorado Revised Statutes, are amended to read:

31-31-403. Normal retirement - statewide defined benefit plan. (5) (c) (I) After an election has been made of any of the options provided in paragraph (a) of this subsection (5) and the first pension payment has been deposited or otherwise negotiated by the member, or sixty days from date of issuance of the check have elapsed, whichever occurs first, the election shall be irrevocable. The member's beneficiary designation shall also be irrevocable at such time unless the member's marital status changes as the result of dissolution of marriage, ~~death of a beneficiary~~, marriage, remarriage, or in the event of the death of a beneficiary. In such case, the member may designate a new beneficiary; except that, in cases of dissolution of marriage, this provision shall only apply to any final dissolution of marriage decree of a member entered on or after July 1, 1990.

(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH (c), AN UNMARRIED MEMBER WHO RECEIVES A SINGLE LIFE ANNUITY AT THE TIME BENEFITS COMMENCE AND WHOSE MARITAL STATUS SUBSEQUENTLY CHANGES AS THE RESULT OF MARRIAGE OR REMARRIAGE MAY ELECT ONE OF THE OPTIONS PROVIDED IN PARAGRAPH (a) OF THIS SUBSECTION (5) WITHIN ONE HUNDRED EIGHTY DAYS OF THE DATE OF THE MARRIAGE OR REMARRIAGE OR JANUARY 1, 2008, WHICHEVER DATE IS LATER. IF, AFTER SUCH SELECTION OF A DIFFERENT PAYMENT OPTION, THE MEMBER SUBSEQUENTLY DIES WITHIN ONE HUNDRED EIGHTY DAYS FOLLOWING THE MARRIAGE OR REMARRIAGE, THE ONLY SURVIVOR

1 BENEFIT PAYABLE TO THE MEMBER'S DESIGNATED BENEFICIARY SHALL BE
2 THE DIFFERENCE BETWEEN THE SINGLE LIFE OPTION AMOUNT PAYABLE TO
3 THE MEMBER PRIOR TO MARRIAGE OR REMARRIAGE AND THE AMOUNT OF
4 THE REDUCED BENEFIT THAT WAS ACTUALLY PAID TO THE DECEASED
5 MEMBER AFTER THE MARRIAGE OR REMARRIAGE AND PRIOR TO THE
6 MEMBER'S DEATH.

7 (d) The joint pension benefits provided by this subsection (5)
8 shall be calculated as the actuarial equivalent of the normal or early
9 retirement pension otherwise payable as provided in subsections (1), (3),
10 and (4) of this section. In the event of a change in beneficiary designation
11 pursuant to paragraph (c) of this subsection (5), the joint pension benefits
12 payable shall be recalculated so as to be the actuarial equivalent of the
13 remainder of the original pension benefits based upon the member's initial
14 beneficiary designation, if any. IN THE EVENT OF A CHANGE IN OPTION
15 ELECTED PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (c) OF THIS
16 SUBSECTION (5), THE JOINT PENSION BENEFITS PAYABLE SHALL BE
17 RECALCULATED SO AS TO BE THE ACTUARIAL EQUIVALENT OF THE
18 REMAINDER OF THE ORIGINAL PENSION BENEFITS PAYABLE TO THE
19 MEMBER IMMEDIATELY PRIOR TO THE CHANGE IN OPTION.

20 **SECTION 2.** 31-31-803 (5) (b) (I), Colorado Revised Statutes,
21 is amended to read:

22 **31-31-803. Retirement for disability.** (5) (b) (I) If, after
23 making the election of a normal disability pension, ~~a single member~~
24 ~~subsequently marries, the~~ AN UNMARRIED member WHO RECEIVES A
25 SINGLE LIFE ANNUITY AT THE TIME BENEFITS COMMENCE AND WHOSE
26 MARITAL STATUS CHANGES AS THE RESULT OF MARRIAGE OR REMARRIAGE
27 shall be eligible to change the member's original election to take a
28 reduced pension in the same manner as the original election authorized
29 in paragraph (a) of this subsection (5) WITHIN ONE HUNDRED EIGHTY DAYS
30 OF THE DATE OF THE MARRIAGE OR REMARRIAGE OR JANUARY 1, 2008,
31 WHICHEVER DATE IS LATER. IF, AFTER SUCH SELECTION OF A DIFFERENT
32 PAYMENT OPTION, THE MEMBER SUBSEQUENTLY DIES WITHIN ONE
33 HUNDRED EIGHTY DAYS FOLLOWING THE MARRIAGE OR REMARRIAGE, THE
34 ONLY SURVIVOR BENEFIT PAYABLE TO THE MEMBER'S DESIGNATED
35 BENEFICIARY SHALL BE THE DIFFERENCE BETWEEN THE SINGLE LIFE
36 OPTION AMOUNT PAYABLE TO THE MEMBER PRIOR TO MARRIAGE OR
37 REMARRIAGE AND THE AMOUNT OF THE REDUCED BENEFIT THAT WAS

1 ACTUALLY PAID TO THE DECEASED MEMBER AFTER THE MARRIAGE OR
2 REMARRIAGE AND PRIOR TO THE MEMBER'S DEATH.

3 **SECTION 3. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill D

LLS NO. 07-0044.01 Ed DeCecco

HOUSE BILL

HOUSE SPONSORSHIP

McGihon, and Riesberg

SENATE SPONSORSHIP

Tochtrop, and Williams

House Committees

Senate Committees

A BILL FOR AN ACT

101 CONCERNING DISABILITY AND SURVIVOR BENEFITS FOR MEMBERS OF
102 THE FIRE AND POLICE PENSION ASSOCIATION.

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. Changes eligibility for a disability or survivor benefit to be based on whether a member is receiving a pension from a plan in the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

DRAFT

defined benefit system and whether the member has been enrolled in the statewide death and disability plan, irrespective of the type of retirement plan in which the member participated. Modifies the definition of "dependent child" to include any child under the age of 23, regardless of whether he or she is married or a student. Changes how the income offset is calculated for permanent occupational disabilities.

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

2 **SECTION 1.** 31-31-801 (1) and (2), Colorado Revised Statutes,
3 are amended, and the said 31-31-801 is further amended BY THE
4 ADDITION OF A NEW SUBSECTION, to read:

5 **31-31-801. Definitions.** As used in this part 8, unless the context
6 otherwise requires:

7 (1) ~~"Assigned duties" means those specific tasks or jobs~~
8 ~~designated by the employer for a particular position within a job~~
9 ~~classification. The term does not include the duties of a member's rank~~
10 ~~or grade that the member is not actually required to regularly perform in~~
11 ~~the position which the member occupies.~~ "ACCUMULATED
12 PARTICIPATION" MEANS THE TOTAL NUMBER OF YEARS IN WHICH A
13 MEMBER HAS BEEN ENROLLED IN THE STATEWIDE DEATH AND DISABILITY
14 PLAN ESTABLISHED IN THIS PART 8 UNDER ALL EMPLOYERS AND
15 NOTWITHSTANDING THE TYPE OF RETIREMENT PLAN IN WHICH THE
16 MEMBER PARTICIPATED.

17 (1.5) "ASSIGNED DUTIES" MEANS THOSE SPECIFIC TASKS OR JOBS
18 DESIGNATED BY THE EMPLOYER FOR A PARTICULAR POSITION WITHIN A JOB
19 CLASSIFICATION. THE TERM DOES NOT INCLUDE THE DUTIES OF A
20 MEMBER'S RANK OR GRADE THAT THE MEMBER IS NOT ACTUALLY
21 REQUIRED TO REGULARLY PERFORM IN THE POSITION THAT THE MEMBER
22 OCCUPIES.

23 (2) "Dependent child" means ~~an unmarried~~ A child under the age

1 of nineteen or, if such child is enrolled as a full-time student at a
2 secondary school or an accredited institution of higher education, under
3 the age of twenty-three and includes, if the board so determines, any
4 child, regardless of age or marital status, who is so mentally or physically
5 incapacitated that the child cannot provide for the child's own care. The
6 term also includes a child who is conceived but unborn at the date of the
7 member's death or the date of disability, whichever applies. Any
8 applicable increase in benefits will occur upon birth.

9 **SECTION 2.** 31-31-803 (1) (a) (I), (2) (a), (2.1) (a), and (2.2)
10 (a), Colorado Revised Statutes, are amended to read:

11 **31-31-803. Retirement for disability.** (1) (a) (I) Any member
12 hired before, on, or after April 7, 1978, who becomes totally disabled, as
13 defined in section 31-31-801 (4), shall be retired from active service for
14 disability and shall be eligible to receive the disability benefit provided
15 by this subsection (1) or section 31-31-806.5 if the member:

16 (A) Is not eligible for the normal retirement pension described in
17 ~~section 31-31-403~~ FROM A PLAN THAT IS PART OF THE DEFINED BENEFIT
18 SYSTEM PURSUANT TO SECTION 31-31-204 or a local defined benefit
19 retirement pension selected pursuant to section 31-31-704 (3) or provided
20 pursuant to article 30.5 of this title; or

21 (B) ~~Has not reached age fifty-five with twenty-five years of~~
22 ~~accumulated service as a member and is a participant under the statewide~~
23 ~~money purchase plan pursuant to part 5 of this article or under a local~~
24 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
25 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION.

26 (2) (a) A member who becomes occupationally disabled, as
27 defined in section 31-31-801 (3), and is awarded a disability retirement
28 prior to October 1, 2002, shall be retired from active service for such time

1 as the occupational disability continues and shall be eligible to receive the
2 disability benefit provided by this subsection (2) or section 31-31-806.5
3 if the member:

4 (I) Is not eligible for the normal retirement pension ~~described in~~
5 ~~section 31-31-403~~ FROM A PLAN THAT IS PART OF THE DEFINED BENEFIT
6 SYSTEM PURSUANT TO SECTION 31-31-204 or a local defined benefit
7 retirement pension selected pursuant to section 31-31-704 (3) or provided
8 pursuant to article 30.5 of this title; or

9 (II) ~~Has not reached age fifty-five with twenty-five years of~~
10 ~~accumulated service as a member and is a participant under the statewide~~
11 ~~money purchase plan pursuant to part 5 of this article or under a local~~
12 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
13 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION.

14 (2.1) (a) A member who becomes permanently occupationally
15 disabled, as defined in section 31-31-801 (3.2), shall be retired from
16 active service for such time as the permanent occupational disability
17 continues and shall be eligible to receive the disability benefit provided
18 by this subsection (2.1) or section 31-31-806.5 if the member:

19 (I) Is not eligible for the normal retirement pension ~~described in~~
20 ~~section 31-31-403~~ FROM A PLAN THAT IS PART OF THE DEFINED BENEFIT
21 SYSTEM PURSUANT TO SECTION 31-31-204 or a local defined benefit
22 retirement pension selected pursuant to section 31-31-704 (3) or provided
23 pursuant to article 30.5 of this title; or

24 (II) ~~Has not reached age fifty-five with twenty-five years of~~
25 ~~accumulated service as a member and is a participant under the statewide~~
26 ~~money purchase plan pursuant to part 5 of this article or under a local~~
27 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
28 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION.

1 (2.2) (a) A member who becomes temporarily occupationally
2 disabled, as defined in section 31-31-801 (3.4), shall be retired from
3 active service for such time as the temporary occupational disability
4 continues for a period up to five years from the date of original
5 disablement and shall be eligible to receive the disability benefit provided
6 by this subsection (2.2) or section 31-31-806.5 if the member:

7 (I) Is not eligible for the normal retirement pension ~~described in~~
8 ~~section 31-31-403~~ FROM A PLAN THAT IS PART OF THE DEFINED BENEFIT
9 SYSTEM PURSUANT TO SECTION 31-31-204 or a local defined benefit
10 retirement pension selected pursuant to section 31-31-704 (3) or provided
11 pursuant to article 30.5 of this title; or

12 (II) ~~Has not reached age fifty-five with twenty-five years of~~
13 ~~accumulated service as a member and is a participant under the statewide~~
14 ~~money purchase plan pursuant to part 5 of this article or under a local~~
15 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
16 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION.

17 **SECTION 3.** 31-31-804 (1) (a), Colorado Revised Statutes, is
18 amended to read:

19 **31-31-804. Reduction of disability benefits - definitions.**

20 (1) (a) If a member has any earned income other than that provided by an
21 occupational disability benefit award under section 31-31-803 or
22 31-31-806.5 and, if applicable, a workers' compensation award that
23 provides a total income greater than an amount equal to ~~one hundred~~
24 ~~percent of the base salary provided to an active member of the same rank~~
25 ~~at which the member retired~~ THE MEMBER'S INDEXED BASE SALARY, an
26 occupational disability benefit shall be reduced by twenty-five percent of
27 the additional earned income. The reduction shall be made for income
28 earned up to and including the calendar year in which the member attains

1 age fifty-five. In calculating total income for purposes of this paragraph
2 (a), the amount includable with respect to money purchase plan benefits
3 that a member is eligible to receive shall be the same amount as
4 calculated pursuant to subsection (2) of this section. A MEMBER'S
5 INDEXED SALARY FOR THE FIRST YEAR SHALL EQUAL THE MEMBER'S BASE
6 SALARY AT THE DATE OF DISABILITY MULTIPLIED BY THE CONSUMER PRICE
7 INDEX FRACTION. FOR EACH SUBSEQUENT YEAR, A MEMBER'S INDEXED
8 SALARY SHALL EQUAL THE INDEXED SALARY FOR THE PREVIOUS YEAR
9 MULTIPLIED BY THE CONSUMER PRICE INDEX FRACTION. THE CONSUMER
10 PRICE INDEX FRACTION SHALL BE AS FOLLOWS: THE NUMERATOR SHALL
11 BE THE AVERAGE OF THE CONSUMER PRICE INDEX FOR THE TWELVE
12 MONTHS IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE EFFECTIVE
13 DATE OF THE INDEXED BASE SALARY, AND THE DENOMINATOR SHALL BE
14 THE AVERAGE OF THE CONSUMER PRICE INDEX FOR THE TWELVE MONTHS
15 IN THE CALENDAR YEAR PRIOR TO THE TWELVE MONTHS USED IN THE
16 NUMERATOR. FOR MEMBERS RECEIVING BENEFITS SUBJECT TO
17 REDUCTIONS UNDER THIS SECTION PRIOR TO JANUARY 1, 2008, THE LAST
18 PREVIOUS SALARY BASED ON RANK USED TO MAKE THE CALCULATION
19 UNDER THIS PARAGRAPH (a) SHALL BE USED IN THE FIRST YEAR AS THE
20 MEMBER'S BASE SALARY. IN NO EVENT SHALL THE INDEXED BASE SALARY
21 BE REDUCED BELOW THE PREVIOUS YEAR'S INDEXED BASE SALARY. AS
22 USED IN THIS PARAGRAPH (a), "CONSUMER PRICE INDEX" MEANS THE
23 NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND
24 CLERICAL WORKERS PREPARED BY THE UNITED STATES DEPARTMENT OF
25 LABOR.

26 **SECTION 4.** 31-31-807 (1) (a) (II), Colorado Revised Statutes,
27 is amended to read:

28 **31-31-807. Death of member - survivor benefits.** (1) (a) If a

1 member dies while in active service or while on temporary occupational
2 disability under section 31-31-803 (2.2) and leaves a surviving spouse or
3 dependent children, or both, one of the survivor benefits described in
4 paragraph (b) of this subsection (1) shall be paid if the member:

5 (II) (A) Is not eligible for the normal retirement pension
6 ~~described in section 31-31-403~~ FROM A PLAN THAT IS PART OF THE
7 DEFINED BENEFIT SYSTEM PURSUANT TO SECTION 31-31-204 or a local
8 defined benefit retirement pension selected pursuant to ~~section 31-31-704~~
9 SECTION 31-31-704 (3); or

10 (B) ~~Has not reached age fifty-five with twenty-five years of~~
11 ~~accumulated service as a member and is a participant under the statewide~~
12 ~~money purchase plan pursuant to part 5 of this article or under a local~~
13 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
14 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION IN THE
15 STATEWIDE DEATH AND DISABILITY PLAN.

16 **SECTION 5.** 31-31-807.5 (1) (a) (II), (1.5) (a) (II), and (1.5) (a)
17 (III), Colorado Revised Statutes, are amended to read:

18 **31-31-807.5. Death of member - line-of-duty - survivor**
19 **benefits.** (1) (a) If a member dies while in active service as the direct
20 and proximate result of a personal injury sustained while performing
21 official duties or as a result of an occupational disease arising out of and
22 in the course of the member's employment, and if such member qualifies
23 for line-of-duty status under section 101 (h) of the federal "Internal
24 Revenue Code of 1986", as amended, and leaves a surviving spouse or
25 dependent children, or both, one of the survivor benefits described in
26 either paragraph (b) or (c) of this subsection (1) shall be paid if the
27 member:

28 (II) (A) Is not eligible for the normal retirement pension

1 ~~described in section 31-31-403~~ FROM A PLAN THAT IS PART OF THE
2 DEFINED BENEFIT SYSTEM PURSUANT TO SECTION 31-31-204 or a local
3 defined benefit retirement pension selected pursuant to ~~section 31-31-704~~
4 SECTION 31-31-704 (3); or

5 (B) ~~Has not reached age fifty-five with twenty-five years of~~
6 ~~accumulated service as a member and is a participant under the statewide~~
7 ~~money purchase plan pursuant to part 5 of this article or under a local~~
8 ~~money purchase plan~~ IS NOT AGE FIFTY-FIVE OR GREATER WITH
9 TWENTY-FIVE YEARS OR MORE OF ACCUMULATED PARTICIPATION.

10 (1.5) (a) On or after October 1, 2001, if a member dies while in
11 active service as the direct and proximate result of a personal injury
12 sustained while performing official duties or as a result of an occupational
13 disease arising out of and in the course of the member's employment, and
14 if such member qualifies for line-of-duty status under section 101 (h) of
15 the federal "Internal Revenue Code of 1986", as amended, and leaves a
16 surviving spouse or dependent children, or both, one of the survivor
17 benefits described in paragraph (b) of this subsection (1.5) shall be paid
18 if the member:

19 (II) Is eligible for the normal retirement pension ~~described in~~
20 ~~section 31-31-403~~ FROM A PLAN THAT IS PART OF THE DEFINED BENEFIT
21 SYSTEM PURSUANT TO SECTION 31-31-204 or a local defined benefit
22 retirement pension selected pursuant to section 31-31-704 (3); or

23 (III) Has reached age fifty-five with twenty-five years of
24 accumulated ~~service as a member and is a participant under the statewide~~
25 ~~money purchase plan pursuant to part 5 of this article or under a local~~
26 ~~money purchase plan~~ PARTICIPATION.

27 SECTION 6. 31-31-809, Colorado Revised Statutes, is amended
28 to read:

1 **31-31-809. Termination of benefits.** Except as otherwise
2 provided in section 31-31-807 (2), any benefit provided in accordance
3 with this part 8 to a surviving spouse or dependent child shall terminate
4 upon the death or remarriage of the surviving spouse and upon the death
5 of any dependent child ~~the marriage of a dependent child who is not so~~
6 ~~mentally or physically incapacitated that the child cannot provide for the~~
7 ~~child's own care,~~ or the termination of dependency of any dependent
8 child.

9 **SECTION 7. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill E

LLS NO. 07-0045.01 Ed DeCecco

SENATE BILL

SENATE SPONSORSHIP

Taylor, Tochtrop, and Williams

HOUSE SPONSORSHIP

Witwer, Berens, Liston, and Riesberg

Senate Committees

House Committees

A BILL FOR AN ACT

101 CONCERNING THE QUALIFICATION AS A VOLUNTEER FIREFIGHTER FOR
102 PURPOSES OF A VOLUNTEER FIREFIGHTER PENSION PLAN.

Bill Summary

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

DRAFT

Police Officers' and Firefighters' Pension Reform Commission. In the case of a municipality or district volunteer firefighter pension plan, modifies the existing definition of a "volunteer firefighter". Identifies additional types of benefits and payments that are excluded from the definition of "compensation".

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

2 **SECTION 1.** 31-30-1102 (9), Colorado Revised Statutes, is
3 amended to read:

4 **31-30-1102. Definitions.** As used in this part 11, unless the
5 context otherwise requires:

6 (9) (a) "Volunteer firefighter" means a firefighter who renders
7 service to a fire department in a municipality or district, ~~and~~ who does not
8 receive compensation ~~under a contract of employment~~ as a firefighter,
9 AND WHO IS NOT CLASSIFIED AS AN EMPLOYEE FOR PURPOSES OF THE
10 FEDERAL "FAIR LABOR STANDARDS ACT OF 1938", AS AMENDED, BASED
11 ON PAYMENTS, FEES, OR BENEFITS THAT THE FIREFIGHTER RECEIVES.
12 "Volunteer firefighter" may include other designations or titles given to
13 firefighters provided that the firefighter meets all of the requirements for
14 being a volunteer firefighter in this part 11.

15 (b) For the purposes of this subsection (9), "compensation" does
16 not include:

17 (I) Actual expenses incurred by and reimbursed to a volunteer
18 firefighter; ~~or~~

19 (II) Salary lost as a consequence of actual firefighting duties
20 causing the absence of the volunteer firefighter from normal employment;

21 (III) PARTICIPATION IN OR RECEIPT OF BENEFITS FROM THE FUND;

22 (IV) PARTICIPATION IN OR RECEIPT OF BENEFITS UPON
23 TERMINATION OF VOLUNTEER SERVICES TO ANY DISTRICT OR
24 MUNICIPALITY PROVIDED AS PART OF AN INTERNAL REVENUE CODE
25 QUALIFIED VOLUNTEER SERVICE AWARD PLAN ESTABLISHED FOR THE
26 BENEFIT OF VOLUNTEER FIREFIGHTERS;

27 (V) PAYMENTS FROM FEDERAL MONEYS, EITHER THROUGH THE
28 DISTRICT OR MUNICIPALITY OR TO THE VOLUNTEER FIREFIGHTER
29 DIRECTLY, FOR PARTICIPATION IN A TEMPORARY EMERGENCY INCIDENT;

30 (VI) NOMINAL FEES OR BENEFITS PAID ON A PER-CALL BASIS OR
31 AS PART OF AN ANNUAL MERIT OR RECOGNITION AWARD PROGRAM.

1 **SECTION 2. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

Bill F

LLS NO. 07-0046.01 Esther van Mourik

HOUSE BILL

HOUSE SPONSORSHIP

Witwer, Berens, Liston, McGihon, and Riesberg

SENATE SPONSORSHIP

Tochtrop, Taylor, and Williams

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING LENGTH OF SERVICE AWARDS FOR BONA FIDE**
102 **VOLUNTEERS WHO PROVIDE QUALIFIED EMERGENCY SERVICES.**

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. Specifies that a governing body of an emergency service provider may adopt and administer a volunteer service award plan for

Shading denotes HOUSE amendment; Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

DRAFT

- 1 (a) FIRE FIGHTING AND PREVENTION SERVICES;
2 (b) EMERGENCY MEDICAL SERVICES; OR
3 (c) AMBULANCE SERVICES THROUGH THE USE OF VOLUNTEERS.

4 (3) "QUALIFIED SERVICES" MEANS FIRE FIGHTING AND
5 PREVENTION SERVICES, EMERGENCY MEDICAL SERVICES, AND AMBULANCE
6 SERVICES.

7 (4) "VOLUNTEER SERVICE AWARD" MEANS A BENEFIT BASED ON
8 LENGTH OF SERVICE THAT A VOLUNTEER MAY LEGALLY ACCRUE PURSUANT
9 TO CURRENT RULINGS OF THE INTERNAL REVENUE SERVICE AND THAT,
10 WHILE INVESTED UNDER A VOLUNTEER SERVICE AWARD PLAN ADOPTED
11 PURSUANT TO THIS PART 12, IS EXEMPT FROM FEDERAL INCOME TAXES ON
12 BOTH THE EMERGENCY SERVICE PROVIDER'S CONTRIBUTION AND ALL
13 INTEREST, DIVIDENDS, AND CAPITAL GAINS UNTIL THE ULTIMATE
14 DISTRIBUTION TO THE VOLUNTEER.

15 **31-30-1203. Volunteer service award plan.** (1) THE
16 GOVERNING BODY OF ANY EMERGENCY SERVICE PROVIDER MAY ADOPT
17 AND AMEND OR PROVIDE FOR THE ADMINISTRATION AND AMENDMENT OF
18 A VOLUNTEER SERVICE AWARD PLAN FOR BONA FIDE VOLUNTEERS.

19 (2) IF THE GOVERNING BODY OF THE EMERGENCY SERVICE
20 PROVIDER CHOOSES TO ADOPT AND AMEND OR PROVIDE FOR THE
21 ADMINISTRATION AND AMENDMENT OF A VOLUNTEER SERVICE AWARD
22 PLAN, THE BODY SHALL ADOPT A PLAN DOCUMENT PROVIDING FOR THE
23 ADMINISTRATION OF THE VOLUNTEER SERVICE AWARD THAT IS INTENDED
24 TO COMPLY WITH THE PROVISIONS OF SECTION 457 (e) (11) OF THE
25 FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED. THE
26 EMERGENCY SERVICE PROVIDER SHALL BE RESPONSIBLE FOR ENSURING
27 THAT SUCH PLAN DOCUMENT IS IN COMPLIANCE WITH APPLICABLE LAW.
28 PARTICIPATION BY VOLUNTEERS SHALL BE SUBJECT TO THE

1 REQUIREMENTS AND LIMITATIONS OF SAID SECTION 457 (e) (11) AND THE
2 APPLICABLE REGULATIONS PROMULGATED UNDER SAID SECTION 457.

3 (3) THE GOVERNING BODY OF THE EMERGENCY SERVICE
4 PROVIDER THAT ADOPTS A VOLUNTEER SERVICE AWARD PROGRAM SHALL
5 INVEST PUBLIC MONEYS HELD TO PAY SUCH AWARDS AS MAY BE ALLOWED
6 PURSUANT TO PARTS 6 AND 7 OF ARTICLE 75 OF TITLE 24, C.R.S.

7 (4) THE EXISTENCE OR ENACTMENT OF ANY QUALIFIED LENGTH
8 OF SERVICE PLAN TO RECOGNIZE VOLUNTEER SERVICE THAT IS IN EFFECT
9 PRIOR TO THE EFFECTIVE DATE OF THIS SECTION IS HEREBY AUTHORIZED.

10 **SECTION 2. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.