

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 12-0065.01 Esther van Mourik

HOUSE BILL 12-1031

HOUSE SPONSORSHIP

Peniston, Labuda, Duran, Ramirez, Schafer S.

SENATE SPONSORSHIP

Tochtrop, King S., Morse

House Committees
Finance

Senate Committees
Finance

A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF THE BOARD OF THE FIRE AND POLICE
102 PENSION ASSOCIATION TO MAKE AMENDMENTS TO PLANS FOR
103 THE ADMINISTRATION OF BENEFITS.

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.

The board of the fire and police pension association is authorized to make amendments to plans for the administration of benefits, so long as the amendments do not result in an actuarial cost to the plans and the board deems the amendments prudent and necessary in order to consistently and uniformly manage the plans under the board's administration.

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.

SENATE
Am ended 2nd Reading
March 8, 2012

HOUSE
3rd Reading Unam ended
February 9, 2012

HOUSE
2nd Reading Unam ended
February 8, 2012

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-31-204, **add** (2.5) as
3 follows:

4 **31-31-204. Defined benefit system.** (2.5) NOTWITHSTANDING
5 SECTION 31-31-408 OR 31-31-1102 (5) OR THE TERMS OF AN AGREEMENT
6 ENTERED INTO PURSUANT TO SECTION 31-31-706 (2), THE BOARD MAY
7 MODIFY OR AMEND THE PLAN PROVISIONS CONTAINED IN PART 4 OF THIS
8 ARTICLE OR A PLAN DOCUMENT OR RULES OF A PLAN WITHIN THE DEFINED
9 BENEFIT SYSTEM AS THE BOARD DEEMS PRUDENT AND NECESSARY TO
10 ADMINISTER BENEFITS UNDER THE PLAN CONSISTENTLY AND UNIFORMLY
11 ACROSS THE DEFINED BENEFIT SYSTEM IN A MANNER THAT DOES NOT
12 RESULT IN AN ACTUARIAL COST TO THE PLAN. SUCH MODIFICATIONS OR
13 AMENDMENTS MAY INCLUDE CHANGES TO THE OPTIONS FOR THE
14 DISTRIBUTION OF BENEFITS. THIS SUBSECTION (2.5) SHALL NOT BE
15 CONSTRUED TO AUTHORIZE MODIFICATION TO THE AMOUNT OF A NORMAL
16 BENEFIT.

17 **SECTION 2.** In Colorado Revised Statutes, 31-31-408, **amend**
18 (1) introductory portion as follows:

19 **31-31-408. Modification of state plan by the board.**

20 (1) Notwithstanding any other provision of this part 4, AND IN ADDITION
21 TO THE AUTHORITY GRANTED IN PART 2 OF THIS ARTICLE, the board may
22 modify the pension benefits and the age and service requirements for
23 pension benefits set forth in this part 4 with respect to the members of the
24 statewide defined benefit plan if:

25 **SECTION 3.** In Colorado Revised Statutes, 31-31-502, **amend**
26 (5) as follows:

1 **31-31-502. Statewide money purchase plan - creation -**
2 **management.** (5) ~~Except with respect to amendments necessary to~~
3 ~~comply with the state and federal law,~~ The board may amend THE
4 PENSION BENEFITS PROVIDED UNDER the statewide money purchase plan
5 document created pursuant to subsection (1) of this section only upon the
6 approval of at least sixty-five percent of the active members of the plan
7 and more than fifty percent of the employers having active members
8 covered by the plan, each employer to be assigned one vote; except that
9 employers having both active police and fire members in the plan shall be
10 assigned two votes; AND EXCEPT THAT THE BOARD MAY AMEND THE PLAN
11 DOCUMENT, WITHOUT FURTHER APPROVAL, AS IT DEEMS PRUDENT AND
12 NECESSARY TO COMPLY WITH STATE AND FEDERAL LAW OR AS IT DEEMS
13 NECESSARY TO EFFICIENTLY ADMINISTER BENEFITS UNDER THE PLAN.

14 **SECTION 4.** In Colorado Revised Statutes, **add** 31-31-815 as
15 follows:

16 **31-31-815. Amendment of plan provisions.** THE BOARD MAY
17 AMEND THE PROVISIONS FOR DISABILITY AND SURVIVOR BENEFITS UNDER
18 THIS PART 8 AS IT DEEMS PRUDENT AND NECESSARY TO COMPLY WITH
19 STATE AND FEDERAL LAW OR AS IT DEEMS NECESSARY TO EFFICIENTLY
20 ADMINISTER THE BENEFITS UNDER THE PLAN.

21 **SECTION 5.** In Colorado Revised Statutes, 31-31-1102, **amend**
22 (5) as follows:

23 **31-31-1102. Statewide hybrid plan - creation - management.**
24 (5) Except with respect to amendments necessary to comply with state
25 and federal law, INCLUDING AMENDMENTS ADOPTED PURSUANT TO
26 SECTION 31-31-204 (2.5), or AMENDMENTS necessary to maintain the
27 actuarial soundness of the statewide hybrid plan, the board may amend

1 the plan document created pursuant to subsection (1) of this section only
2 upon the approval of at least sixty-five percent of the active members of
3 the plan and more than fifty percent of the employers having active
4 members covered by the plan, each employer to be assigned one vote;
5 except that employers having both active police and fire members in the
6 plan shall be assigned two votes.

7 **SECTION 6. Act subject to petition - effective date.** This act
8 takes effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly (August
10 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
11 referendum petition is filed pursuant to section 1 (3) of article V of the
12 state constitution against this act or an item, section, or part of this act
13 within such period, then the act, item, section, or part will not take effect
14 unless approved by the people at the general election to be held in
15 November 2012 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.