Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

BILL A

LLS NO. 12-0065.01 Esther van Mourik x4215 **HOUSE BILL**

HOUSE SPONSORSHIP

Peniston, Labuda, Duran, Ramirez, Schafer S.

SENATE SPONSORSHIP

Tochtrop, King S., Morse

House Committees **Senate Committees**

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

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.

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

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

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

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

31-31-408. Modification of state plan by the board. (1) Notwithstanding any other provision of this part 4, AND IN ADDITION TO THE AUTHORITY GRANTED IN PART 2 OF THIS ARTICLE, the board may modify the pension benefits and the age and service requirements for pension benefits set forth in this part 4 with respect to the members of the statewide defined benefit plan if:

SECTION 3. In Colorado Revised Statutes, 31-31-502, **amend**

(5) as follows:

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

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

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

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

31-31-1102. Statewide hybrid plan - creation - management. (5) Except with respect to amendments necessary to comply with state and federal law, INCLUDING AMENDMENTS ADOPTED PURSUANT TO SECTION 31-31-204 (2.5), or AMENDMENTS necessary to maintain the

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

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