

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
10.2.15

BILL 3

LLS NO. 16-0331.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Police Officers' and Firefighters' Pension Reform Commission

A BILL FOR AN ACT

101 **CONCERNING BENEFIT OPTION PAYMENTS FOR VARIOUS PENSION**
102 **PLANS ADMINISTERED BY THE FIRE AND POLICE PENSION**
103 **ASSOCIATION.**

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.

A member of the statewide defined benefit plan administered by the fire and police pension association (FPPA) who is single at the time of retirement and who does not elect a pension option with a payment to a

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.

beneficiary may, upon marriage, select a pension option with a beneficiary and designate a beneficiary. Current law does not limit the designation of the beneficiary upon marriage to the new spouse. The bill specifies that when a member designates a beneficiary upon marriage, the designated beneficiary must be the new spouse.

Under the statewide death and disability plan administered by the FPPA, the disability benefit option that a disabled member elects is irrevocable. The bill clarifies that when a member elects an option 3 benefit, which allows the member's spouse and dependent children to be paid a benefit upon the death of the member, the beneficiary designation is irrevocable even in the case of a dissolution of marriage, death of a beneficiary, marriage, or remarriage.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-31-403, **amend**
3 (5) (c) (II) as follows:

4 **31-31-403. Normal retirement - statewide defined benefit plan.**

5 (5) (c) (II) Notwithstanding subparagraph (I) of this paragraph (c), an
6 unmarried member who receives a single life annuity at the time benefits
7 commence and whose marital status subsequently changes as the result
8 of marriage or remarriage may elect one of the options provided in
9 paragraph (a) of this subsection (5) BY DESIGNATING THE MEMBER'S NEW
10 SPOUSE AS THE DESIGNATED BENEFICIARY within one hundred eighty days
11 of the date of the marriage or remarriage or January 1, 2008, whichever
12 date is later. If, after such selection of a different payment option, the
13 member subsequently dies within one hundred eighty days following the
14 marriage or remarriage, the only survivor benefit payable to the member's
15 designated beneficiary shall be the difference between the single life
16 option amount payable to the member prior to marriage or remarriage and
17 the amount of the reduced benefit that was actually paid to the deceased
18 member after the marriage or remarriage and prior to the member's death.

19 **SECTION 2.** In Colorado Revised Statutes, 31-31-803, **amend**

1 (9) as follows:

2 **31-31-803. Retirement for disability.** (9) After an election has
3 been made of any of the options provided in paragraph (b) of subsection
4 (1) or paragraph (a) of subsection (8) of this section, the election shall be
5 irrevocable when the first disability benefit payment has been deposited
6 or otherwise negotiated by the member or sixty days after the date of
7 issuance of the check, whichever occurs first. The member's beneficiary
8 designation shall also be irrevocable at such time unless the member's
9 marital status changes as a result of dissolution of marriage, death of a
10 beneficiary, marriage, or remarriage or in the event of the death of a
11 beneficiary. In such case, the member may designate a new beneficiary;
12 except that:

13 (a) In cases of dissolution of marriage, this subsection (9) shall
14 only apply to any final dissolution of marriage decree of a member
15 entered on or after July 1, 1990; AND

16 (b) IF A MEMBER ELECTS TO RECEIVE AN OPTION 3 BENEFIT
17 PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (b) OF SUBSECTION (1)
18 OF THIS SECTION OR SUBPARAGRAPH (III) OF PARAGRAPH (a) OF
19 SUBSECTION (8) OF THIS SECTION, THE BENEFICIARY DESIGNATION IS
20 IRREVOCABLE EVEN IN THE CASE OF A DISSOLUTION OF MARRIAGE, DEATH
21 OF A BENEFICIARY, MARRIAGE, OR REMARRIAGE.

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly
25 (August 10, 2016, if adjournment sine die is on May 11, 2016); except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take
2 effect unless approved by the people at the general election to be held in
3 November 2016 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.