

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0146.01 Nicole Myers x4326

SENATE BILL 17-020

SENATE SPONSORSHIP

Cooke,

HOUSE SPONSORSHIP

Melton and Ginal,

Senate Committees

Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING THE ESTABLISHMENT OF A UNIFORM APPROVAL
102 STANDARD FOR FIRE AND POLICE PENSION ASSOCIATION
103 STATEWIDE PLAN ELECTIONS.

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://leg.colorado.gov/>.)

Police Officers' and Firefighters' Pension Reform Commission.

Current law specifies that an employer in a statewide pension plan administered by the fire and police pension association may modify its status in the plan through a vote of the members of the plan. In some cases, a modification must be approved by 65% of the members employed

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.

by the employer, and in other cases, a modification must be approved by 65% of the members employed by the employers who vote in the election for the modification. The bill creates a uniform approval standard by requiring that any modifications be approved by 65% of the members employed by the employer who vote in the election for the plan modification.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-31-501, **amend**
3 (2)(c) as follows:

4 **31-31-501. Withdrawal into statewide money purchase plan.**

5 (2) (c) Any withdrawal shall be approved by at least sixty-five percent of
6 all active members employed by the employer who are participating in the
7 statewide defined benefit plan at the time of the election AND WHO VOTE
8 IN THE ELECTION PROPOSING THE WITHDRAWAL.

9 **SECTION 2.** In Colorado Revised Statutes, 31-31-502, **amend**
10 (4)(b)(I) introductory portion, (4)(b)(I)(B), (5), and (6)(c) as follows:

11 **31-31-502. Statewide money purchase plan - creation -**
12 **management.** (4) (b) (I) Upon the request of an employer, the board
13 shall permit a higher mandatory employer contribution rate, mandatory
14 employee contribution rate, or both, than is set forth in ~~paragraph (a) of~~
15 ~~this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION if the board
16 determines that:

17 (B) An employee election was conducted and the higher
18 mandatory contribution rate or rates was approved by sixty-five percent
19 of the employer's active members of the plan WHO VOTE IN THE ELECTION
20 PROPOSING THE HIGHER RATE.

21 (5) The board may amend the pension benefits provided under the
22 statewide money purchase plan document created pursuant to subsection

1 (1) of this section only upon the approval of at least sixty-five percent of
2 the active members of the plan WHO VOTE IN THE ELECTION PROPOSING
3 THE PLAN AMENDMENT and more than fifty percent of the employers
4 ~~having~~ WHO VOTE IN THE ELECTION PROPOSING THE PLAN AMENDMENT
5 AND WHO HAVE active members covered by the plan, each employer to be
6 assigned one vote; except that employers having both active police and
7 fire members in the plan shall be assigned two votes; and except that the
8 board may amend the plan document, without further approval, as it
9 deems prudent and necessary to comply with state and federal law or as
10 it deems necessary to efficiently administer benefits under the plan.

11 (6) (c) Any application for coverage under the statewide money
12 purchase plan shall be approved by at least sixty-five percent of all active
13 members employed by the employer who are participating in the local
14 money purchase plan at the time of the application AND WHO VOTE IN THE
15 ELECTION PROPOSING THE COVERAGE UNDER THE STATEWIDE MONEY
16 PURCHASE PLAN.

17 **SECTION 3.** In Colorado Revised Statutes, 31-31-601, **amend**
18 (1)(c) as follows:

19 **31-31-601. Withdrawn local alternative pension plan -**
20 **creation - administration.** (1) (c) Any reentry of both the withdrawal
21 and the alternative pension plan, together with any amendments thereto,
22 shall be approved by at least sixty-five percent of all active members WHO
23 VOTE IN THE ELECTION PROPOSING THE REENTRY, WITHDRAWAL, OR
24 AMENDMENT. No amendment of an alternative pension plan may be
25 adopted that would adversely affect the pension benefits of retired
26 members. Notwithstanding any other provision of this subsection (1),
27 however, an alternative pension plan, with the approval of the employer

1 and sixty-five percent of the active members of the plan WHO VOTE IN THE
2 ELECTION PROPOSING THE AMENDMENT, may be amended so as to change
3 the nature of the plan from a defined benefit plan to a money purchase
4 plan or from a money purchase plan to a defined benefit plan.

5 **SECTION 4.** In Colorado Revised Statutes, 31-31-704.5, **amend**
6 (3) as follows:

7 **31-31-704.5. Entry into the social security supplemental plan.**

8 (3) Any application for coverage under the social security supplemental
9 plan shall be approved by at least sixty-five percent of all active members
10 employed by the employer at the time of the application WHO VOTE IN THE
11 ELECTION PROPOSING THE COVERAGE.

12 **SECTION 5.** In Colorado Revised Statutes, 31-31-802, **amend**
13 (1)(c) as follows:

14 **31-31-802. Coverage.** (1) Except as provided in section
15 31-31-803, any member hired before, on, or after April 7, 1978, is eligible
16 for the benefits provided by this part 8, with the exception of the
17 following:

18 (c) Members whose employer had established a money purchase
19 plan on or before December 1, 1978, in accordance with the provisions
20 of part 8 of article 30.5 of this ~~title~~ TITLE 31; except that members of a
21 police or fire department of any such employer may elect, with the
22 approval of sixty-five percent of all active members employed by the
23 department WHO VOTE IN THE ELECTION PROPOSING THE COVERAGE and
24 with the consent of the members' employer, to be covered by the
25 provisions of this part 8, but any member hired on or after the date
26 determined by the board to be the effective date of affiliation for coverage
27 under this part 8 shall be covered under said part and shall have no right

1 of election. Upon election of such coverage, members shall complete a
2 statewide standard health history form pursuant to section 31-31-810
3 (1)(c) and, for purposes of this part 8, shall be considered as if first
4 employed as of the date the election is effective. The board shall establish
5 procedures for obtaining the required member and employer approval for
6 coverage under this part 8. Once a member has elected the coverage of
7 this part 8, the member's election shall be irrevocable. No employer that
8 elects coverage on or after July 1, 1996, under this part 8 pursuant to this
9 ~~paragraph (c)~~ SUBSECTION (1)(c) shall be permitted to withdraw from
10 such coverage pursuant to subsection (2) of this section.

11 **SECTION 6.** In Colorado Revised Statutes, 31-31-1101, **amend**
12 (3) and (3.5)(a) as follows:

13 **31-31-1101. Entry into the statewide hybrid plan - rules.**
14 (3) Except as otherwise provided in subsection (3.5) of this section, any
15 application for coverage under the statewide hybrid plan shall be
16 approved by at least sixty-five percent of all active members employed by
17 the employer who are participating in the money purchase plan at the time
18 of the application AND WHO VOTE IN THE ELECTION PROPOSING THE
19 COVERAGE.

20 (3.5) (a) In lieu of an election to obtain the approval by at least
21 sixty-five percent of all active members WHO VOTE IN THE ELECTION
22 PROPOSING THE COVERAGE as required by subsection (3) of this section,
23 and when the local plan allows for the individual self-direction of each
24 member's account, the employer may offer each active local plan member
25 the option to discontinue participation in the local money purchase plan
26 and to participate in the statewide hybrid plan. The offer shall be a
27 one-time event and shall be extended to all active local plan members

1 employed by the employer at the time of the offer. Active local plan
2 members that choose to discontinue participation in the local money
3 purchase plan and to participate in the statewide hybrid plan and all of the
4 employees hired on or after the effective date of coverage under the
5 statewide hybrid plan that meet the definition of a member, as defined in
6 section 31-31-102 (4), shall be included in the employer's application for
7 coverage under the statewide hybrid plan.

8 **SECTION 7.** In Colorado Revised Statutes, 31-31-1102, **amend**
9 (4)(b)(I) introductory portion and (4)(b)(I)(B) as follows:

10 **31-31-1102. Statewide hybrid plan - creation - management.**

11 (4) (b) (I) Upon the request of an employer, the board shall permit a
12 higher mandatory employer contribution rate, mandatory employee
13 contribution rate, or both, than is set forth in ~~paragraph (a) of this~~
14 ~~subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION if the board determines
15 that:

16 (B) An employee election was conducted and the higher
17 mandatory contribution rate or rates was approved by sixty-five percent
18 of the employer's active members of the plan WHO VOTE IN THE ELECTION
19 PROPOSING THE COVERAGE.

20 **SECTION 8.** In Colorado Revised Statutes, 31-31-1103, **amend**
21 (1)(c) and (1)(c.5)(I) as follows:

22 **31-31-1103. Entry into the statewide defined benefit plan.**

23 (1) (c) Except as otherwise provided in ~~paragraph (c.5) of this subsection~~
24 ~~(I)~~ SUBSECTION (1)(c.5) OF THIS SECTION, any application for coverage
25 under the statewide defined benefit plan shall be approved by at least
26 sixty-five percent of all active members employed by the employer who
27 are participating in the money purchase plan at the time of the application

1 AND WHO VOTE IN THE ELECTION PROPOSING THE COVERAGE.

2 (c.5) (I) In lieu of an election to obtain the approval by at least
3 sixty-five percent of all active members WHO VOTE IN THE ELECTION
4 PROPOSING THE COVERAGE as required by ~~paragraph (c) of this subsection~~
5 ~~(I)~~ SUBSECTION (1)(c) OF THIS SECTION, and when the local plan allows
6 for the individual self-direction of each member's account, the employer
7 may give each active local plan member the option to discontinue
8 participation in the local money purchase plan and to participate in the
9 statewide defined benefit plan. The offer shall be a one-time event and
10 shall be extended to all active local plan members employed by the
11 employer at the time of the offer. Active local plan members that choose
12 to discontinue participation in the local money purchase plan and to
13 participate in the statewide defined benefit plan and all of the employees
14 hired on or after the effective date of coverage under the statewide
15 defined benefit plan that meet the definition of a member, as defined in
16 section 31-31-102 (4), shall be included in the employer's application for
17 coverage under the statewide defined benefit plan.

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