

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REREVISED

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

LLS NO. 14-0142.01 Nicole Myers x4326

SENATE BILL 14-024

SENATE SPONSORSHIP

Tochtrop,

HOUSE SPONSORSHIP

Scott, Court, Dore, Peniston, Rosenthal, Schafer, Wright

Senate Committees
Business, Labor, & Technology

House Committees
Finance

HOUSE
3rd Reading Unamended
March 10, 2014

A BILL FOR AN ACT

101 **CONCERNING THE RESPONSIBILITIES OF CERTAIN ENTITIES IN**
102 **MANAGING VOLUNTEER FIREFIGHTER PENSION PLANS THAT ARE**
103 **AFFILIATED WITH THE FIRE AND POLICE PENSION ASSOCIATION.**

HOUSE
2nd Reading Unamended
March 7, 2014

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>.)

SENATE
3rd Reading Unamended
February 10, 2014

Police Officers' and Firefighters' Pension Reform Commission.
The bill modifies the administration of volunteer firefighter pension plans that are affiliated with the fire and police pension association (association). For volunteer firefighter pension plans that are affiliated

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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.

with the association, the bill directs the department of local affairs to distribute any state moneys that it receives for funding volunteer firefighter pension plans to the association to be credited to the assets of the plan for which they were transferred.

The bill specifies the responsibilities of the association in connection with volunteer firefighter pension plans with which the association is affiliated, including investing the assets of the plan, collecting and accounting for contributions to the plan, distributing plan benefits, conducting actuarial valuations of the plan, maintaining records and fulfilling reporting requirements, and authorizing the payment of expenses of the plan from the assets of the plan.

The bill also specifies the responsibilities of the governing body of a volunteer firefighter pension plan that is affiliated with the association, including establishing eligibility for the plan and the amount of benefits for plan members and beneficiaries, electing options for the allocation of assets, maintaining records of the terms and provisions of the plan, determining benefit improvements, and certifying information required by the association to administer the plan benefits.

In addition, the bill states how the governing body of a volunteer firefighter pension plan may terminate its affiliation with the association and how the association may terminate its affiliation with a volunteer firefighter pension plan.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-30-1108, **amend**

3 (1) (d) as follows:

4 **31-30-1108. Board powers and duties.** (1) A board created by
5 this part 11 to control a fund:

6 (d) May make agreements with the fire and police pension
7 association to administer the plan and manage the funds of the plan for
8 investment IN ACCORDANCE WITH SECTION 31-31-705;

9 **SECTION 2.** In Colorado Revised Statutes, 31-30-1112, **amend**
10 (1) as follows:

11 **31-30-1112. State contributions - intent - advisory committee**
12 **- repeal.** (1) (a) Prior to July 1, 2004, the state treasurer may transfer
13 moneys annually to the fire and police pension association for distribution

1 as provided in this section to assist in funding volunteer firefighter
2 pension funds.

3 (b) On and after July 1, 2004, the state treasurer shall transfer
4 moneys to the department of local affairs for distribution as provided in
5 this section to assist in funding volunteer firefighter pension plans. THE
6 DEPARTMENT OF LOCAL AFFAIRS SHALL DISTRIBUTE MONEYS FOR FUNDING
7 VOLUNTEER FIREFIGHTER PENSION PLANS AFFILIATED WITH THE FIRE AND
8 POLICE PENSION ASSOCIATION PURSUANT TO SECTION 31-31-705 DIRECTLY
9 TO THE FIRE AND POLICE PENSION ASSOCIATION AS THE ADMINISTRATOR
10 OF THE PLAN. THE ASSOCIATION SHALL CREDIT THE TRANSFERRED MONEYS
11 TO THE ASSETS OF THE PLAN FOR WHICH THEY ARE TRANSFERRED.

12 **SECTION 3.** In Colorado Revised Statutes, **amend** 31-31-705 as
13 follows:

14 **31-31-705. Affiliation by volunteer pension plans.** (1) The
15 board is authorized to make AFFILIATION agreements with governing
16 bodies that provide pension plans for volunteer firefighters to administer
17 such plans and manage the funds of such plans for investment. THE FIRE
18 AND POLICE PENSION ASSOCIATION MAY REQUIRE PERIODIC RENEWAL OF
19 THE AGREEMENT.

20 (2) THE FIRE AND POLICE PENSION ASSOCIATION HAS THE
21 FOLLOWING RESPONSIBILITIES IN CONNECTION WITH A VOLUNTEER
22 FIREFIGHTER PENSION PLAN THAT HAS AN AGREEMENT WITH THE
23 ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION:

24 (a) INVESTING THE ASSETS OF THE PLAN, INCLUDING DETERMINING
25 THE ALLOCATION OF ASSETS;

26 (b) COLLECTING AND ACCOUNTING FOR CONTRIBUTIONS TO THE
27 PLAN;

1 (c) DISTRIBUTING BENEFITS PROVIDED UNDER THE PLAN AS
2 DIRECTED BY THE GOVERNING BODY OR ITS AGENT AND ISSUING TAX
3 FORMS AND FILING TAX REPORTS REGARDING DISTRIBUTIONS;

4 (d) CONDUCTING ACTUARIAL VALUATIONS AND FINANCIAL AUDITS
5 OF THE PLAN ON AT LEAST A BIENNIAL BASIS OR AS REQUIRED BY
6 REGULATORY BODIES OR BY LAW;

7 (e) MAINTAINING RECORDS AND REPORTING THE INVESTMENTS,
8 ASSETS, AND BENEFITS OF THE PLAN AS REQUIRED BY STATUTE OR BY
9 REGULATORY BODIES;

10 (f) AUTHORIZING THE PAYMENT OF EXPENSES OF THE PLAN FROM
11 THE ASSETS OF THE PLAN. ANY EXPENSES THAT ARE INCURRED BY THE
12 FIRE AND POLICE PENSION ASSOCIATION THAT ARE DIRECTLY RELATED TO
13 THE ASSOCIATION'S ADMINISTRATION OF THE PLAN SHALL BE PAID FROM
14 THAT PLAN'S ASSETS. ANY EXPENSES INCURRED BY THE ASSOCIATION
15 THAT ARE ATTRIBUTABLE TO MORE THAN ONE PLAN ADMINISTERED BY THE
16 ASSOCIATION SHALL BE ALLOCATED TO EACH PLAN ON AN EQUITABLE
17 BASIS AS DETERMINED BY THE ASSOCIATION. THE ALLOCATED EXPENSE
18 SHALL BE PAID FROM THE ASSETS OF EACH PLAN.

19 (g) TAKING SUCH OTHER ACTIONS AS MAY BE ALLOWED OR
20 REQUIRED BY STATUTE.

21 (3) THE GOVERNING BODY OF A VOLUNTEER PENSION PLAN OR ITS
22 LOCAL PENSION BOARD HAS THE FOLLOWING RESPONSIBILITIES WHEN THE
23 PLAN IS AFFILIATED WITH THE FIRE AND POLICE PENSION ASSOCIATION
24 PURSUANT TO SUBSECTION (1) OF THIS SECTION:

25 (a) ESTABLISHING ELIGIBILITY FOR AND THE AMOUNT OF BENEFITS
26 TO BE RECEIVED BY MEMBERS AND BENEFICIARIES OF THE PLAN,
27 INCLUDING THE DETERMINATION OF BASE BENEFITS, YEARS OF SERVICE

1 UNDER THE PLAN, MARITAL STATUS, AND CONTINUING ELIGIBILITY OF
2 RETIREES AND SURVIVORS;

3 (b) ELECTING OPTIONS FOR THE ALLOCATION OF ASSETS, IF SUCH
4 OPTIONS ARE PROVIDED BY THE FIRE AND POLICE PENSION ASSOCIATION;

5 (c) MAINTAINING RECORDS OF THE TERMS AND PROVISIONS OF THE
6 PLAN AS THEY MAY BE ADOPTED AND AMENDED;

7 (d) MAKING DETERMINATIONS REGARDING BENEFIT
8 IMPROVEMENTS, IF ANY; AND

9 (e) PERIODICALLY CERTIFYING INFORMATION REQUIRED BY THE
10 FIRE AND POLICE PENSION ASSOCIATION TO ADMINISTER THE PLAN
11 BENEFITS.

12 (4) A GOVERNING BODY THAT PROVIDES PENSION BENEFITS FOR
13 VOLUNTEER FIREFIGHTERS MAY TERMINATE ITS AFFILIATION WITH THE
14 FIRE AND POLICE PENSION ASSOCIATION UPON GIVING WRITTEN NOTICE TO
15 THE ASSOCIATION AT LEAST SIXTY DAYS PRIOR TO THE END OF ANY
16 QUARTER OF A CALENDAR YEAR. THE ASSOCIATION MAY ALLOW A
17 SHORTER NOTICE PERIOD. THE ASSOCIATION MAY TERMINATE THE
18 AFFILIATION OF A VOLUNTEER PLAN UPON SIXTY DAYS WRITTEN NOTICE TO
19 THE GOVERNING BODY FOR FAILURE TO FULFILL ITS RESPONSIBILITIES TO
20 THE PLAN OR ITS FAILURE TO RENEW AN AFFILIATION AGREEMENT.

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