



# Legislative Council Staff

## Research Note

Version: Final

Date: 2/29/2016

### Bill Number

House Bill 16-1028

### Sponsors

*Representative Van Winkle*  
*Senator Cooke*

### Short Title

*FPPA Statewide Death &  
Disability Plan Modifications*

### Research Analyst

Damion Pechota, x4789

### Status

This research note reflects the final version of the bill. The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

### Summary

This bill, ***requested by the Police Officers' and Firefighters' Pension Reform Commission***, changes the computation of a transfer of funds from the statewide death and disability plan of the Fire and Police Pension Association (FPPA) to the normal retirement plan of an FPPA member who has incurred a temporary disability. When a temporarily disabled FPPA member is restored to active service or satisfies the age and service requirements for a normal retirement, a transfer is made from the statewide death and disability plan to the member's normal retirement plan. Under current law, the amount of the transfer is equal to 16 percent of the member's monthly salary, multiplied by the number of months for which the member received temporary occupational disability benefits. Under HB 16-1028, in cases where the member and employer were contributing less than 16 percent of the member's salary to the member's retirement plan at the time of disability, the amount of the transfer will be reduced to reflect the actual percentage contribution at that time.

The bill also changes the deadline for completion of a newly hired member's statewide standard health history form. Under current law, the form must be completed prior to the member's employment. The bill allows the form to be completed within 30 days of the member's first date of employment.

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## Background

**Fire and Police Pension Association.** The Fire and Police Pension Association (FPPA) was established in 1980 and administers two funds: the Fire and Police Members' Benefit Investment Fund and the Fire and Police Members' Self-Directed Investment Fund. Assets in these funds are used for a number of pension plans including the Defined Benefit System, the Statewide Death and Disability Plan, and numerous separate plans for police officers and firefighters throughout the state of Colorado.

**Police Officers' and Firefighters' Pension Reform Commission.** Pursuant to Section 31-31-1001, C.R.S., the Police Officers' and Firefighters' Pension Reform Commission (commission) has the responsibility to study and develop proposed legislation relating to funding of police officers' and firefighters' pensions in the state and benefit designs of such pension plans. The law directs the commission to study, review, and propose legislation related to these issues including, but not limited to, the following subjects:

- normal retirement age and compulsory retirement;
- payment of benefits prior to normal retirement age;
- service requirements for eligibility;
- rate of accrual of benefits;
- disability benefits;
- survivors' benefits;
- vesting of benefits;
- employee contributions;
- post-retirement increases;
- creation of an administration board;
- creation of a consolidated statewide system;
- distribution of state funds;
- coordination of benefits with other programs; and
- the volunteer firefighter pension system.

## House Action

**House Finance Committee (January 20, 2016).** At the hearing, a representative from the Fire and Police Pension Association testified in a neutral position regarding the bill. The committee referred the bill to the House Committee of the Whole.

**House second reading (January 25, 2016).** The House passed the bill on second reading with no amendments.

**House third reading (January 26, 2016).** The House passed the bill on third reading with no amendments.

## Senate Action

**Senate Finance Committee (February 23, 2016).** At the hearing, a representative of the FPPA spoke in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate second reading (February 26, 2016).** The Senate passed the bill, unamended, on second reading.



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**Senate third reading (February 29, 2016).** The Senate passed the bill, unamended, on third reading.

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