

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 18-0477.01 Nicole Myers x4326

SENATE BILL 18-200

SENATE SPONSORSHIP

Tate and Priola, Jahn

HOUSE SPONSORSHIP

Becker K. and Pabon,

Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES'
102 RETIREMENT ASSOCIATION HYBRID DEFINED BENEFIT PLAN
103 NECESSARY TO ELIMINATE WITH A HIGH PROBABILITY THE
104 UNFUNDED LIABILITY OF THE PLAN WITHIN THE NEXT THIRTY
105 YEARS.

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>.)

The public employees' retirement association (PERA) provides retirement and other benefits to employees of the school districts, state,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
April 30, 2018

SENATE
3rd Reading Unamended
March 27, 2018

SENATE
Amended 2nd Reading
March 26, 2018

local governments, and other public entities across the state. The bill makes changes to the hybrid defined benefit plan administered by PERA with the goal of eliminating, with a high probability, the unfunded actuarial accrued liability of each of PERA's divisions and thereby reach a 100% funded ratio for each division within the next 30 years. The bill modifies benefits, increases contributions, ensures alignment of contributions, service credit, and benefits, and makes other modifications as follows:

Highest Average Salary (HAS): Currently, for a PERA member who is not in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year. For a PERA member who is in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 12 consecutive months of service. For all new PERA members hired on or after January 1, 2020, who are not in the judicial division, and for all existing PERA members who do not have 5 years of service credit as of January 1, 2020, who are not in the judicial division, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 7 periods of 12 consecutive months of service with a base year. For all new PERA members hired on or after January 1, 2020, who are in the judicial division, and for all existing PERA members in the judicial division who do not have 5 years of service credit as of January 1, 2020, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year.

Definition of salary: The bill modifies the definition of salary. Specifically, the bill states that amounts deducted from pay pursuant to a cafeteria plan or a qualified transportation plan are included in the definition of salary. In addition, the bill clarifies that unused sick leave converted to cash payments is included in the definition of salary and that insurance premiums paid by employers are not included in the definition of salary.

Termination of affiliation: Current law allows a political subdivision of the state that is an employer associated with PERA and that is assigned to the local government division of PERA to terminate its affiliation with PERA upon application to the PERA board. The bill specifies that any employer that ceases operations or ceases to participate in PERA for any reason is deemed to have terminated its affiliation with PERA. The bill states that any such employer is required to fully fund its share of the unfunded liability of the defined benefit plan and its share of the unfunded liability of the health care trust fund. The bill specifies that the PERA board will determine the amount of such payments and that such determinations may be appealed by the employer through the administrative review process established in the board rules. The bill

further specifies that the employees of an employer that terminates its affiliation with PERA will become inactive members of PERA as of the date of the termination. Such members may elect to have their member contributions credited to an alternative pension plan or refunded. In the absence of such election, the member contributions will remain with PERA.

Increase in member contributions: Currently, all PERA members with the exception of state troopers contribute 8% of their salary to PERA on a monthly basis. State troopers contribute 10% of their salary to PERA on a monthly basis. On July 1, 2018, and again on January 1, 2019, the monthly member contribution to PERA will increase by .5% of salary. On July 1, 2019, and again on January 1, 2020, the monthly member contribution to PERA will increase by 1% of salary. When all increases are fully implemented, the total contribution will be 11% of salary each month for PERA members who are not state troopers and 13% each month for PERA members who are state troopers.

Increase in employer contributions: Currently, all PERA employers contribute an amount equal to a percentage of the member's salary to PERA on a monthly basis. For most employers, the monthly contribution amount is equal to 10.15% of the member's salary. For state troopers, the monthly employer contribution amount is equal to 12.85% of the member's salary and for members of the judicial division, the monthly employer contribution amount is equal to 13.66% of the member's salary. On July 1, 2018, and again on July 1, 2019, the monthly employer contribution to PERA on behalf of members will increase by 1% of salary. When both increases are fully implemented, the total contribution will be equal to 12.15% of salary each month for most PERA employers, 14.85% each month for PERA employers who employ state troopers, and 15.66% for PERA employers in the judicial division.

Automatic contribution and annual increase amount changes: The bill specifies the circumstances under which the employer contribution rate, the member contribution rate, and the annual increase percentage for retirement benefits can be adjusted so the fund remains within the target of paying off the unfunded liability within 30 years. The bill specifies that the yearly adjustments can be up to one-quarter of one percent on the annual increase percentage, one-half of one percent on the employer contribution percentage, and one-half of one percent on the employee contribution percentage. The bill places limits on how much the annual increase and contribution rates can be adjusted.

Defined contribution supplement: Beginning January 1, 2022, the bill requires employer contribution rates to be adjusted to include a defined contribution supplement. The defined contribution supplement for each division will be the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability, plus

any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made. The employer contribution amounts only include contributions made on behalf of eligible employees who commence employment on or after January 1, 2020.

Earned service credit for part-time work: Currently, a PERA member earns a full year of service credit for 12 months of employment if the member earns a salary of 80 times federal minimum wage in each month. This applies even if the member does not work full time. In addition, a PERA member earns a full year of service credit if the member's employment pattern covers at least 8 months but less than 12 months in a year, so long as the member worked at least 8 months in the 12-month period. The bill modifies the way service credit is earned for part-time work for any PERA member who was not a member, inactive member, or retiree on or before December 31, 2019. Such members earn a full year of service credit for 12 months of employment if the member works full time or works at least 8 months but less than 12 months in a year. If the member does not work full time, the earned service credit will be determined by the ratio of part-time work to full-time work and the number of months for which contributions are remitted to the number of months required for a year of service credit.

Service retirement eligibility for new members: For PERA members who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits for most divisions to age 65 with a minimum of 5 years of service or any age with a minimum of 40 years of service credit. For state troopers who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits to age 55 with a minimum of 25 years of service credit or any age with a minimum of 35 years of service credit. State troopers are also eligible for full-service retirement benefits at age 65 with 5 years of service credit. For PERA members who begin employment on or after January 1, 2020, the bill also increases the age and service requirements for a reduced service retirement benefit to 55 years with a minimum of 25 years of service credit; except that, for state troopers, the bill increases the requirements to 55 years with a minimum of 20 years of service credit.

Service retirement eligibility for current members: Beginning January 1, 2020, for members, excluding state troopers, who are members, inactive members, or retirees on December 31, 2019, the age requirement to receive service retirement benefits or reduced service retirement benefits currently specified in law is the age requirement for each member plus one year for every 4 years that the member's age is less than 46 years on January 1, 2020. In no event shall the age requirement to receive service retirement benefits exceed 65 years for any member for a service retirement benefit or 60 years for any member for a reduced

service retirement benefit.

Cost of living adjustment (COLA) for all retirees, members, and inactive members: Currently, the annual COLA for benefit recipients who began membership prior to January 1, 2007, is 2%. For the years 2018 and 2019, the bill reduces the COLA to 0%. For each year thereafter, the bill changes the COLA to 1.25%, unless it is adjusted pursuant to the automatic adjustment provisions explained above. In addition, the bill requires benefit recipients whose effective date of retirement is on or after January 1, 2011, and who have not received a COLA on or before May 1, 2018, to receive benefits for at least a 36-month period following retirement before the benefit is adjusted with the COLA.

Defined contribution plan: Currently, members in the state division of PERA hired on or after January 1, 2006, may choose to participate in the defined contribution plan administered by PERA rather than the defined benefit plan. A member's participant account receives the monthly employer contribution, and the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) payments are used to amortize the unfunded liability of the defined benefit plan. Beginning January 1, 2020, members of the school division, the Denver public schools division, local government division, and judicial division of PERA hired on or after that date may also choose to participate in the defined contribution plan. A new member's participant account will receive the same employer contribution as received by current members of the defined contribution plan.

Public pension legislative oversight committee: The bill creates the public pension legislative oversight committee to study and develop proposed legislation relating to the funding and benefit designs of PERA and the fire and police pension association. The committee is comprised of 4 senators appointed by the president of the senate, 6 representatives appointed by the speaker of the house of representatives, and 4 experts in the area of pensions or retirement plan designs appointed by the state treasurer. The bill specifies limitations on the number of appointees that may be from the same political party. The bill also specifies that the state treasurer's appointees are required to have significant experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis and shall not be members, inactive members, or retirees of PERA or the fire and police pension association. The bill repeals the police officers' and firefighters' pension reform commission on January 1, 2019.

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

1 **SECTION 1. Legislative declaration.** (1) The general assembly
2 finds and declares that:

3 (a) The general assembly bears fiduciary responsibility for the
4 association and its long-term financial sustainability;

5 (b) Providing retirement security and benefits are an important
6 value of the general assembly;

7 (c) According to its own published reports referencing the
8 governmental accounting standards board, the public employees'
9 retirement association (association) is underfunded by over fifty billion
10 dollars and has a funded ratio of less than fifty percent;

11 (d) In its current financial condition, the association is at risk for
12 insolvency in the coming years should certain negative economic events
13 occur that would threaten the retirement security of retired public sector
14 workers;

15 (e) The sooner the general assembly meaningfully addresses this
16 dire situation, the more likely that the state will be able to meet its
17 obligations to provide retirement security to association participants
18 across economic cycles;

19 (f) The general assembly bears responsibility to maintain
20 retirement security by acting in the best interests of today's and
21 tomorrow's public sector employees, association beneficiaries, association
22 employers, and the taxpayers who are ultimately responsible for funding
23 the employers and thus the benefits provided to retirees;

24 (g) Colorado's credit rating was recently placed on a negative
25 outlook by the standard and poors rating agency because of the
26 association's low funded ratios as well as annual contribution rates below
27 the actuarially determined contribution rate;

1 (h) If Colorado's pension funding ratio continues to decline or if
2 no significant plan is adopted to improve funding of the pension program,
3 the state's credit rating will likely be downgraded; and

4 (i) A downgrade in the state's credit rating will affect both the
5 state's financial position and operations by increasing the cost of
6 accessing capital markets for both the state and the other institutions that
7 rely on the state's credit rating.

8 (2) The general assembly further finds and declares that the
9 changes in this act are reasonable and necessary to serve the important
10 public purpose of ensuring the association's long-term financial
11 sustainability.

12 **SECTION 2.** In Colorado Revised Statutes, 24-51-101, **amend**
13 the introductory portion, (25)(a), (25)(b)(V), (42)(a), (42)(b), and (46);
14 and **add** (25)(b)(VI) and (25)(b)(VII) as follows:

15 **24-51-101. Definitions.** As used in this ~~article~~ ARTICLE 51, unless
16 the context otherwise requires and except as otherwise defined in part 17
17 of this ~~article~~ ARTICLE 51:

18 (25) (a) "Highest average salary" means:

19 (I) (A) FOR A MEMBER OR INACTIVE MEMBER WHO HAS FIVE YEARS
20 OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE WHO WAS
21 RETIRED ON DECEMBER 31, 2019, one-twelfth of the average of the
22 highest annual salaries upon which contributions were paid, whether
23 earned from one or more employers, that are associated with three periods
24 of twelve consecutive months of service credit;

25 (B) FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE
26 FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A MEMBER
27 WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER

1 31, 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL
2 SALARIES UPON WHICH CONTRIBUTIONS WERE PAID, WHETHER EARNED
3 FROM ONE OR MORE EMPLOYERS, THAT ARE ASSOCIATED WITH FIVE
4 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT;

5 (II) For a member who does not have the requisite ~~three~~ years of
6 service credit, one-twelfth of the average of the total annual salaries
7 earned during membership upon which contributions were paid;

8 (III) For benefits ~~which~~ THAT become effective on or after January
9 1, 1982, where the individual earned less than one year of service credit
10 after December 31, 1980, one-twelfth of the average of the highest annual
11 salaries upon which contributions were paid which were associated with
12 five consecutive years of service credit; ~~or~~

13 (IV) Notwithstanding any other provision of this ~~paragraph (a)~~
14 SUBSECTION (25)(a) to the contrary, for members of the judicial division
15 WHO HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019,
16 retiring on or after July 1, 1997, one-twelfth of the highest annual salary
17 upon which contributions were paid for twelve consecutive months; OR

18 (V) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
19 SUBSECTION (25)(a) TO THE CONTRARY, FOR MEMBERS OF THE JUDICIAL
20 DIVISION WHO DO NOT HAVE FIVE YEARS OF SERVICE CREDIT ON
21 DECEMBER 31, 2019, OR FOR MEMBERS OF THE JUDICIAL DIVISION WHO
22 WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31,
23 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL SALARIES
24 UPON WHICH CONTRIBUTIONS WERE PAID THAT ARE ASSOCIATED WITH
25 THREE PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT.

26 (b) (V) Notwithstanding any other provision of this ~~paragraph (b)~~
27 SUBSECTION (25)(b), in calculating highest average salary for a member

1 or inactive member not eligible for service or reduced service retirement
2 on January 1, 2011, AND WHO WAS A MEMBER OR INACTIVE MEMBER WITH
3 FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE ON
4 DECEMBER 31, 2019, the association shall determine the highest annual
5 salaries associated with four periods of twelve consecutive months of
6 service credit. The lowest of such annual salaries shall be the base salary.
7 The first annual salary to be used in the highest average salary calculation
8 shall be the actual salary reported up to one hundred eight percent of the
9 base salary. The second annual salary to be used in the highest average
10 salary calculation shall be the actual salary reported up to one hundred
11 eight percent of the first annual salary used in the highest average salary
12 calculation. The third annual salary to be used in the highest average
13 salary calculation shall be the actual salary reported up to one hundred
14 eight percent of the second annual salary used in the highest average
15 salary calculation. This ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall
16 not apply to members of the judicial division, except for DPS members
17 of the judicial division who have exercised portability pursuant to section
18 24-51-1747 and selected the Denver public schools benefit structure. This
19 ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall apply to DPS members in
20 accordance with section 24-51-1702 (17).

21 (VI) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
22 SUBSECTION (25)(b), IN CALCULATING HIGHEST AVERAGE SALARY FOR A
23 MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE FIVE YEARS OF
24 SERVICE CREDIT ON DECEMBER 31, 2019, OR WHO WAS NOT A MEMBER,
25 INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2019, THE ASSOCIATION
26 SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH ~~SIX~~
27 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE

1 LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE
2 FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY
3 CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE
4 HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL
5 SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION
6 SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT
7 PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE
8 SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE
9 HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY
10 REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL
11 SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE
12 FOURTH ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY
13 CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE
14 HUNDRED EIGHT PERCENT OF THE THIRD ANNUAL SALARY USED IN THE
15 HIGHEST AVERAGE SALARY CALCULATION. THE FIFTH ANNUAL SALARY TO
16 BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE
17 ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE
18 FOURTH ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY
19 CALCULATION. THIS SUBSECTION (25)(b)(VI) DOES NOT APPLY TO
20 MEMBERS OF THE JUDICIAL DIVISION, EXCEPT FOR DPS MEMBERS OF THE
21 JUDICIAL DIVISION WHO HAVE EXERCISED PORTABILITY PURSUANT TO
22 SECTION 24-51-1747 AND SELECTED THE DPS BENEFIT STRUCTURE. THIS
23 SUBSECTION (25)(b)(VI) APPLIES TO DPS MEMBERS IN ACCORDANCE WITH
24 SECTION 24-51-1702 (17).

25 (VII) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
26 SUBSECTION (25)(b), FOR MEMBERS OF THE JUDICIAL DIVISION WHO DO
27 NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR FOR

1 MEMBERS OF THE JUDICIAL DIVISION WHO WERE NOT MEMBERS, INACTIVE
2 MEMBERS, OR RETIREES ON DECEMBER 31, 2019, THE ASSOCIATION SHALL
3 DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH FOUR
4 PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE
5 LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE
6 FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY
7 CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE
8 HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL
9 SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION
10 SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT
11 PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE
12 SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE
13 HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY
14 REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL
15 SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION.

16 (42) (a) (I) "Salary" means, FOR MEMBERS WHO WERE MEMBERS,
17 INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019,
18 compensation for services rendered to an employer and includes: Regular
19 salary or pay; any pay for administrative, sabbatical, annual, sick,
20 vacation, or personal leave AND COMPENSATION FOR UNUSED LEAVE
21 CONVERTED TO CASH PAYMENTS; pay for compensatory time or holidays;
22 payments by an employer from grants; amounts deducted from pay
23 pursuant to tax-sheltered savings or retirement programs; amounts
24 deducted from pay for a health savings account as defined in 26 U.S.C.
25 sec. 223, as amended, or any other type of retirement health savings
26 account program; performance or merit payments, if approved by the
27 board; special pay for work-related injuries paid by the employer prior to

1 termination of membership; and retroactive salary payments pursuant to
2 court orders, arbitration awards, or litigation and grievance settlements.

3 (b) (II) FOR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS,
4 OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "salary" does not
5 include: Commissions; ~~compensation for unused sick leave converted at~~
6 ~~any time to cash payments;~~ compensation for unused sick, annual,
7 vacation, administrative, or other accumulated paid leave contributed to
8 a health savings account as defined in 26 U.S.C. sec. 223, as amended, or
9 a retirement health savings program; housing allowances; uniform
10 allowances; automobile usage; insurance premiums; dependent care
11 assistance; reimbursement for expenses incurred; tuition or any other
12 fringe benefits, regardless of federal taxation; bonuses for services not
13 actually rendered, including, but not limited to, early retirement
14 inducements, Christmas bonuses, cash awards, honorariums and
15 severance pay, damages, except for retroactive salary payments paid
16 pursuant to court orders or arbitration awards or litigation and grievance
17 settlements, or payments beyond the date of a member's death.

18 (b) (I) "SALARY" MEANS, FOR MEMBERS WHO WERE NOT MEMBERS,
19 INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019,
20 COMPENSATION FOR SERVICES RENDERED TO AN EMPLOYER AND
21 INCLUDES: REGULAR SALARY OR PAY; ANY PAY FOR ADMINISTRATIVE,
22 SABBATICAL, ANNUAL, SICK, VACATION, OR PERSONAL LEAVE AND
23 COMPENSATION FOR UNUSED LEAVE CONVERTED TO CASH PAYMENTS; PAY
24 FOR COMPENSATORY TIME OR HOLIDAYS; PAYMENTS BY AN EMPLOYER
25 FROM GRANTS; AMOUNTS DEDUCTED FROM PAY PURSUANT TO
26 TAX-SHELTERED SAVINGS OR RETIREMENT PROGRAMS; AMOUNTS
27 DEDUCTED FROM PAY FOR A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26

1 U.S.C. SEC. 223, AS AMENDED, OR ANY OTHER TYPE OF RETIREMENT
2 HEALTH SAVINGS ACCOUNT PROGRAM; AMOUNTS DEDUCTED FROM PAY
3 PURSUANT TO A CAFETERIA PLAN AS DEFINED IN 26 U.S.C. SEC. 125, AS
4 AMENDED; A QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN AS
5 DEFINED IN 26 U.S.C. SEC. 132, AS AMENDED; PERFORMANCE OR MERIT
6 PAYMENTS, IF APPROVED BY THE BOARD; SPECIAL PAY FOR WORK-RELATED
7 INJURIES PAID BY THE EMPLOYER PRIOR TO TERMINATION OF MEMBERSHIP;
8 AND RETROACTIVE SALARY PAYMENTS PURSUANT TO COURT ORDERS,
9 ARBITRATION AWARDS, OR LITIGATION AND GRIEVANCE SETTLEMENTS.

10 (II) FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS,
11 OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "SALARY" DOES NOT
12 INCLUDE: COMMISSIONS; COMPENSATION FOR UNUSED SICK, ANNUAL,
13 VACATION, ADMINISTRATIVE, OR OTHER ACCUMULATED PAID LEAVE
14 CONTRIBUTED TO A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26 U.S.C.
15 SEC. 223, AS AMENDED, OR A RETIREMENT HEALTH SAVINGS PROGRAM;
16 HOUSING ALLOWANCES; UNIFORM ALLOWANCES; AUTOMOBILE USAGE;
17 INSURANCE PREMIUMS PAID BY EMPLOYERS; REIMBURSEMENT FOR
18 EXPENSES INCURRED; TUITION OR ANY OTHER FRINGE BENEFITS,
19 REGARDLESS OF FEDERAL TAXATION; BONUSES FOR SERVICES NOT
20 ACTUALLY RENDERED, INCLUDING, BUT NOT LIMITED TO, EARLY
21 RETIREMENT INDUCEMENTS, CHRISTMAS BONUSES, CASH AWARDS,
22 HONORARIUMS AND SEVERANCE PAY, DAMAGES, EXCEPT FOR
23 RETROACTIVE SALARY PAYMENTS PAID PURSUANT TO COURT ORDERS OR
24 ARBITRATION AWARDS OR LITIGATION AND GRIEVANCE SETTLEMENTS, OR
25 PAYMENTS BEYOND THE DATE OF A MEMBER'S DEATH.

26 (46) "State trooper" means an employee of the Colorado state
27 patrol, Colorado bureau of investigation, or successors to these agencies,

1 who is vested with the powers of peace officers as provided for in section
2 24-33.5-409. IN ADDITION, FOR MEMBERS WHO WERE NOT MEMBERS,
3 INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, "STATE
4 TROOPER" INCLUDES A COUNTY SHERIFF, UNDERSHERIFF, DEPUTY SHERIFF,
5 NONCERTIFIED DEPUTY SHERIFF, OR DETENTION OFFICER HIRED BY A
6 LOCAL GOVERNMENT DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020,
7 AND A CORRECTIONS OFFICER CLASSIFIED AS I THROUGH IV HIRED BY A
8 STATE DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020.

9 **SECTION 3.** In Colorado Revised Statutes, add 24-51-221 as
10 follows:

11 **24-51-221. Information provided to employer - salary**
12 **definition.** AN EMPLOYER MAY REQUEST INFORMATION FROM THE
13 ASSOCIATION TO DETERMINE WHETHER TO USE "SALARY" AS DEFINED IN
14 SECTION 24-51-101 (42)(a) OR AS DEFINED IN SECTION 24-51-101 (42)(b),
15 WHEN THE EMPLOYER HIRES AN EMPLOYEE WHO IS A CURRENT MEMBER OR
16 RETIREE OF THE ASSOCIATION. THE ASSOCIATION SHALL PROVIDE SUCH
17 INFORMATION TO THE EMPLOYER UPON REQUEST.

18 **SECTION 4.** In Colorado Revised Statutes, 24-51-313, amend
19 (1) as follows:

20 **24-51-313. Termination of affiliation - employer assigned to**
21 **local government division - requirements.** (1) Any political
22 subdivision within the state of Colorado or any public agency created by
23 such a political subdivision that is an employer affiliated with the
24 association pursuant to ~~the provisions of~~ section 24-51-309 and that is
25 assigned to the local government division may make application to the
26 board to terminate the affiliation of the employer with the association.
27 The application shall be made by submitting to the board an ordinance or

1 resolution that has been adopted by the governing body of the employer
2 and that has been approved by at least sixty-five percent of the employees
3 of the employer who are members. Such employee members of the
4 employer shall be notified in writing of the provisions of section
5 24-51-321 prior to a vote on an ordinance or resolution to terminate the
6 affiliation of the employer with the association. NOTWITHSTANDING THE
7 PROVISIONS OF THIS SUBSECTION (1), ANY SUCH EMPLOYER THAT CEASES
8 OPERATIONS OR CEASES TO PARTICIPATE IN THE ASSOCIATION FOR ANY
9 REASON SHALL BE DEEMED TO HAVE TERMINATED ITS AFFILIATION WITH
10 THE ASSOCIATION AND MUST COMPLY WITH THE PROVISIONS OF SECTIONS
11 24-51-315 THROUGH 24-51-319.

12 **SECTION 5.** In Colorado Revised Statutes, 24-51-315, **amend**
13 (1) and (2); and **add** (5) and (6) as follows:

14 **24-51-315. Termination of affiliation - reserves requirement.**

15 (1) The board ~~shall~~ HAS THE AUTHORITY TO determine the amount of
16 reserves required as of the effective date of termination of affiliation to:

17 (a) Maintain current benefits payable by the association to benefit
18 recipients and to preserve the vested rights of inactive members; ~~The~~
19 ~~amount of reserves shall be determined by the board utilizing certified~~
20 ~~actuarial reports prepared by the actuary. The actuarial report shall also~~
21 ~~certify that the termination of affiliation shall not have an adverse~~
22 ~~financial impact on the actuarial soundness of the local government~~
23 ~~division trust fund. If the actuary determines, in accordance with accepted~~
24 ~~actuarial principles, that the termination of affiliation shall have an~~
25 ~~adverse financial impact on the actuarial soundness of the local~~
26 ~~government division trust fund, the applicant shall not be permitted to~~
27 ~~terminate affiliation.~~ AND

1 (b) FULLY FUND THE LIABILITY FOR BENEFITS PAYABLE BY THE
2 ASSOCIATION FROM THE HEALTH CARE TRUST FUND CREATED BY SECTION
3 24-51-1201(1) TO CURRENT AND FUTURE BENEFIT RECIPIENTS PURSUANT
4 TO PART 12 OF THIS ARTICLE 51.

5 (2) THE AMOUNT OF RESERVES REQUIRED UNDER SUBSECTIONS
6 (1)(a) AND (1)(b) OF THIS SECTION SHALL BE DETERMINED BY THE BOARD
7 UTILIZING CERTIFIED ACTUARIAL REPORTS PREPARED BY THE ACTUARY.
8 THE ACTUARIAL STUDY SHALL BE CONDUCTED USING ASSUMPTIONS
9 APPROVED BY THE BOARD. THE ACTUARIAL REPORT SHALL ALSO CERTIFY
10 THAT THE TERMINATION OF AFFILIATION SHALL NOT HAVE AN ADVERSE
11 FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL
12 GOVERNMENT DIVISION TRUST FUND. IF THE ACTUARY DETERMINES, IN
13 ACCORDANCE WITH ACCEPTED ACTUARIAL PRINCIPLES, THAT THE
14 TERMINATION OF AFFILIATION SHALL HAVE AN ADVERSE FINANCIAL
15 IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT
16 DIVISION TRUST FUND, THE APPLICANT SHALL NOT BE PERMITTED TO
17 TERMINATE AFFILIATION. On the effective date of termination of
18 affiliation, the actuarial reports prepared pursuant to ~~the provisions of~~
19 ~~subsection (1) of this section~~ THIS SUBSECTION (2) shall be updated to
20 finalize the amount of reserves required for the purposes specified in
21 ~~subsection (1) of this section~~ THIS SUBSECTION (2). The employer making
22 the application and the employees of such employer who are members
23 shall not be required to make any contributions to the association
24 subsequent to the effective date of termination.

25 (5) THE DISCOUNT RATE USED FOR DETERMINING THE AMOUNT OF
26 RESERVES IN SUBSECTION (1) OF THIS SECTION SHALL BE THE ACTUARIAL
27 INVESTMENT ASSUMPTION RATE AS SET BY THE BOARD PURSUANT TO

1 SECTIONS 24-51-101 (2) AND 24-51-204 (5) MINUS TWO HUNDRED BASIS
2 POINTS.

3 (6) DETERMINATIONS MADE BY THE BOARD IN THIS SECTION AND
4 SECTIONS 24-51-313 AND 24-51-316, SHALL BE APPEALED THROUGH THE
5 ADMINISTRATIVE REVIEW PROCEDURES SET FORTH IN THE BOARD RULES.
6 SUCH FINAL DECISION BY THE BOARD SHALL BE SUBJECT ONLY TO REVIEW
7 BY PROPER COURT ACTION.

8 **SECTION 6.** In Colorado Revised Statutes, **amend** 24-51-316 as
9 follows:

10 **24-51-316. Inadequate reserves - excess reserves -**
11 **nonpayment.** (1) (a) In the event that the amount of the reserves required
12 pursuant to ~~the provisions of section 24-51-315~~ SECTION 24-51-315 (1)(a),
13 exceeds the amount of the employer's share of the employer contribution
14 reserve in the local government division trust fund as calculated by the
15 actuary, then the employer shall make an additional payment as of the
16 effective date of termination of affiliation in an amount equal to the
17 difference between the amount of reserves required and the amount of
18 reserves on deposit.

19 (b) IN THE EVENT THAT THE RESERVES REQUIRED PURSUANT TO
20 SECTION 24-51-315 (1)(b) FOR THE HEALTH CARE TRUST FUND CREATED
21 BY SECTION 24-51-1201 (1) EXCEEDS THE MARKET VALUE OF ASSETS
22 ATTRIBUTABLE TO THE EMPLOYER IN THE HEALTH CARE TRUST FUND, THE
23 EMPLOYER SHALL MAKE AN ADDITIONAL PAYMENT AS OF THE EFFECTIVE
24 DATE OF TERMINATION OF AFFILIATION IN AN AMOUNT EQUAL TO THE
25 DIFFERENCE BETWEEN THE AMOUNT OF RESERVES REQUIRED AND THE
26 AMOUNT OF RESERVES ON DEPOSIT.

27 (c) IF THE ACTUARY DETERMINES, IN ACCORDANCE WITH

1 ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF
2 AFFILIATION OF THE EMPLOYER SHALL HAVE AN ADVERSE FINANCIAL
3 IMPACT ON THE FUNDING OF THE HEALTH CARE TRUST FUND CREATED BY
4 SECTION 24-51-1201 (1), THE EMPLOYER SHALL MAKE ANY ADDITIONAL
5 PAYMENT NECESSARY TO ENSURE THAT THE IMPACT ON THE FUNDING OF
6 THE HEALTH CARE TRUST FUND REMAINS UNCHANGED UPON THE
7 EMPLOYER'S TERMINATION OF AFFILIATION.

8 (2) In the event that the amount of the reserves on deposit in the
9 local government division trust fund as calculated by the actuary for the
10 employer requesting termination of affiliation exceeds the amount of
11 reserves required pursuant to ~~the provisions of section 24-51-315~~ SECTION
12 24-51-315 (1), such excess amount and the amount required for the
13 transfer of member contributions as provided in section 24-51-317 shall
14 be transferred by a direct trustee-to-trustee transfer to the alternate
15 pension plan or system required by section 24-51-319 as of the effective
16 date of termination of affiliation.

17 (3) If any payment required pursuant to ~~the provisions of~~
18 subsection (1) or (2) of this section is not made, interest shall be assessed
19 on the amount due at the rate specified for employers in section
20 24-51-101 (28). INTEREST SHALL BE CALCULATED FROM THE EFFECTIVE
21 DATE OF TERMINATION until such amount is paid in full.

22 **SECTION 7.** In Colorado Revised Statutes, **amend** 24-51-317 as
23 follows:

24 **24-51-317. Termination of affiliation - member contributions.**

25 ~~(1)~~ Members who ~~have less than five years of service credit and~~ are
26 employees of an employer ~~which~~ THAT has terminated its affiliation with
27 the association shall BECOME INACTIVE MEMBERS AS OF THE EFFECTIVE

1 DATE OF TERMINATION OF AFFILIATION. SUCH MEMBERS MAY ELECT TO
2 have their member contributions credited to the alternative pension plan
3 or system required by section 24-51-319. IN THE ABSENCE OF SUCH AN
4 ELECTION, MEMBER CONTRIBUTIONS WILL REMAIN WITH THE ASSOCIATION
5 UNLESS THE MEMBER OTHERWISE ELECTS TO REFUND SUCH
6 CONTRIBUTIONS IN ACCORDANCE WITH SECTION 24-51-405.

7 ~~(2) Members who have five or more years of service credit and are~~
8 ~~employees of an employer which has terminated its affiliation with the~~
9 ~~association may elect that their accounts remain with the association by~~
10 ~~giving written notice to the association prior to the effective date of~~
11 ~~termination of affiliation. Members who make such an election shall~~
12 ~~become inactive members entitled to vested benefits as of the effective~~
13 ~~date of termination of affiliation. Members who do not make such an~~
14 ~~election shall have their member contributions credited to the alternative~~
15 ~~pension plan or system required by section 24-51-319.~~

16 **SECTION 8.** In Colorado Revised Statutes, **amend** 24-51-319 as
17 follows:

18 **24-51-319. Retirement plan - creation and use.** An employer
19 ~~which~~ THAT terminates its affiliation with the association shall utilize an
20 existing, or shall establish an alternative, pension plan or system
21 established pursuant to the provisions of article 54 of this ~~title~~ TITLE 24.
22 FAILURE TO UTILIZE OR ESTABLISH AN ALTERNATIVE PENSION PLAN OR
23 SYSTEM DOES NOT EXCUSE THE EMPLOYER FROM THE ADHERENCE TO THE
24 REMAINDER OF THE TERMINATION OF AFFILIATION PROVISIONS OF THIS
25 PART 3.

26 **SECTION 9.** In Colorado Revised Statutes, 24-51-401, **amend**
27 (1.7)(a); and **repeal** (1.7)(f) as follows:

1 following table multiplied by the salary, as defined in section 24-51-101
2 (42), paid to members and retirees for the payroll period:

3 **TABLE A.5**

4 **CONTRIBUTION RATES**

5 Division	6 Membership	7 Employer Rate	8 Member Rate
9 State	All Members	7.65%	10.5%
	Except		
	State Troopers	10.35%	12.5%
Judicial	All Members	11.16%	10.5%

10 (H) For the 2010-11 and 2011-12 state fiscal years, the employer
11 and member contribution rates for employers and members in the school,
12 local government, and Denver public schools divisions of the association
13 shall be calculated pursuant to paragraph (a) of this subsection (1.7).

14 **SECTION 10.** In Colorado Revised Statutes, add 24-51-413 and
15 24-51-414 as follows:

16 **24-51-413. Contribution and annual increase amount changes**
17 **- definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
18 OTHERWISE REQUIRES:

19 (a) "BLENDED TOTAL CONTRIBUTION AMOUNT" MEANS THE
20 WEIGHTED AVERAGE OF THE TOTAL AMOUNTS PAID BY THE EMPLOYER AND
21 THE MEMBER TO THE ASSOCIATION FOR EACH OF THE FIVE DIVISIONS
22 PURSUANT TO SECTIONS 24-51-401 (1.7) AND 24-51-411, AND THE
23 AMOUNT THE ASSOCIATION RECEIVES PURSUANT TO SECTION 24-51-414,
24 BUT SHALL NOT INCLUDE THE PORTION OF THE EMPLOYER CONTRIBUTION
25 REMITTED TO THE HEALTH CARE TRUST FUND PURSUANT TO SECTION
26 24-51-208 (1)(f) AND (1)(f.5) AND THE PORTION OF THE EMPLOYER
27 CONTRIBUTION REMITTED TO THE ANNUAL INCREASE RESERVE.

1 (b) "BLENDED TOTAL REQUIRED CONTRIBUTION" MEANS THE
2 WEIGHTED AVERAGE OF THE TOTAL OF THE ASSOCIATION'S REPORTED
3 ACTUARIALLY DETERMINED CONTRIBUTION RATES AND MEMBER
4 CONTRIBUTION RATES OF THE FIVE DIVISION TRUST FUNDS.

5 (c) "WEIGHTED AVERAGE" MEANS THE PROPORTION OF UNFUNDED
6 ACTUARIAL ACCRUED LIABILITY ATTRIBUTABLE TO EACH DIVISION
7 REPORTED AS OF THE MOST RECENT VALUATION DATE.

8 (2) BEGINNING JULY 1, 2019, AND EACH JULY 1 THEREAFTER,
9 EMPLOYER CONTRIBUTION RATES, MEMBER CONTRIBUTION RATES, AND
10 ANNUAL INCREASE AMOUNTS SHALL REMAIN UNCHANGED UNTIL SUCH
11 TIME AS CHANGES ARE REQUIRED PURSUANT TO THIS SECTION.

12 (3) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS LESS
13 THAN NINETY-EIGHT PERCENT OF THE BLENDED TOTAL REQUIRED
14 CONTRIBUTION, THE FOLLOWING ADJUSTMENT SHALL OCCUR:

15 (a) THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT
16 TO SECTIONS 24-51-1002 AND 24-51-1009 (4)(a) SHALL BE REDUCED BY
17 UP TO ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL
18 INCREASE PERCENTAGE BE REDUCED TO EQUAL LESS THAN ONE-HALF OF
19 ONE PERCENT, EXCEPT AS PROVIDED IN SECTIONS 24-51-1002 (1.5) AND
20 24-51-1009 (1.5);

21 (b) THE EMPLOYER CONTRIBUTION RATE WILL BE INCREASED BY UP
22 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER
23 CONTRIBUTION RATE BE INCREASED TO EXCEED THE EMPLOYER
24 CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a), PLUS TWO
25 PERCENT; AND

26 (c) THE MEMBER CONTRIBUTION RATE WILL BE INCREASED BY UP
27 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER

1 CONTRIBUTION RATE BE INCREASED TO EXCEED THE MEMBER
2 CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a), PLUS TWO
3 PERCENT.

4 (4) THE ADJUSTMENT IN SUBSECTION (3) OF THIS SECTION SHALL
5 BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED
6 AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS, AND
7 THE MEMBER CONTRIBUTIONS, AND SHALL BE THE MAXIMUM YEARLY
8 ADJUSTMENT ALLOWED UNLESS AN ADJUSTMENT LESS THAN THE
9 MAXIMUM ADJUSTMENT IS SUFFICIENT TO BRING THE BLENDED TOTAL
10 CONTRIBUTION AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE
11 BLENDED TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY
12 ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO
13 EXCEED ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL
14 REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY
15 CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY
16 AMOUNTS INDICATED IN SUBSECTIONS (3)(a), (3)(b), AND (3)(c) OF THIS
17 SECTION.

18 (5) IN THE EVENT ANY ONE OF THE THREE COMPONENT PARTS OF
19 THE ADJUSTMENT AS OUTLINED IN SUBSECTION (3) OF THIS SECTION HAS
20 REACHED ITS TOTAL MAXIMUM, THEN NO FURTHER ADJUSTMENT SHALL BE
21 MADE UNDER SUBSECTIONS (3) AND (4) OF THIS SECTION. IN THIS CASE,
22 ADJUSTMENTS TO THE OTHER TWO COMPONENTS WILL NOT BE FURTHER
23 ALTERED TO COMPLETE THE FULL ADJUSTMENT, BUT RATHER BE ADJUSTED
24 IN EQUIVALENT MEASURE TO THE LIMITED COMPONENT TO ENSURE THAT
25 THE ADJUSTMENT IS EQUALLY APPORTIONED, EVEN IF THE FULLY
26 REQUIRED ADJUSTMENT TO BRING THE BLENDED TOTAL CONTRIBUTION
27 AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL

1 REQUIRED CONTRIBUTION IS NOT ACHIEVED.

2 (6) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS
3 GREATER THAN OR EQUAL TO ONE HUNDRED AND TEN PERCENT OF THE
4 BLENDED TOTAL REQUIRED CONTRIBUTION, THE FOLLOWING ADJUSTMENT
5 SHALL OCCUR:

6 (a) SUBJECT TO SECTIONS 24-51-1002 (1.5) AND 24-51-1009 (1.5),
7 THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT TO SECTIONS
8 24-51-1002 AND 24-51-1009 (4)(a), SHALL BE INCREASED BY UP TO
9 ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL
10 INCREASE PERCENTAGE BE GREATER THAN TWO PERCENT, EXCEPT AS
11 PROVIDED IN SECTION 24-51-1009.5; ■

12 (b) THE EMPLOYER CONTRIBUTION RATE WILL BE REDUCED BY UP
13 TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER
14 CONTRIBUTION RATE BE LESS THAN THE EMPLOYER CONTRIBUTION RATES
15 UNDER SECTION 24-51-401 (1.7)(a); AND

16 (c) THE MEMBER CONTRIBUTION RATE WILL BE REDUCED BY UP TO
17 ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER
18 CONTRIBUTION RATE BE LESS THAN THE MEMBER CONTRIBUTION RATES
19 UNDER SECTION 24-51-401 (1.7)(a).

20 (7) THE ADJUSTMENT IN SUBSECTION (6) OF THIS SECTION SHALL
21 BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED
22 AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS, AND
23 THE MEMBER CONTRIBUTIONS, AND SHALL BE THE MAXIMUM YEARLY
24 ADJUSTMENT ALLOWED UNLESS AN AMOUNT LOWER THAN THE MAXIMUM
25 ADJUSTMENT IS NECESSARY TO KEEP THE BLENDED TOTAL CONTRIBUTION
26 AMOUNT EQUAL TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED
27 TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY

1 ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO
2 FALL BELOW ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL
3 REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY
4 CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY
5 AMOUNTS SPECIFIED IN SUBSECTIONS (6)(a), (6)(b), AND (6)(c) OF THIS
6 SECTION.

7 (8) THE ADJUSTMENTS PURSUANT TO THIS SECTION SHALL BE
8 DETERMINED BASED ON THE BLENDED TOTAL CONTRIBUTION AMOUNT AND
9 BLENDED TOTAL REQUIRED CONTRIBUTION AS REPORTED IN THE ANNUAL
10 ACTUARIAL VALUATION REPORT REQUIRED UNDER SECTION 24-51-204(7),
11 AND SHALL BE EFFECTIVE JULY 1 OF THE NEXT CALENDAR YEAR FOR
12 CONTRIBUTIONS AND JULY 1 OF THE NEXT CALENDAR YEAR FOR ANNUAL
13 INCREASES. THE FIRST ADJUSTMENT PURSUANT TO THIS SECTION SHALL
14 NOT OCCUR BEFORE JULY 1, 2020.

15 [REDACTED]

16 **24-51-414. Direct distribution.** (1) ON JULY 1, 2018, THE STATE
17 TREASURER SHALL ISSUE A WARRANT TO THE ASSOCIATION IN AN AMOUNT
18 EQUAL TO TWO HUNDRED TWENTY-FIVE MILLION DOLLARS. SUCH AMOUNT
19 SHALL BE PAID TO THE ASSOCIATION FROM THE GENERAL FUND. ON JULY
20 1, 2019, THE STATE TREASURER SHALL ISSUE A WARRANT TO THE
21 ASSOCIATION IN AN AMOUNT EQUAL TO TWO HUNDRED FIFTY-FIVE MILLION
22 SIX HUNDRED SIX THOUSAND DOLLARS. SUCH AMOUNT SHALL BE PAID TO
23 THE ASSOCIATION FROM THE GENERAL FUND OR FROM ANY OTHER FUND.
24 ON JULY 1, 2020, AND ON JULY 1 EACH YEAR THEREAFTER UNTIL THERE
25 ARE NO UNFUNDED ACTUARIAL ACCRUED LIABILITIES OF ANY DIVISION OF
26 THE ASSOCIATION THAT RECEIVES THE DISTRIBUTION PURSUANT TO THIS
27 SUBSECTION (1), THE STATE TREASURER SHALL ISSUE A WARRANT TO THE

1 ASSOCIATION IN AN AMOUNT EQUAL TO THREE PERCENT OF THE
2 ASSOCIATION'S MOST CURRENT AUDITED PAYROLL; EXCEPT THAT THE
3 ASSOCIATION'S MOST CURRENT AUDITED PAYROLL SHALL NOT INCLUDE
4 PAYROLL FOR THE LOCAL GOVERNMENT DIVISION OF THE ASSOCIATION.
5 SUCH AMOUNT SHALL BE PAID TO THE ASSOCIATION FROM THE GENERAL
6 FUND OR FROM ANY OTHER FUND.

7 (2) FOR THE PURPOSE OF ALLOCATING APPROPRIATE INDIRECT,
8 CASH FUNDED, OR FEDERAL COSTS FOR THE DIRECT DISTRIBUTION
9 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE OFFICE OF STATE
10 PLANNING AND BUDGETING MAY INCLUDE FUNDING SOURCES OTHER THAN
11 THE GENERAL FUND IN THE GOVERNOR'S ANNUAL BUDGET REQUEST FOR
12 THE 2019-20 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER TO
13 SATISFY THE FUNDING AMOUNTS OF THE DIRECT DISTRIBUTION.

14 (3) THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS
15 SECTION SHALL END WHEN THERE ARE NO UNFUNDED ACTUARIAL
16 ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION THAT
17 RECEIVES SUCH DISTRIBUTION. BY SEPTEMBER 1, 2019, AND BY
18 SEPTEMBER 1 OF EACH YEAR THEREAFTER, UNTIL THE DISTRIBUTION
19 PURSUANT TO SUBSECTION (1) OF THIS SECTION IS NO LONGER REQUIRED,
20 THE BOARD SHALL DETERMINE WHETHER THE SUM OF THE EMPLOYER AND
21 MEMBER CONTRIBUTIONS PURSUANT TO SECTION 24-51-401 (1.7)(a), THE
22 CONTRIBUTIONS PURSUANT TO SECTION 24-51-411, AND THE DISTRIBUTION
23 PURSUANT TO SUBSECTION (1) OF THIS SECTION, IS GREATER THAN THE
24 AMOUNT NECESSARY TO ELIMINATE THE UNFUNDED ACTUARIAL ACCRUED
25 LIABILITY OF EACH DIVISION OF THE ASSOCIATION THAT RECEIVES THE
26 DISTRIBUTION IN THE NEXT FISCAL YEAR. IF THE BOARD DETERMINES THAT
27 THE TOTAL AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1)

1 OF THIS SECTION WILL NOT BE REQUIRED TO ELIMINATE THE UNFUNDED
2 ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION
3 THAT RECEIVES THE DISTRIBUTION, THE BOARD SHALL NOTIFY THE OFFICE
4 OF STATE PLANNING AND BUDGETING AND THE JOINT BUDGET COMMITTEE
5 OF THE GENERAL ASSEMBLY BY SEPTEMBER 1 OF THE APPLICABLE YEAR.

6 (4) THE ASSOCIATION SHALL ALLOCATE THE DIRECT DISTRIBUTION
7 TO THE TRUST FUNDS OF EACH DIVISION OF THE ASSOCIATION AS IT WOULD
8 AN EMPLOYER CONTRIBUTION, IN A MANNER THAT IS PROPORTIONATE TO
9 THE ANNUAL PAYROLL OF EACH DIVISION AS REPORTED TO THE
10 ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL NOT ALLOCATE ANY
11 PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO THE LOCAL
12 GOVERNMENT DIVISION OF THE ASSOCIATION.

13 (5) BEGINNING WITH THE ANNUAL GENERAL APPROPRIATION ACT
14 FOR THE 2019-20 STATE FISCAL YEAR, AND FOR EACH ANNUAL GENERAL
15 APPROPRIATION ACT THEREAFTER, MONEY DISTRIBUTED TO THE
16 ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE
17 INCLUDED FOR INFORMATIONAL PURPOSES IN THE ANNUAL GENERAL
18 APPROPRIATION BILL OR IN SUPPLEMENTAL APPROPRIATION BILLS FOR THE
19 PURPOSE OF COMPLYING WITH THE LIMITATION ON STATE FISCAL YEAR
20 SPENDING IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE
21 CONSTITUTION AND SECTION 24-77-103. THE INFORMATION INCLUDED IN
22 THE ANNUAL GENERAL APPROPRIATION BILL SHALL INCLUDE AN ESTIMATE
23 OF THE AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF
24 THIS SECTION THAT IS ATTRIBUTABLE TO THE STATE AND THE AMOUNT
25 THAT IS ATTRIBUTABLE TO PUBLIC EDUCATION FROM KINDERGARTEN
26 THROUGH THE TWELFTH GRADE.

27 **SECTION 11.** In Colorado Revised Statutes, 24-51-602, **amend**

1 (1.7)(a), (1.8)(a), and (2); and **add (1.9) and (2.3)** as follows:

2 **24-51-602. Service retirement eligibility.** (1.7) (a) Members,
3 EXCEPT STATE TROOPERS, who were not members, inactive members, or
4 retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE
5 MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age
6 and service requirements stated in the following table and who are not
7 eligible for service retirement benefits pursuant to subsection (1.8) of this
8 section shall, upon written application and approval of the board, receive
9 service retirement benefits pursuant to the benefit formula set forth in
10 section 24-51-603:

11 **TABLE B.3**

12 **SERVICE RETIREMENT ELIGIBILITY**

Age Requirement	Service Credit Requirement
(years)	(years)
Any Age	35
60	30
65	5

18 (1.8) (a) Members of the school division or Denver public schools
19 division who were not members, inactive members, or retirees on
20 December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR
21 RETIREES ON DECEMBER 31, 2019, who have met the age and service
22 requirements stated in the following table shall, upon written application
23 and approval of the board, receive service retirement benefits pursuant to
24 the benefit formula set forth in section 24-51-603; except that at least the
25 most recent ten years of service credit used in meeting the requirements
26 of the table below must be earned in the school or Denver public schools
27 divisions in order for the member to be eligible pursuant to this paragraph

1 (a) SUBSECTION (1.8)(a):

2 **TABLE B.4**

3 **SERVICE RETIREMENT ELIGIBILITY**

4 Age Requirement	Service Credit Requirement
5 (years)	(years)
6 Any Age	35
7 58	30
8 65	5

9 (1.9) (a) MEMBERS, EXCEPT STATE TROOPERS, WHO WERE NOT
10 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO
11 HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE
12 FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF
13 THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE
14 BENEFIT FORMULA SET FORTH IN SECTION 24-51-603 (1), (2), AND (3):

15 **TABLE B.5**

16 **SERVICE RETIREMENT ELIGIBILITY**

17 AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
18 (YEARS)	(YEARS)
19 ANY AGE	35
20 60	30
21 65	5

22 (b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO
23 THIS SUBSECTION (1.9) AND WHO ARE SIXTY YEARS OF AGE OR OLDER
24 SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,
25 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT
26 FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION
27 PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF

1 SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE
2 NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS NINETY YEARS OR
3 MORE.

4 (c) THIS SUBSECTION (1.9) DOES NOT CREATE A CONTRACTUAL
5 RIGHT FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE
6 B.5 TO RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

7 (2) (a) ~~Members with less than five years of service credit shall be~~
8 ~~eligible for service retirement benefits pursuant to the provisions of~~
9 ~~section 24-51-605.5 upon reaching sixty-five years of age if contributions~~
10 ~~were made for sixty months~~ STATE TROOPERS WHO WERE NOT MEMBERS,
11 INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO HAVE MET
12 THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE
13 SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,
14 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT
15 FORMULA SET FORTH IN SECTION 24-51-603 (1) AND (3):

16 **TABLE B.6**

17 **SERVICE RETIREMENT ELIGIBILITY**

18	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
19	(YEARS)	(YEARS)
20	ANY AGE	35
21	55	25
22	65	5

23 (b) STATE TROOPERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT
24 TO THIS SUBSECTION (2) AND WHO ARE FIFTY-FIVE YEARS OF AGE OR
25 OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,
26 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT
27 FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION

1 PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF
 2 SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE
 3 NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY YEARS OR
 4 MORE. THIS SUBSECTION (2) DOES NOT CREATE A CONTRACTUAL RIGHT
 5 FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE B.6 TO
 6 RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

7 (2.3) MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT
 8 SHALL BE ELIGIBLE FOR SERVICE RETIREMENT BENEFITS PURSUANT TO
 9 SECTION 24-51-605.5 UPON REACHING SIXTY-FIVE YEARS OF AGE IF
 10 CONTRIBUTIONS WERE MADE FOR SIXTY MONTHS.

11
 12 **SECTION 12.** In Colorado Revised Statutes, **amend** 24-51-604
 13 as follows:

14 **24-51-604. Reduced service retirement eligibility.** (1) DPS
 15 members with less than five years of service credit as of January 1, 2011,
 16 and members WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON
 17 DECEMBER 31, 2019, AND who have met the age and service credit
 18 requirements stated in the following table and who do not meet the
 19 requirements of section 24-51-602 shall, upon written application and
 20 approval of the board, receive reduced service retirement benefits
 21 pursuant to the benefit formula set forth in section 24-51-605:

22 **TABLE C**

23 **REDUCED SERVICE RETIREMENT ELIGIBILITY**

24	Age Requirement	Service Credit Requirement
25	(years)	(years)
26	50	25
27	50 State Troopers only	20

1	55	20
2	60	5

3 (2) MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR
 4 RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE
 5 CREDIT REQUIREMENTS STATED IN THE FOLLOWING TABLE AND WHO DO
 6 NOT MEET THE REQUIREMENTS OF SECTION 24-51-602 SHALL, UPON
 7 WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE REDUCED
 8 SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET
 9 FORTH IN SECTION 24-51-605:

10 **TABLE C.1**

11 **REDUCED SERVICE RETIREMENT ELIGIBILITY**

12	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
13	(YEARS)	(YEARS)
14	55	25
15	55 STATE TROOPERS ONLY	20
16	60	5

17 == ==

18 **SECTION 13.** In Colorado Revised Statutes, 24-51-606, **amend**
 19 (1.5) and (2)(b) as follows:

20 **24-51-606. Vested inactive member rights.** (1.5) Any member
 21 who was not a member, inactive member, or retiree on December 31,
 22 2006, who has earned at least five years of service credit and who
 23 terminates membership and does not elect to receive a refund pursuant to
 24 ~~the provisions of~~ section 24-51-405 shall be eligible for a benefit to
 25 become effective upon written application and approval by the board and
 26 upon reaching the age specified in ~~table B.05, B.07, or B.1~~ TABLE B.05,
 27 B.07, B.1, B.2, B.3, B.4, B.5, OR B.6 of section 24-51-602, as applicable,

1 for a service retirement or in ~~table C~~ TABLE C OR C.1 of section 24-51-604
2 for a reduced service retirement. Notwithstanding the provisions of this
3 subsection (1.5), for such a member who applies for retirement within
4 ninety days after the member attains age and service eligibility, the
5 effective date of retirement shall be the date the member attains such age
6 and service eligibility.

7 (2) (b) Direct payments in lieu of member contributions are
8 calculated at the ~~current~~ APPLICABLE member contribution rates
9 PURSUANT TO SECTION 24-51-401 (1.7), multiplied by the most recent
10 full-time monthly salary paid for the position previously held by the
11 vested inactive member.

12 **SECTION 14.** In Colorado Revised Statutes, **amend** 24-51-1001
13 as follows:

14 **24-51-1001. Types of benefit increases.** (1) For benefit
15 recipients whose benefits are based on the account of a member who was
16 a member, inactive member, or retiree on December 31, 2006, or for
17 benefit recipients whose benefits are based on the account of a DPS
18 member or DPS retiree, annual increases in retirement benefits and
19 survivor benefits shall be effective with the July benefit. Such increases
20 in benefits shall be calculated in accordance with ~~the provisions of~~
21 sections 24-51-1002 and 24-51-1003, SUBJECT TO SECTION 24-51-413,
22 and shall be paid from the retirement benefits reserve or the survivor
23 benefits reserve, as appropriate, so long as the following requirements are
24 satisfied:

25 (a) For benefit recipients whose benefit is based on a retiree or
26 DPS retiree whose effective date of retirement is prior to January 1, 2011,
27 or whose survivor benefits are based on a date of death that occurred prior

1 to January 1, 2011, the benefits have been paid to the benefit recipient for
2 at least seven months preceding July 1.

3 (b) For benefit recipients whose benefit is based on a retiree or
4 DPS retiree whose effective date of retirement is on or after January 1,
5 2011, or whose survivor benefits are based on a date of death that is on
6 or after January 1, 2011, AND AN ANNUAL INCREASE HAS BEEN APPLIED TO
7 THE BENEFIT ON OR BEFORE MAY 1, 2018, the benefits have been paid to
8 the benefit recipient for the twelve months prior to July 1, and for benefit
9 recipients whose benefit is based upon a retiree or DPS retiree who was
10 not eligible to retire as of January 1, 2011, THE BENEFITS HAVE BEEN PAID
11 TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1
12 AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR
13 BEFORE MAY 1, 2018, the retiree met the following requirements:

14 (I) For DPS members with five or more years of service credit as
15 of January 1, 2011, and for members WHO ARE NOT STATE TROOPERS who
16 began membership prior to July 1, 2005, and have five or more years of
17 service credit as of January 1, 2011, the retiree retired with a service
18 retirement benefit pursuant to section 24-51-602 or 24-51-1713,
19 whichever is applicable, or retired with a reduced service retirement
20 benefit pursuant to section 24-51-604 or 24-51-1714, whichever is
21 applicable, but has, as of January 1, attained the age and service credit
22 years that when combined total at least eighty years, or retired with a
23 reduced service retirement benefit pursuant to section 24-51-604 but has,
24 as of January 1, attained the age of sixty;

25 (II) For members WHO ARE NOT STATE TROOPERS who began
26 membership on or after July 1, 2005, but prior to January 1, 2007, the
27 retiree retired with a service retirement benefit pursuant to section

1 24-51-602, or retired with a reduced service retirement benefit pursuant
2 to section 24-51-604 but has, as of January 1, attained the age and service
3 credit years that when combined total at least eighty-five years, or retired
4 with a reduced service retirement benefit pursuant to section 24-51-604
5 but has, as of January 1, attained the age of sixty; ~~or~~

6 (III) For DPS members with less than five years of service credit
7 as of January 1, 2011, and for members whose membership began prior
8 to January 1, 2007, with less than five years of service credit as of January
9 1, 2011, the retiree retired with a service retirement benefit pursuant to
10 section 24-51-602, or retired with a reduced service retirement benefit
11 pursuant to section 24-51-604 but has, as of January 1, attained the age
12 and service credit years that when combined total at least eighty-five
13 years, or retired with a reduced service retirement benefit pursuant to
14 section 24-51-604 but has, as of January 1, attained the age of sixty; OR

15 (IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE
16 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE
17 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
18 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT
19 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,
20 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH
21 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST
22 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
23 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
24 ATTAINED THE AGE OF FIFTY-FIVE.

25 (b.5) FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED ON A
26 RETIREE OR DPS RETIREE WHOSE EFFECTIVE DATE OF RETIREMENT IS ON
27 OR AFTER JANUARY 1, 2011, OR WHOSE SURVIVOR BENEFITS ARE BASED ON

1 A DATE OF DEATH THAT IS ON OR AFTER JANUARY 1, 2011, AND AN
2 ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR
3 SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018, THE BENEFITS HAVE BEEN
4 PAID TO THE BENEFIT RECIPIENT FOR THIRTY-SIX MONTHS TOTAL BEFORE
5 JULY 1, AND BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR
6 THE TWELVE MONTHS PRIOR TO JULY 1, AND FOR BENEFIT RECIPIENTS
7 WHOSE BENEFIT IS BASED UPON A RETIREE OR DPS RETIREE WHO WAS NOT
8 ELIGIBLE TO RETIRE AS OF JANUARY 1, 2011, THE RETIREE MET THE
9 FOLLOWING REQUIREMENTS:

10 (I) FOR DPS MEMBERS WITH FIVE OR MORE YEARS OF SERVICE
11 CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHO ARE NOT STATE
12 TROOPERS WHO BEGAN MEMBERSHIP PRIOR TO JULY 1, 2005, AND HAVE
13 FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE
14 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
15 SECTION 24-51-602 OR 24-51-1713, WHICHEVER IS APPLICABLE, OR
16 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
17 SECTION 24-51-604 OR 24-51-1714, WHICHEVER IS APPLICABLE, BUT HAS,
18 AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
19 WHEN COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A
20 REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604
21 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

22 (II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN
23 MEMBERSHIP ON OR AFTER JULY 1, 2005, BUT PRIOR TO JANUARY 1, 2007,
24 THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
25 SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
26 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
27 ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED

1 TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED
2 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,
3 AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

4 (III) FOR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE
5 CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHOSE MEMBERSHIP
6 BEGAN PRIOR TO JANUARY 1, 2007, WITH LESS THAN FIVE YEARS OF
7 SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A
8 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR
9 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
10 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
11 SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST
12 EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
13 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
14 ATTAINED THE AGE OF SIXTY; OR

15 (IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE
16 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE
17 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
18 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT
19 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,
20 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH
21 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST
22 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
23 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
24 ATTAINED THE AGE OF FIFTY-FIVE.

25 (c) No minimum age or service credit requirement shall apply to
26 disability retirees or survivor benefit recipients.

27 (1.5) and (2) (Deleted by amendment, L. 93, p. 478, § 6, effective

1 March 1, 1994.)

2 (3) For benefit recipients whose benefits are based on the account
3 of a member who was not a member, inactive member, or retiree on
4 December 31, 2006, annual increases in retirement benefits and survivor
5 benefits, if any, shall be effective with the July benefit in accordance with
6 ~~the provisions of~~ section 24-51-1009, SUBJECT TO SECTION 24-51-413,
7 and shall be paid from the retirement benefits reserve or the survivor
8 benefits reserve, as appropriate, so long as the following requirements are
9 satisfied:

10 (a) The benefits have been paid to the benefit recipient for the full
11 preceding calendar year AND AN ANNUAL INCREASE HAS BEEN APPLIED TO
12 THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; and

13 (b) (I) For members WHO ARE NOT STATE TROOPERS whose
14 membership began on or after January 1, 2007, but prior to January 1,
15 2011, the retiree retired with a service retirement benefit pursuant to
16 section 24-51-602, or retired with a reduced service retirement benefit
17 pursuant to section 24-51-604 but has, as of January 1, attained the age
18 and service credit years that when combined total at least eighty-five
19 years, or retired with a reduced service retirement benefit pursuant to
20 section 24-51-604 but has, as of January 1, attained the age of sixty;

21 (II) For members WHO ARE NOT STATE TROOPERS whose
22 membership began on or after January 1, 2011, but prior to January 1,
23 2017, the retiree retired with a service retirement benefit pursuant to
24 section 24-51-602, or retired with a reduced service retirement benefit
25 pursuant to section 24-51-604 but has, as of January 1, attained the age
26 and service credit years that when combined total at least eighty-eight
27 years, or retired with a reduced service retirement benefit pursuant to

1 section 24-51-604 but has, as of January 1, attained the age of sixty;

2 (III) Subject to ~~the provisions of subparagraph (IV) of this~~
3 ~~paragraph (b)~~ SUBSECTION (3)(b)(IV) OF THIS SECTION, for members WHO
4 ARE NOT STATE TROOPERS whose membership began on or after January
5 1, 2017, the retiree retired with a service retirement benefit pursuant to
6 section 24-51-602, or retired with a reduced service retirement benefit
7 pursuant to section 24-51-604 but has, as of January 1, attained the age
8 and service credit years that when combined total at least ninety years, or
9 retired with a reduced service retirement benefit pursuant to section
10 24-51-604 but has, as of January 1, attained the age of sixty; ~~or~~

11 (IV) For members whose membership began on or after January
12 1, 2017, the retiree retired from the school or Denver public schools
13 divisions with a reduced service retirement benefit pursuant to section
14 24-51-604 and the retiree's most recent ten years of service credit was
15 earned in the school or Denver public schools divisions, but, as of January
16 1, the retiree's age and total service credit total at least eighty-eight years,
17 or the retiree retired with a reduced service retirement benefit pursuant to
18 section 24-51-604 but has, as of January 1, attained the age of sixty; OR

19 (V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT
20 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE
21 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
22 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT
23 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,
24 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH
25 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST
26 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
27 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,

1 ATTAINED THE AGE OF FIFTY-FIVE.

2 (c) No minimum age or service credit requirement shall apply to
3 disability retirees or survivor benefit recipients.

4 (3.5) FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE
5 ACCOUNT OF A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR
6 RETIREE ON DECEMBER 31, 2006, ANNUAL INCREASES IN RETIREMENT
7 BENEFITS AND SURVIVOR BENEFITS, IF ANY, ARE EFFECTIVE WITH THE JULY
8 BENEFIT IN ACCORDANCE WITH SECTION 24-51-1009, SUBJECT TO SECTION
9 24-51-413, AND SHALL BE PAID FROM THE RETIREMENT BENEFITS RESERVE
10 OR THE SURVIVOR BENEFITS RESERVE, AS APPROPRIATE, SO LONG AS THE
11 FOLLOWING REQUIREMENTS ARE SATISFIED:

12 (a) THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR
13 THIRTY-SIX MONTHS TOTAL, AND BENEFITS HAVE BEEN PAID TO THE
14 BENEFIT RECIPIENT FOR THE FULL PRECEDING CALENDAR YEAR, AND AN
15 ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR
16 SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; AND

17 (b) (I) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE
18 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2007, BUT PRIOR TO
19 JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT
20 BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED
21 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,
22 AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
23 WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH
24 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
25 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

26 (II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE
27 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO

1 JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT
2 BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED
3 SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,
4 AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
5 WHEN COMBINED TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR RETIRED WITH
6 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
7 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

8 (III) SUBJECT TO SUBSECTION (3.5)(b)(IV) OF THIS SECTION, FOR
9 MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON
10 OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE
11 RETIREMENT BENEFIT PURSUANT TO SECTION 24- 51-602, OR RETIRED WITH
12 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
13 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE
14 CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY YEARS, OR
15 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
16 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
17 SIXTY;

18 (IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER
19 JANUARY 1, 2017, THE RETIREE RETIRED FROM THE SCHOOL OR DENVER
20 PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT
21 BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST
22 RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR
23 DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE
24 RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT
25 YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT
26 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
27 ATTAINED THE AGE OF SIXTY;

1 (V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT
2 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, BUT
3 BEFORE DECEMBER 31, 2020, THE RETIREE RETIRED WITH A SERVICE
4 RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH
5 A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
6 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE
7 CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE
8 CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR
9 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
10 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
11 FIFTY-FIVE;

12 (VI) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE
13 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED
14 WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,
15 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
16 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
17 SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY
18 YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT
19 PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED
20 THE AGE OF SIXTY; OR

21 (VII) FOR MEMBERS WHO ARE STATE TROOPERS WHOSE
22 MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED
23 WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,
24 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
25 SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
26 SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER
27 SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST EIGHTY YEARS, OR

1 RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
2 SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
3 SIXTY.

4 (c) NO MINIMUM AGE OR SERVICE CREDIT REQUIREMENT SHALL
5 APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.

6 (4) Benefits that are calculated pursuant to part 17 of this ~~article~~
7 ARTICLE 51 shall be governed by the benefit increase provisions of such
8 part 17.

9 **SECTION 15.** In Colorado Revised Statutes, 24-51-1002, **amend**
10 (2); and **add** (1.5) as follows:

11 **24-51-1002. Annual percentages to be used.**

12 (1.5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR
13 THE YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE
14 ZERO PERCENT.

15 (2) ~~Beginning in the year 2011~~ ON THE EFFECTIVE DATE OF THIS
16 SUBSECTION (2), AS AMENDED, subject to ~~the provisions of~~ section
17 24-51-1009.5, for benefit recipients whose benefits are based on the
18 account of a member who was a member, inactive member, or retiree on
19 December 31, 2006, or for benefit recipients whose benefits are based on
20 the account of a DPS member or DPS retiree, the increase applied to
21 benefits paid shall be ~~the lesser of two percent or the average of the~~
22 ~~annual increases determined for each month, to the nearest one-tenth of~~
23 ~~a percent, as calculated by the United States department of labor, in the~~
24 ~~national consumer price index for urban wage earners and clerical~~
25 ~~workers during the calendar year preceding the increase in the benefit.~~
26 ~~Notwithstanding the provisions of this subsection (2), the increase shall~~
27 ~~be the maximum permitted under this subsection (2) and section~~

1 ~~24-51-1009.5~~ unless the association's annual audited return on
2 investments is negative for the preceding calendar year, at which point the
3 annual increase for the subsequent three years shall be the lesser of two
4 percent or the average of the annual increases determined for each month,
5 to the nearest one-tenth of a percent, as calculated by the United States
6 department of labor, in the national consumer price index for urban wage
7 earners and clerical workers during the calendar year preceding the
8 increase in the benefit ONE AND ONE-QUARTER PERCENT UNLESS
9 ADJUSTED PURSUANT TO SECTION 24-51-413. The increase applied to such
10 benefits shall be recalculated annually as of July 1 and shall be the
11 compounded annual percentage of the annual increases applied to such
12 benefits. In the first year that the benefit recipient is eligible to receive an
13 annual increase pursuant to section 24-51-1001, the annual increase shall
14 be prorated.

15 **SECTION 16.** In Colorado Revised Statutes, 24-51-1009, **amend**
16 (4) introductory portion and (4)(a); and **add** (1.5) as follows:

17 **24-51-1009. Annual increase reserve - creation.** (1.5) FOR THE
18 YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE ZERO
19 PERCENT.

20 (4) An actuarial valuation shall be conducted each year for the
21 annual increase reserve of each division for the purposes of this section.
22 The actuarial valuation shall include a determination of the total market
23 value of the assets in the reserve and a calculation of the net present value
24 of the actuarial liabilities associated with providing each of the annual
25 increases described in paragraphs (a), (b), and (c) of this subsection (4)
26 SUBSECTIONS (4)(a), (4)(b), AND (4)(c) OF THIS SECTION. Subject to section
27 24-51-1009.5, the maximum annual increase awarded by the board shall

1 be the lesser of the following calculations:

2 (a) SUBJECT TO THE MAXIMUM ANNUAL INCREASE AS ADJUSTED
3 PURSUANT TO SECTION 24-51-413, a permanent increase equal to ~~two~~
4 ~~percent~~ ONE AND ONE-QUARTER PERCENT of current benefits payable to
5 benefit recipients then eligible for an annual increase in accordance with
6 section 24-51-1001 (3);

7 **SECTION 17.** In Colorado Revised Statutes, **amend**
8 24-51-1009.5 as follows:

9 **24-51-1009.5. Annual increase amount changes.** When the
10 actuarial funded ratio of the association, based on the actuarial value of
11 assets, is at or above one hundred three percent as determined in the
12 annual actuarial study of the association, the upper limit of the annual
13 increase shall be increased by one-quarter of one percent. ~~If the actuarial~~
14 ~~funded ratio of the association, based on the actuarial value of assets,~~
15 ~~reaches one hundred three percent and subsequently any annual actuarial~~
16 ~~study reflects the actuarial funded ratio of the association, based on the~~
17 ~~actuarial value of assets, is below ninety percent, the upper limit of the~~
18 ~~annual increase shall be decreased by one-quarter of one percent. At no~~
19 ~~time shall the upper limit of the annual increase fall below two percent.~~

20

21 **SECTION 18.** In Colorado Revised Statutes, 24-51-1503, **amend**
22 (2) as follows:

23 **24-51-1503. Defined contribution plan option.** (2) An employee
24 hired by an employer who has been a member of the association's defined
25 benefit plan or the association's defined contribution plan during the
26 twelve months prior to the date that the employee commences
27 employment shall automatically continue to be a member of such plan

1 upon commencing employment. IF AUTOMATICALLY CONTINUING IN THE
2 DEFINED CONTRIBUTION PLAN, THE EMPLOYEE'S INDIVIDUAL
3 PARTICIPATION ACCOUNT SHALL RECEIVE THE SAME EMPLOYER
4 CONTRIBUTION PURSUANT TO SECTION 24-51-1505 (1), AS PREVIOUSLY
5 ENTITLED. The employee shall be considered an eligible employee for
6 purposes of section 24-51-1506.

7 **SECTION 19.** In Colorado Revised Statutes, 24-51-1505, **amend**
8 (1), (2), and (3) as follows:

9 **24-51-1505. Contributions - vesting - definition.**

10 (1) Contribution rates ~~to the association's defined contribution plan~~ by
11 the employer and by members of the defined contribution plan established
12 pursuant to this part 15 shall be the same as the rates that would be
13 payable by the employer and the member pursuant to section 24-51-401.

14 THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE THE FULL
15 MEMBER CONTRIBUTION AMOUNT IN EFFECT UNDER SECTION 24-51-401.

16 THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE A PORTION OF
17 THE EMPLOYER CONTRIBUTION EQUAL TO THE AMOUNT IN TABLE A IN
18 SECTION 24-51-401 (1.7)(a). ANY PORTION OF THE EMPLOYER
19 CONTRIBUTION ABOVE THE AMOUNT IN TABLE A IN 24-51-401 (1.7)(a)
20 SHALL BE PAID TO THE EMPLOYER'S DIVISION TRUST FUND.

21 (2) Consistent with ~~the provisions of~~ section 24-51-401 (1.7)(b),
22 (1.7)(c), and (1.7)(d), the employer shall deliver all contributions ~~to the~~
23 ~~defined contribution plan trust fund via the service provider designated~~
24 ~~by the association~~ within five days after the date members are paid.

25 (3) Except as otherwise provided in subsection (4) of this section,
26 members of the association's defined contribution plan shall be
27 immediately and fully vested in their own contributions to the plan,

1 together with accumulated investment gains or losses. Members shall be
2 immediately vested in fifty percent of the employer's contribution to the
3 DEFINED CONTRIBUTION plan, together with accumulated investment gains
4 or losses on that vested portion. For each full year of membership in the
5 defined contribution plan, the vesting percentage shall increase by ten
6 percent. The vesting percentage in the employer's contribution, with
7 accumulated earnings or losses, shall be one hundred percent for all
8 members with five or more years of membership in the defined
9 contribution plan. If an individual becomes a member of the defined
10 contribution plan without an existing account balance or after a
11 twelve-month break in service, the individual shall begin a new vesting
12 schedule with regard to future employer contributions in accordance with
13 this subsection (3).

14 **SECTION 20.** In Colorado Revised Statutes, 24-51-1702, **amend**
15 (17) as follows:

16 **24-51-1702. Definitions.** As used in this part 17, unless the
17 context otherwise requires:

18 (17) "Highest average salary" means the average monthly
19 compensation of the thirty-six months of accredited service having the
20 highest rates, multiplied by twelve, or the "career average salary",
21 whichever is greater, and shall be applied to benefits, except for benefits
22 under sections 24-51-1727 to 24-51-1731, attributable to retirement or
23 death on or after July 1, 1994. For benefits under sections 24-51-1727 to
24 24-51-1731, "highest average salary" applies to cases where termination
25 of service occurs on or after July 1, 1994. This subsection (17) shall apply
26 only to DPS members eligible for a retirement benefit as of January 1,
27 2011. For DPS members not eligible for a retirement benefit as of January

1 1, 2011, the definition of "highest average salary" specified in section
2 ~~24-51-101 (25)(b)(V)~~ SECTION 24-51-101 (25)(b)(V) AND (25)(b)(VI),
3 shall apply.

4

5 **SECTION 21.** In Colorado Revised Statutes, **add with amended**
6 **and relocated provisions** article 51.5 to title 24 as follows:

7

ARTICLE 51.1

8

Pension Review Commission

9

10 **24-51.1-101. [Formerly 31-31-1001.] Pension review**
11 **commission.** (1) (a) There is hereby created the ~~police officers' and~~
12 ~~firefighters' pension reform~~ REVIEW commission, to REFERRED TO IN THIS
13 SECTION AS THE "COMMISSION". BEGINNING IN THE FIRST REGULAR
14 SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY, THE COMMISSION
15 SHALL be comprised of five senators, THREE OF WHOM ARE appointed by
16 the president of the senate AND TWO OF WHOM ARE APPOINTED BY THE
17 MINORITY LEADER OF THE SENATE, and ten representatives, SIX OF WHOM
18 ARE appointed by the speaker of the house of representatives ~~The party~~
19 ~~representation shall be in proportion generally to the relative number of~~
20 ~~members of the two major political parties in each chamber~~ AND FOUR OF
21 WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
22 REPRESENTATIVES. The chair shall be designated by the speaker of the
23 house of representatives in odd-numbered years and by the president of
24 the senate in even-numbered years. The vice-chair shall be appointed by
25 the speaker of the house of representatives in even-numbered years and
26 by the president of the senate in odd-numbered years. Members of the
27 commission shall receive the same per diem allowance authorized for
other members of the general assembly serving on interim study

1 committees and actual expenses for participation in meetings of the
2 commission. Staff services for the commission AND THE PENSION REVIEW
3 SUBCOMMITTEE CREATED PURSUANT TO SUBSECTION (3) OF THIS SECTION
4 shall be furnished by the state auditor's office, the legislative council, and
5 the office of legislative legal services. The state auditor, with the approval
6 of the commission, may contract for services deemed necessary for the
7 implementation of this ~~part 10~~ ARTICLE 51.1.

8 (b) ~~The terms of the members appointed by the speaker of the~~
9 ~~house of representatives and the president of the senate and who are~~
10 ~~serving on March 22, 2007, shall be extended to and expire on or shall~~
11 ~~terminate on the convening date of the first regular session of the~~
12 ~~sixty-seventh general assembly. As soon as practicable after such~~
13 ~~convening date, the speaker and the president shall appoint or reappoint~~
14 ~~members in the same manner as provided in paragraph (a) of this~~
15 ~~subsection (1). Thereafter, The terms of members appointed or~~
16 ~~reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF~~
17 ~~REPRESENTATIVES , the president, AND THE MINORITY LEADER OF THE~~
18 ~~SENATE shall expire on the convening date of the first regular session of~~
19 ~~each general assembly, and all subsequent appointments and~~
20 ~~reappointments by the speaker and the president shall be made as soon as~~
21 ~~practicable after such convening date. The person making the original~~
22 ~~appointment or reappointment shall fill any vacancy by appointment for~~
23 ~~the remainder of an unexpired term. Members appointed or reappointed~~
24 ~~by the speaker, and THE MINORITY LEADER OF THE HOUSE OF~~
25 ~~REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE~~
26 ~~SENATE shall serve at the pleasure of the appointing authority and shall~~
27 ~~continue in office until the member's successor is appointed.~~

1 (2) The commission shall study and develop proposed legislation
2 relating to funding of police officers' and firefighters' pensions in this
3 state and benefit designs of such pension plans. The commission study
4 shall include a review of, and the proposed legislation may include,
5 among other subjects, the following, AS APPLICABLE:

- 6 (a) Normal retirement age; ~~and compulsory retirement;~~
- 7 (b) Payment of benefits prior to normal retirement age;
- 8 (c) Service requirements for eligibility;
- 9 (d) Rate of accrual of benefits;
- 10 (e) Disability benefits;
- 11 (f) Survivors' benefits;
- 12 (g) Vesting of benefits;
- 13 (h) Employee AND EMPLOYER contributions;
- 14 (i) Postretirement increases;
- 15 (j) Creation of an administrative board;
- 16 (k) Creation of a consolidated statewide system;
- 17 ~~(l) Distribution of state funds;~~
- 18 ~~(m)~~ (l) Coordination of benefits with other programs;
- 19 ~~(n)~~ (m) The volunteer firefighter pension system; AND
- 20 ~~(o)~~ (n) The provisions of this article and article 30.5 of this title
21 ARTICLES 30, 30.5, AND 31 OF TITLE 31.

22 ~~(3) Repealed.~~

23 (3) (a) THERE IS HEREBY CREATED THE PENSION REVIEW
24 SUBCOMMITTEE. THE SUBCOMMITTEE SHALL CONSIST OF FOURTEEN
25 MEMBERS APPOINTED AS FOLLOWS:

26 (I) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE
27 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF

1 THE SENATE, AND THE MINORITY LEADER OF THE SENATE SHALL EACH
2 APPOINT ONE LEGISLATOR WHO HE OR SHE HAS APPOINTED TO SERVE ON
3 THE PENSION REFORM COMMISSION TO ALSO SERVE ON THE
4 SUBCOMMITTEE;

5 (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
6 PRESIDENT OF THE SENATE SHALL BOTH APPOINT TWO PEOPLE FROM THE
7 COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT
8 MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND
9 BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,
10 OR ACTUARIAL ANALYSIS;

11 (III) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES
12 AND THE MINORITY LEADER OF THE SENATE SHALL BOTH APPOINT TWO
13 PERSON FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF
14 INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE,
15 COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING,
16 PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS; AND

17 (IV) THE GOVERNOR SHALL APPOINT TWO PEOPLE FROM THE
18 COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT
19 MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND
20 BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,
21 OR ACTUARIAL ANALYSIS.

22 (b) THE CHAIR OF THE SUBCOMMITTEE SHALL BE DESIGNATED BY
23 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN ODD-NUMBERED
24 YEARS AND BY THE PRESIDENT OF THE SENATE IN EVEN-NUMBERED YEARS.
25 THE VICE-CHAIR OF THE SUBCOMMITTEE SHALL BE APPOINTED BY THE
26 SPEAKER OF THE HOUSE OF REPRESENTATIVES IN EVEN-NUMBERED YEARS
27 AND BY THE PRESIDENT OF THE SENATE IN ODD-NUMBERED YEARS. THE

1 CHAIR AND VICE-CHAIR SHALL BE DESIGNATED FROM THE LEGISLATIVE
2 MEMBERS OF THE SUBCOMMITTEE.

3 (c) THE NONLEGISLATIVE MEMBERS OF THE SUBCOMMITTEE SHALL
4 SERVE WITHOUT COMPENSATION FROM THE GENERAL ASSEMBLY.

5 (4) (a) THE SUBCOMMITTEE SHALL REVIEW THE ITEMS SPECIFIED
6 IN SUBSECTION (2) OF THIS SECTION AS THEY RELATE TO THE PUBLIC
7 EMPLOYEES' RETIREMENT ASSOCIATION, AS APPLICABLE. IN ADDITION, THE
8 SUBCOMMITTEE SHALL:

9 (I) STUDY THE PROVISIONS OF ARTICLE 51 OF THIS TITLE 24 AND
10 MAKE NECESSARY RECOMMENDATIONS TO THE COMMISSION OR THE
11 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

12 (II) DETERMINE THE NECESSITY OF CONTINUING THE DIRECT
13 DISTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
14 PURSUANT TO SECTION 24-51-414;

15 (III) SUGGEST TO THE PUBLIC EMPLOYEES' RETIREMENT
16 ASSOCIATION ENHANCEMENTS THAT THE ASSOCIATION COULD MAKE TO
17 THE ANNUAL ANALYSIS THAT IT CONDUCTS PURSUANT TO SENATE BILL
18 14-214, ENACTED IN 2014, TO DETERMINE WHETHER THE ASSOCIATION'S
19 MODEL ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING
20 SUSTAINABILITY;

21 (IV) AFTER THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
22 SUBMITS ITS ANNUAL ACTUARIAL VALUATION TO THE LEGISLATIVE AUDIT
23 COMMITTEE AND THE JOINT BUDGET COMMITTEE OF THE GENERAL
24 ASSEMBLY PURSUANT TO SECTION 24-51-204 (7), REVIEW THE ACTUARIAL
25 VALUATION AND MAKE COMMENTS AS NECESSARY TO THE PUBLIC
26 EMPLOYEES' RETIREMENT ASSOCIATION REGARDING THE ACTUARIAL
27 VALUATION; AND

1 (V) WITH ADVICE OF THE BOARD OF TRUSTEES OF THE PUBLIC
2 EMPLOYEES' RETIREMENT ASSOCIATION, MAKE RECOMMENDATIONS TO THE
3 COMMISSION REGARDING ISSUES THAT THE COMMISSION MAY WISH TO
4 ADDRESS THROUGH PROPOSED LEGISLATION.

5 (b) EACH MEMBER OF THE SUBCOMMITTEE SHALL BE REQUIRED TO:

6 (I) ATTEND AT LEAST ONE MEETING PER YEAR OF THE BOARD OF
7 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

8 (II) ATTEND THE HEARING OF THE LEGISLATIVE AUDIT COMMITTEE
9 WHEN THE COMMITTEE REVIEWS THE ANNUAL ACTUARIAL VALUATION
10 THAT THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IS REQUIRED TO
11 SUBMIT TO THE LEGISLATIVE AUDIT COMMITTEE PURSUANT TO SECTION
12 24-51-204 (7); AND

13 (III) ATTEND THE "STATE MEASUREMENT FOR ACCOUNTABLE,
14 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING
15 OF THE JOINT FINANCE COMMITTEE PURSUANT TO PART 2 OF ARTICLE 7 OF
16 TITLE 2 WHEN THE JOINT FINANCE COMMITTEE REVIEWS THE PUBLIC
17 EMPLOYEES' RETIREMENT ASSOCIATION.

18 **SECTION 22.** In Colorado Revised Statutes, 31-30.5-302, **amend**
19 (1) as follows:

20 **31-30.5-302. Definitions.** As used in this part 3, unless the
21 context otherwise requires:

22 (1) "Commission" means the ~~police officers' and firefighters'~~
23 ~~pension reform~~ REVIEW commission established pursuant to ~~section~~
24 ~~31-31-1001~~ SECTION 24-51.1-101.

25 **SECTION 23. Repeal of provisions being relocated in this act.**
26 In Colorado Revised Statutes, **repeal** 31-31-1001.

27 **SECTION 24.** In Colorado Revised Statutes, **repeal** 31-31-1002.

1 **SECTION 25. Appropriation.** For the 2018-19 state fiscal year,
2 \$200,000 is appropriated to the legislative department for use by the
3 legislative council. This appropriation is from the general fund. To
4 implement this act, the legislative council may use this appropriation for
5 independent review of PERA assumptions pursuant to section
6 24-51.5-102 (3)(h), C.R.S.

7 **SECTION 26. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.