

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

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BILL 1

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LLS NO. 15-0067.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Police Officers' and Firefighters' Pension Reform Commission

A BILL FOR AN ACT

101 **CONCERNING THE TRANSFER OF AN INDIVIDUAL'S RETIREMENT FUNDS**
 102 **TO THE STATEWIDE DEFINED BENEFIT PLAN ADMINISTERED BY**
 103 **THE FIRE AND POLICE PENSION ASSOCIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Police Officers' and Firefighters' Pension Reform Commission.
 Current law allows a member of the fire and police pension association (FPPA) to roll over distributions from an eligible pension plan to the statewide defined benefit plan administered by the FPPA for other

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

employment not covered by the statewide defined benefit plan. However, current law treats such roll overs as a purchase of service credit. The bill authorizes a separate process for a member to be granted service credit upon a qualified transfer of funds from an eligible pension plan for other employment that is not covered by the statewide defined benefit plan and maintains the current process for the purchase of service credit. The bill specifies that the FPPA board of directors shall award service credit to the member in an amount calculated by the board on an actuarially equivalent basis.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 31-31-410 as
3 follows:

4 **31-31-410. Purchased or rolled over service credit.** (1) A
5 MEMBER MAY BE GRANTED SERVICE CREDIT UPON THE QUALIFIED
6 TRANSFER OF FUNDS FROM AN ELIGIBLE PENSION PLAN FOR OTHER PUBLIC
7 EMPLOYMENT WITHIN THE UNITED STATES NOT COVERED BY THE PLAN, AS
8 MAY BE ALLOWED UNDER RULES ADOPTED BY THE BOARD, SUBJECT TO ALL
9 OF THE FOLLOWING CONDITIONS:

10 (a) THE MEMBER HAS AT LEAST ONE YEAR OF CONTINUOUS
11 SERVICE CREDIT WITH THE SAME EMPLOYER COVERED BY THE STATEWIDE
12 DEFINED BENEFIT PLAN;

13 (b) THE MEMBER PROVIDES DOCUMENTATION THAT THE BENEFITS
14 IN THE ELIGIBLE PLAN WERE EARNED BASED ON PUBLIC EMPLOYMENT; AND

15 (c) THE MEMBER TRANSFERS FUNDS TO THE FIRE AND POLICE
16 PENSION ASSOCIATION AT THE TIME AND IN THE MANNER PRESCRIBED BY
17 THE BOARD. THE BOARD SHALL AWARD SERVICE CREDIT TO THE MEMBER
18 IN AN AMOUNT CALCULATED BY THE BOARD ON AN ACTUARIALLY
19 EQUIVALENT BASIS.

20 ~~(1.5)~~ (1.5) A member may purchase service credit ~~or may be granted~~

1 ~~service credit upon the qualified roll over of distributions from an eligible~~
2 ~~plan~~; for other public employment within the United States not covered
3 by the plan, as may be allowed under rules adopted by the board, subject
4 to all of the following conditions:

5 (a) The member has at least one year of continuous service credit
6 with the same employer covered by the statewide defined benefit plan;

7 (b) The member provides documentation of the dates of
8 employment not covered by the plan and a record of the salary received;

9 (c) The member verifies that the member will not receive a benefit
10 from any retirement plan covering such employment and that the service
11 credit to be granted has not vested with that plan, except to the extent
12 otherwise required by federal law; AND

13 (d) The member pays or transfers FUNDS FROM AN ELIGIBLE
14 ACCOUNT to the fire and police pension association, at the time and in the
15 manner prescribed by the board, TO PAY FOR the cost of the service credit,
16 such cost to be calculated by the board on an actuarially equivalent basis.

17 (2) A member may purchase up to five years of service credit for
18 periods of active duty in the uniformed services of the United States,
19 subject to all of the following conditions:

20 (a) The member has at least one year of continuous service credit
21 with the same employer covered by the statewide defined benefit plan;

22 (b) The member provides documentation of the dates of service
23 in the uniformed services of the United States and that the member was
24 honorably discharged from such service;

25 (c) The member provides certification from the employer that the
26 service is not intervening service covered by the federal "Uniformed
27 Services Employment and Reemployment Rights Act of 1994", chapter

1 43 of title 38, U.S.C., as amended;

2 (d) The member verifies that the member will not receive a benefit
3 from any retirement plan covering such service and that the service credit
4 to be purchased has not vested with that plan, except to the extent
5 otherwise required by federal law; AND

6 (e) The member pays to the fire and police pension association, at
7 the time and in the manner prescribed by the board, the cost of the service
8 credit purchased, such cost to be calculated by the board on an actuarially
9 equivalent basis.

10 (2.4) A MEMBER MAY BE GRANTED UP TO FIVE YEARS OF SERVICE
11 CREDIT UPON THE QUALIFIED TRANSFER OF FUNDS FROM AN ELIGIBLE
12 PENSION PLAN, FOR EMPLOYMENT WITH ANY PRIVATE EMPLOYER IN THE
13 UNITED STATES, AS MAY BE ALLOWED UNDER THE RULES ADOPTED BY THE
14 BOARD, SUBJECT TO ALL OF THE FOLLOWING CONDITIONS:

15 (a) THE MEMBER HAS AT LEAST FIVE YEARS OF CONTINUOUS
16 SERVICE CREDIT WITH THE SAME EMPLOYER COVERED BY THE STATEWIDE
17 DEFINED BENEFIT PLAN;

18 (b) THE MEMBER TRANSFERS FUNDS TO THE FIRE AND POLICE
19 PENSION ASSOCIATION AT THE TIME AND IN THE MANNER PRESCRIBED BY
20 THE BOARD. THE BOARD SHALL AWARD SERVICE CREDIT TO THE MEMBER
21 IN AN AMOUNT CALCULATED BY THE BOARD ON AN ACTUARIALLY
22 EQUIVALENT BASIS.

23 (c) A MEMBER MAY BE AWARDED OR PURCHASE SERVICE CREDIT
24 PURSUANT TO THIS SUBSECTION (2.4) AND SUBSECTION (2.5) OF THIS
25 SECTION IN AN AMOUNT THAT, WHEN COMBINED, DOES NOT EXCEED FIVE
26 YEARS.

27 (2.5) A member may purchase up to five years of service credit or

1 ~~may be granted up to five years of service credit upon the qualified roll~~
2 ~~over of distributions from an eligible plan;~~ for employment with any
3 private employer in the United States, as may be allowed under rules
4 adopted by the board, subject to all of the following conditions:

5 (a) The member has at least five years of continuous service credit
6 with the same employer covered by the statewide defined benefit plan;

7 (b) The member provides documentation of the dates of
8 employment not covered by the plan and a record of the salary received;

9 (c) The member verifies that the member will not receive a benefit
10 from any retirement plan covering such employment and that the service
11 credit to be granted has not vested with that plan, except to the extent
12 otherwise required by federal law; AND

13 (d) The member pays or transfers FUNDS FROM AN ELIGIBLE
14 ACCOUNT to the fire and police pension association, at the time and in the
15 manner prescribed by the board, TO PAY FOR the cost of the service credit,
16 such cost to be calculated by the board on an actuarially equivalent basis.

17 (3) ~~Any service credit purchased under this section must cover a~~
18 ~~period of one year or longer.~~

19 **SECTION 2. Act subject to petition - effective date.** This act
20 takes effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly (August
22 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within such period, then the act, item, section, or part will not take effect
26 unless approved by the people at the general election to be held in

- 1 November 2016 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.