

*Colorado Legislative Council Staff Fiscal Note***NO FISCAL IMPACT****Drafting Number:** LLS 07-0043**Date:** January 9, 2007**Prime Sponsor(s):** Rep. Liston**Bill Status:** House Local Government

Sen. Tochtrip

Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING POLICE OFFICERS' AND FIREFIGHTERS' PENSION OPTIONS FOR NEW HIRE MEMBERS WHO HAVE A CHANGE IN THEIR MARITAL STATUS AFTER RETIRING UNMARRIED.

Summary of Assessment

This bill was recommended by the Police Officers' and Firefighters' Pension Reform Commission during the 2006 interim. It allows certain members of the Fire and Police Pension Association (FPPA) who are single when they retire to choose a new benefit option later if they subsequently marry. The new option applies to retirees who choose a single life annuity under FPPA's statewide defined benefit plan as well as members who are awarded a disability benefit.

Under the bill, a member must select a new benefit option within 180 days of his or her marriage date, but existing members who retired single and later married who have not chosen a new benefit option have until January 1, 2008, to choose. A retiree who chooses a new benefit option must survive for at least 180 days after the marriage date in order for a survivor benefit to be payable. If a retiree changes his or her benefit option and dies within 180 days of the marriage date, the spouse is entitled to the remainder of the member's original benefit prior to selecting the new option.

Because monthly payments under a single life benefit are higher than other benefits, the bill may reduce the liabilities to the FPPA statewide defined benefit plan and the statewide death and disability plan. However, any reduction in FPPA pension obligations is expected to be minimal. Therefore, the bill is assessed as having no fiscal impact. The bill takes effect upon signature of the Governor.

Departments and Entities Contacted

Local Affairs

Fire and Police Pension Association