

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REVISED

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

LLS NO. 15-0069.01 Nicole Myers x4326

SENATE BILL 15-027

SENATE SPONSORSHIP

Ulibarri, Balmer, Jones

HOUSE SPONSORSHIP

Court, Ginal, Melton

Senate Committees  
Finance

House Committees  
Finance

A BILL FOR AN ACT

101 CONCERNING ADDITIONAL AUTHORITY OF THE BOARD OF DIRECTORS  
102 OF THE FIRE AND POLICE PENSION ASSOCIATION TO ASSESS  
103 ADMINISTRATIVE CHARGES.

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/bills summaries>.)*

**Police Officers' and Firefighters' Pension Reform Commission.**

The bill authorizes the fire and police pension association (FPPA) board of directors (board) to promulgate rules for the assessment of interest on unpaid contributions to statewide plans. The board is authorized to include rules regarding the waiver of interest due for good cause. The bill

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.*

HOUSE  
2nd Reading Unamended  
February 24, 2015

SENATE  
3rd Reading Unamended  
February 3, 2015

SENATE  
2nd Reading Unamended  
February 2, 2015

specifies that the interest rate will be one-half of one percent per month.

The bill also authorizes the board to assess the individual plans administered by the FPPA with the reasonable actuarial, audit, and operational costs that are incurred by the FPPA in complying with regulatory requirements and that are attributable to each plan.

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

**SECTION 1.** In Colorado Revised Statutes, 31-31-202, **add** (7) and (8) as follows:

**31-31-202. Powers and duties of the board.** (7) THE BOARD MAY PROMULGATE RULES FOR THE ASSESSMENT OF INTEREST, INCLUDING THE WAIVER OF INTEREST FOR GOOD CAUSE, ON UNPAID CONTRIBUTIONS TO STATEWIDE PLANS. INTEREST SHALL ACCRUE AT THE RATE OF ONE-HALF OF ONE PERCENT PER MONTH.

(8) THE BOARD MAY ASSESS THE REASONABLE ACTUARIAL, AUDIT, AND OPERATIONAL COSTS INCURRED BY THE ASSOCIATION RELATED TO COMPLIANCE WITH REGULATORY REQUIREMENTS WHICH ARE ATTRIBUTABLE TO EMPLOYERS WITH MEMBERS PARTICIPATING IN PLANS ADMINISTERED BY THE ASSOCIATION. ALTERNATIVELY, THE BOARD MAY FIND SUCH COSTS TO BE DE MINIMIS AND PAY THE COSTS FROM THE PLAN ASSETS.

**SECTION 2.** In Colorado Revised Statutes, 31-31-402, **amend** (4) as follows:

**31-31-402. Employer and member contributions.** (4) The payments required by this section are subject to ~~penalties~~ INTEREST if not submitted when due. Payments are due no later than ten days following the date of payment of salary to the member. ~~An interest charge of one-half of one percent per month shall be levied against any unpaid amount and added to the employer payments required pursuant to this~~

1 section; ~~except that the board may waive the interest charge for new~~  
2 ~~accounts in hardship cases, subject to rules promulgated by the board.~~

3 **SECTION 3.** In Colorado Revised Statutes, 31-31-704.6, **amend**  
4 (3) as follows:

5 **31-31-704.6. Social security supplemental plan - creation -**  
6 **management.** (3) Upon the effective date of coverage under the social  
7 security supplemental plan, each member covered by the plan shall pay  
8 ~~four percent of his or her salary paid~~ ONE-HALF OF THE MEMBER  
9 CONTRIBUTION RATE ESTABLISHED IN PART 4 OF THIS ARTICLE into the  
10 DEFINED BENEFIT PLAN TRUST fund. The payment shall be made by the  
11 employer by deduction from the salary paid to the member. For each  
12 member, the employer shall pay ~~four percent of the salary paid to the~~  
13 ~~member~~ ONE-HALF OF THE EMPLOYER CONTRIBUTION RATE ESTABLISHED  
14 IN PART 4 OF THIS ARTICLE into the defined benefit plan trust fund.  
15 Payments are due no later than ten days following the date of payment of  
16 salary to the member, unless the salary is paid more than once monthly,  
17 in which event the payments are due no later than the tenth day of the  
18 month following the month the salary is paid to the member. ~~An interest~~  
19 ~~charge of one-half of one percent per month shall be levied against any~~  
20 ~~unpaid amount and added to the employer payments required pursuant to~~  
21 ~~this section~~ THE PAYMENTS REQUIRED BY THIS SECTION ARE SUBJECT TO  
22 INTEREST IF NOT SUBMITTED WHEN DUE.

23 **SECTION 4.** In Colorado Revised Statutes, 31-31-501, **amend**  
24 (5) (c) as follows:

25 **31-31-501. Withdrawal into statewide money purchase plan.**  
26 (5) (c) ~~If any payment required pursuant to the provisions of paragraph~~  
27 ~~(a) or (b) of this subsection (5) is not made, interest shall be assessed on~~

1 ~~the amount due at the rate specified for employers in section 31-31-402~~  
2 ~~(4) until such amount is paid in full~~ THE PAYMENTS REQUIRED BY THIS  
3 SECTION ARE SUBJECT TO INTEREST IF NOT SUBMITTED WHEN DUE.

4 **SECTION 5.** In Colorado Revised Statutes, 31-31-811, **amend**  
5 (4) as follows:

6 **31-31-811. State funding of death and disability benefits.**

7 (4) For each member hired on or after January 1, 1997, who is eligible  
8 for the death and disability coverage provided by this part 8, a  
9 contribution shall be made to the death and disability account in the fund  
10 for the years 1997 and 1998 in an amount not greater than two and four  
11 tenths percent of the member's salary. Thereafter, the board, based on an  
12 annual actuarial valuation, may adjust the contribution rate every two  
13 years, but in no event may the adjustment for any two-year period exceed  
14 one-tenth of one percent of the member's salary. Any employer and any  
15 local pension board or authority shall provide such information as may be  
16 required by the board in order to complete the annual actuarial valuations.  
17 The actuary appointed by the board may utilize either the entry  
18 age-normal cost method or the aggregate cost method for purposes of the  
19 study required by this subsection (4). Any unfunded accrued liability shall  
20 be funded over a period not to exceed thirty years. The actuarial study  
21 shall not include any consideration of a cost of living adjustment to  
22 benefits awarded to members who are occupationally disabled. Payments  
23 shall be made by the employer and are due no later than ten days  
24 following the date of payment of salary to the member. ~~An interest charge~~  
25 ~~of one-half of one percent per month shall be levied against any unpaid~~  
26 ~~amount and shall be the responsibility of the employer~~ THE PAYMENTS  
27 REQUIRED BY THIS SECTION ARE SUBJECT TO INTEREST IF NOT SUBMITTED

1 WHEN DUE. Any decision regarding whether the contribution required by  
2 this subsection (4) shall be assessed against the employer or the member,  
3 or shall in some manner be assessed jointly against the employer and the  
4 member, will be made at the local level utilizing the usual process for  
5 determining employee benefits. If it is not already part of the usual  
6 process for determining employee benefits, the employer shall confer  
7 with the employees or their representative prior to making a  
8 determination on how the contribution will be assessed.

9 **SECTION 6.** In Colorado Revised Statutes, 31-31-1102, **amend**  
10 (4) (a) as follows:

11 **31-31-1102. Statewide hybrid plan - creation - management.**

12 (4) (a) Except as provided in paragraph (b) of this subsection (4), upon  
13 the effective date of coverage under the statewide hybrid plan, each  
14 member covered by the plan shall pay into the defined benefit system  
15 trust fund eight percent of salary paid. The payment shall be made by the  
16 employer by deduction from the salary paid to such member. Except as  
17 provided in paragraph (b) of this subsection (4), for each such member,  
18 the employer shall pay into the defined benefit system trust fund eight  
19 percent of the salary paid to such member. Payments are due no later than  
20 ten days following the date of payment of salary to the member. ~~An~~  
21 ~~interest charge of one-half of one percent per month shall be levied~~  
22 ~~against any unpaid amount and added to the employer payments required~~  
23 ~~pursuant to this section~~ THE PAYMENTS REQUIRED BY THIS SECTION ARE  
24 SUBJECT TO INTEREST IF NOT SUBMITTED WHEN DUE.

25 **SECTION 7. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly

1 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,  
2 if a referendum petition is filed pursuant to section 1 (3) of article V of  
3 the state constitution against this act or an item, section, or part of this act  
4 within such period, then the act, item, section, or part will not take effect  
5 unless approved by the people at the general election to be held in  
6 November 2016 and, in such case, will take effect on the date of the  
7 official declaration of the vote thereon by the governor.