

**Fire & Police Pension Association
of Colorado**

**Colorado Revised Statutes
with Member Approved Plan Amendments**

**Title 31
Articles 30, 30.5 & 31**

Attached are the Colorado Revised Statutes and Amendments pertaining to the plans and benefits administered by FPPA. For more information please also refer to the FPPA Member Handbook as well as the FPPA Rules and Regulations. The Member Handbook and Rules and Regulations may be viewed and/or downloaded from our web site at www.fppaco.org or by requesting copies from the address below.

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FIRE AND POLICE PENSION ASSOCIATION
AMENDMENTS TO THE STATEWIDE DEFINED BENEFIT PLAN
AMENDED BY BOARD OF DIRECTORS RESOLUTION
NO. 2004-4 DATED MARCH 24, 2004
AND
EXECUTIVE DIRECTOR/CEO CERTIFICATION OF ELECTION RESULTS
DATED JULY 16, 2004

Amendment Two: Removing the requirement that a DROP participant select a payment option within 30 days of termination.

Amend Sections 31-31-409.5 (13), as adopted as part of Amendment 5, Fire and Police Pension Association, Board of Directors Resolution No. 98-2, dated February 23, 1998, to read as follows:

(13) (a) A participant in the DROP who terminates employment or reaches the five-year limit for participation shall become a retiree and shall receive, at the retiree's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the retiree's life expectancy or the joint life expectancies of the retiree and the retiree's designated beneficiary. At the end of the installment period, a final disbursement of remaining funds in the DROP account shall be made. ~~If no selection is made by the retiree within 30 days of retirement, the lump sum payment method shall be utilized.~~

(b) Notwithstanding any provision to the contrary, any distribution under the DROP shall be made in accordance with Code Section 401(a)(9) and the regulations established there under as they are amended and shall comply with the following rules:

(i) To the extent required by Code Section 401(a) (9) and the regulations promulgated there under, payment of the benefits of a Member shall begin not later than the "required beginning date." For purposes of this Section, "required beginning date" means April 1 of the calendar year following the later of the calendar year in which the Member reaches age seventy and one-half (70½), or the calendar year in which the Member retires.

(ii) No payment option may be selected by a Member unless the amounts payable to the Member are expected to be at least equal to the minimum distribution required under Code Section 401(a)(9).

(iii) The amounts payable must satisfy the minimum distribution incidental benefit requirements of Code Section 401(a)(9)(G).

Amend Sections 31-31-409.5 (14), as adopted as part of Amendment 5, Fire and Police Pension Association, Board of Directors Resolution No. 98-2, dated February 23, 1998, to read as follows:

~~(14) If the member dies during the period of the member's participation in the DROP and the member's designated beneficiary is the member's surviving spouse to whom the member was legally married at the time of the member's death, the member's designated beneficiary shall receive, at the beneficiary's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the spouse's life or life expectancy. If no selection is made by the designated beneficiary within 30 days of death of the member, the lump sum payment method shall be utilized.~~

(a) In the event of the Member's death, any remaining benefit shall be distributed according to the following subject to compliance with Code Section 401(a)(9) and regulations there under.

(b) If the Member had begun receiving periodic payments from the Plan that were not annuitized, the balance of the Accounts shall be paid to the Designated Beneficiary at least as rapidly as under the payment option selected by the Member.

(c) If the Member had begun receiving payments in the form of a pension or annuity, the Designated Beneficiary shall be bound by all restrictions applicable to the pension or annuity, and the form of payment selected there under, and remaining payments, if any, shall be paid to the Designated Beneficiary in the same manner.

(d) If the Member dies before distributions have commenced, a Spouse Designated Beneficiary may take a lump sum distribution or may delay the commencement of benefits until not later than December 31 of the year the Member would have attained age seventy and one-half (70½) and may elect to receive periodic payments over the Spouse's life expectancy.

(e) If the Member dies before distributions have commenced, a Designated Beneficiary other than a surviving Spouse may take a lump sum or a periodic payment. In the case of a lump sum, payment must be made no later than December 31 of the calendar year containing the fifth anniversary of the Member's death. In the case of a periodic payment distribution, payment must commence no later than December 31 of the year following the year of the Member's death, and in no event be payable over a period longer than the Designated Beneficiary's life expectancy at the time the distribution commences.

(f) If the Member has not designated a Designated Beneficiary or the Plan is unable to locate the Designated Beneficiary upon death, the Member's remaining interest will be paid in a lump sum to the Member's estate.

(g) Notwithstanding the foregoing, any payment to an estate shall be made in a lump sum.

Amendment Three: Allow purchase of a monthly benefit from the SRA account and the DROP account.

A new Section 31-31-410.5 to read as follows:

31-31-410.5 Purchase of Monthly Benefits. A Member who is eligible for normal, deferred, or early retirement may elect to transfer all or part of his/her SRA Account and his/her DROP balance within the Statewide Defined Benefit Plan to purchase a monthly benefit. Funds may not be transferred from outside the Statewide Defined Benefit Plan to purchase a monthly benefit.

- (a) The funds transferred are to be considered part of the member's accumulated contributions for purposes of C.R.S. § 31-31-403(6).
- (b) At retirement or separation of service, which ever comes later, a Member may make a one-time, irrevocable election to purchase a monthly benefit. The purchase must be in one lump sum, which must be transferred prior to the receipt of defined benefits.
- (c) Once the Member's monthly payment amount is calculated, it will be considered to be a portion of the Member's pension under C.R.S. §§ 31-31-403 (1) (normal retirement), (3) (deferred retirement), (4) (early retirement), or C.R.S. § 31-31-404(2) (vested retirement). It may be reduced if the member elects one of the survivor options offered under C.R.S. § 31-31-404(5)(a) of the Statewide Defined Benefit Plan.
- (d) As part of the pension, the purchased monthly benefit may be adjusted pursuant to C.R.S. § 31-31-407 of the Statewide Defined Benefit Plan.
- (e) Once the monthly benefit is purchased, the Member may not convert back to a lump sum payout.
- (f) An application to purchase a monthly benefit shall be filed by the Member with the Plan Administrator on the Applicable Form. The Member must provide any documentation that is required by the Board to complete the purchase.

FIRE AND POLICE PENSION ASSOCIATION
AMENDMENTS TO THE STATEWIDE DEFINED BENEFIT PLAN
AMENDED BY BOARD OF DIRECTORS RESOLUTION
NO. 2002-2 DATED FEBRUARY 27, 2002
AND
EXECUTIVE DIRECTOR/CEO CERTIFICATION OF ELECTION RESULTS
DATED JUNE 19, 2002

Amendment One: Removal of consumer-price index limitation on statewide defined benefit plan:

Section 31-31-407(2)(a) C.R.S. is amended to read as follows:

The redetermination of benefits payable under subsection (1) of this section shall be computed as follows: The amount of the benefit on the effective date of the benefit shall be increased by a percentage to be determined by the board but no more than three percent for each full year contained in the period commencing with the effective date of the benefit and ending with the effective date of the redetermination. Beginning in 2002, the amount of the benefit on the effective date of the benefit shall be increased by a percentage to be determined by the board but no more than three percent of the prior year's benefit. In no event shall the benefit be decreased.

Section 31-31-407(3) is repealed.

Amendment One will become effective October 1, 2002.

Amendment Three: Member Self Direction of Deferred Retirement Option Plan (DROP) Assets

Section 31-31-409.5 (10), as adopted as part of Amendment 5, Fire and Police Pension Association, Board of Directors Resolution No. 98-2, dated February 23, 1998, is amended to read as follows:

The DROP assets shall be held in trust for investment purposes as part of the fire and police members' self-directed investments fund, subject to such rules as may be adopted for the administration of the trust. The Board shall be authorized to charge each account a fee for the administration of the DROP.

A new Section 31-31-409.6 is adopted as follows:

31-31-409.6 Fire and police members' self-directed investments fund - creation -management. (1) (a) There is hereby created the fire and police members' self-directed investments fund that shall consist of the assets of member self-directed funds administered and managed by the board pursuant to section 31-31-409.5(10), as adopted as part of Amendment 3, Fire and Police Pension Association, Board of Directors Resolution No. 2002-02, dated February 27, 2002. The board shall keep an accurate account of each such individual fund. In addition, the board shall keep an accurate account of each member's separate account in any such individual fund. The board may allow a member to exercise control of the investment of part or all of the member's accrued benefit under the member's plan. In allowing a member to exercise such control, the board shall:

(I) Select at least three investment alternatives, each of which is diversified in itself, that allow the member a broad range of investments and a meaningful choice between risk and return in the investment of the member's accrued benefit;

(II) Allow the member to change investments at least once each calendar quarter;
and

(III) Provide the member with information describing the investment alternatives, the nature, investment performance, fees, and expenses of investment alternatives, and other information to enable a member to make informed investment decisions.

(b) The board shall adopt rules governing the calculation and allocation of earnings and losses under the various investment alternatives that it may offer, the transfer of assets between funds under each alternative, the allocation of a member's account between investment alternatives, and such other matters as may be necessary to its administration and management of the fund created pursuant to this section.

(2) The board shall be the trustee of the fire and police members' self directed investments fund subject to the members' allocation of moneys in their accounts to the alternatives offered by the board. A member who exercises control over the plan assets in the member's account shall not be deemed to be a fiduciary by reason of such exercise of control, and the board shall not be liable for any loss that results from such exercise of control.

(3) The board shall designate one or more financial institutions as custodians of the fund. All moneys paid or transmitted to the custodian shall be credited to appropriate accounts in the fund, and the custodian shall maintain a current inventory of all investments of the fund.

(4) Disbursements from the fund shall be made, subject to the approval of the board, only for payment of the expenses of the association in connection with the administration of the fund, refunds to the members, benefits, and investment purposes.

(5) Reserved.

(6) Reserved.

(7) The board shall submit an annual audit of the fund to the general assembly and to each employer that has active or retired members with balances in the fund. Each employer shall make the audit and study available for review by its members.

Amendment Three will become effective October 1, 2002.

Amendment Four: DROP for early and vested retirements.

Section 31-31-409.5(2), as adopted as part of Amendment 5, Fire and Police Pension Association, Board of Directors Resolution No. 98-2, dated February 23, 1998, is amended to read as follows:

The provisions of this section are applicable with respect to those otherwise eligible members of the Statewide Defined Benefit Plan whose election to participate in the Deferred Retirement Option Plan occurs on or after the effective date of this section. An "eligible member" is any member who is eligible for normal retirement in accordance with section 31-31-403 C.R.S., who has reached retirement age but has not reached the required service, who is eligible for a vested retirement in accordance with section 31-31-404(2) C.R.S., or who is eligible for an early retirement in accordance with section 31-31-403(4)C.R.S.

Section 31-31-409.5(9), as adopted as part of Amendment 5, Fire and Police Pension Association, Board of Directors Resolution No. 98-2, dated February 23, 1998, is amended to read as follows:

Upon commencement of the member's participation in the DROP, the retirement benefits provided in this part 4 and the member contributions provided in this part 4 shall be paid into the member's Deferred Retirement Option Plan account. In no case shall the employer contribution be used to fund the DROP.

Amendment Four will become effective October 1, 2002.

FIRE AND POLICE PENSION ASSOCIATION
AMENDMENTS TO THE STATEWIDE DEFINED BENEFIT PLAN
AMENDED BY BOARD OF DIRECTORS RESOLUTION
NO. 2000-4 DATED JULY 5, 2000

AND
EXECUTIVE DIRECTOR/CEO CERTIFICATION OF ELECTION RESULTS
DATED JUNE 15, 2000

Amendment One: Tiered Retirement Benefit

Section 31-31-403 (1) (a), C.R.S., as amended by Amendment Three, 1993 Statewide Defined Benefit Plan Amendments, is modified to read as follows:

Any member covered by the statewide defined benefit plan who has completed at least twenty-five years of active service and has attained the age of sixty years shall be eligible for a normal retirement pension, but any member shall be eligible for a normal retirement pension at any time after attaining the age of fifty-five years if the member's employer has certified to the board that there is no available position for which such member is qualified. The annual normal retirement pension shall be two percent of the average of the member's highest three years' base salary for each of the first ten years of service and two and one-half percent of the average of the member's highest three years' base salary for each additional year of service.

Section 31-31-404 (2) (a), C.R.S., as amended by Amendment Five, 1993 Statewide Defined Benefit Plan amendments, is modified to read as follows:

In lieu of having the member's contributions returned as provided in paragraph (a) of subsection (1) of this section, a member who has at least ten years of credited service may leave the contributions with the fund. When the inactive member attains age sixty-five, the member shall be eligible to receive an annual vested benefit equal to two percent of the member's average highest three years' salary for each of the first ten years of service, and two and one-half percent of the average of the member's highest three years' base salary for each additional year of service. Any such member shall be eligible to receive the applicable vested benefit as provided in this section or to make an election for a reduced pension in the manner provided in section 31-31-403 (5). All the provisions of section 31-31-403 (5) shall apply to the member; except that the benefits used to calculate the reduced benefits shall be the vested benefit provided to the member under this section rather than the retirement benefit provided in section 31-31-403. The member may not elect one of the options earlier than sixty days prior to the commencement of vested benefit payments. In the event that an inactive member who is eligible for vested benefits dies prior to the commencement of the member's benefit payments, the fire and police pension association shall either refund the inactive member's contributions to the member's estate or provide survivor benefits to the member's designated beneficiary, payable when the member would have been eligible to receive a vested benefit under this subsection (2), whichever is greater. The survivor benefits shall be calculated as if the member has selected option 1 as set forth in section 31-31-403 (5) (a) (I). If the member's designated beneficiary dies prior to the time the member would have been eligible to receive a vested benefit under this subsection (2), the fire and police pension association shall refund the inactive member's contributions to the beneficiary's estate.

Amendment One will become effective January 1, 2001.

FIRE AND POLICE PENSION ASSOCIATION
AMENDMENTS TO THE STATEWIDE DEFINED BENEFIT PLAN
AMENDED BY BOARD OF DIRECTORS RESOLUTIONS
NO. 98-2 DATED FEBRUARY 23, 1998*
*Clerical error corrected by Resolution No. 99-2 dated February 24, 1999
AND
EXECUTIVE DIRECTOR'S CERTIFICATION OF ELECTION RESULTS
DATED MAY 26, 1998

Amendment One: "Pop Up" Provision

(a) Section 31-31-403 (5) (a), C.R.S., as amended, is modified by adding the following subparagraphs:

(IV) Option 4. A reduced pension payable to the member and upon the member's death, all of such reduced pension to be paid to the member's designated beneficiary for life; provided, however, that if the member's designated beneficiary predeceases the member, the member's base pension shall increase to the amount computed in accordance with subsection (1), (3), or (4) of this section, effective The first day of the month next following the date of death of the member's designated beneficiary.

(V) Option 5. A reduced pension payable to the member and upon the member's death, one-half of such reduced pension to be paid to the member's designated beneficiary for life; provided, however, that if the member's designated beneficiary predeceases the member, the member's base pension shall increase to the amount computed in accordance with subsection (1), (3), or (4) of this section, effective the first day of the month next following the date of death of the member's designated beneficiary.

(b) Section 31-31-406 (3) (c), C.R.S., as amended, is modified to read as follows:

Option 3: In an annuity. The member may choose an annuity payable to the member for life or may choose ~~any~~ OPTION I, II or III of the joint and survivor options permitted by section 31-31-403 (5) (a).

(c) Amendment One is effective January 1, 1999.

Amendment Four: Choice of Joint and Survivor Option Upon Subsequent Marriage

(a) Section 31-31-403 (5) (c), C.R.S., as amended, is modified as follows:

After an election has been made of any of the options provided in paragraph (a) of this subsection (5) and the member has cashed the first pension check, or sixty days from date of issuance of the check have elapsed, whichever occurs first, the election shall be irrevocable. The member's beneficiary designation shall also be irrevocable at such time unless the member's marital status changes as the result of dissolution of marriage, death of a beneficiary, marriage, remarriage, or in the event of the death of a beneficiary. In such case, the member may designate a new beneficiary; except that, in cases of dissolution

of marriage, this provision shall only apply to any final dissolution of marriage decree of a member entered on or after July 1, 1990. Notwithstanding the foregoing, an unmarried member who is receiving a single life annuity and whose marital status changes as the result of marriage or remarriage may elect one of the options provided in paragraph (a) of this subsection (5); provided, however, if such a member revokes his prior election and chooses a different payment option, and the member subsequently dies during the first six months following his marriage or remarriage, the only survivor benefit payable to the member's designated beneficiary shall be the difference between the single life option amount payable to the member prior to marriage and the amount of the reduced benefit that was actually paid to the deceased member during the period after his marriage or remarriage and prior to his death.

(b) Section 31-31-403 (5) (d), C.R.S., as amended, is modified to add the following:

In the event of a change in option elected pursuant to paragraph (c) of this subsection (5), the joint pension benefits payable shall be recalculated so as to be the actuarial equivalent of the remainder of the original pension benefits payable to the member immediately prior to the change in option.

(c) Amendment Four is effective January 1, 1999.

Amendment Five: Deferred Retirement Option Plan (DROP)

(a) A new Section 31-31-409.5, Deferred Retirement Option Plan, is hereby added to Part 4, Article 31, Title 31, C.R.S., as amended:

31-31-409.5 Deferred Retirement Option Plan.

(1) This section adds, as a part of the Statewide Defined Benefit Plan, an optional account known as the Deferred Retirement Option Plan.

(2) The provisions of this section are applicable with respect to those otherwise eligible members of the Statewide Defined Benefit Plan whose election to participate in the Deferred Retirement Option Plan occurs on or after the effective date of this section. An "eligible member" is any member who is eligible for normal retirement in accordance with section 31-31-403.

(3) The program set forth in this section may be referred to as the "DROP."

(4) The purpose of the DROP is to allow an eligible member to elect, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment for a specified period of time and to have the member's otherwise deductible employee contribution and retirement benefits paid into the DROP account until the end of such specified period of the member's participation, at which time employment is to cease. An eligible member must choose a straight life annuity or one of the retirement options provided in section 31-31-403 (5) at the same time the member elects to participate in the DROP.

(5) An eligible member may participate in the DROP only once.

(6) The duration of a member's participation in the DROP shall not exceed a total of five years. As a condition precedent to participation in the DROP, the member shall execute an irrevocable agreement with his employer in the form prescribed by the Board which shall, among other items, clearly and unequivocally state that the member must retire no later than the fifth anniversary of the member's participation in the DROP, and the member shall also acknowledge that no disbursement of any DROP funds can occur absent the retirement or death of the member. The employer shall provide a copy of such agreement to the Board.

(7) If the member's participation in the DROP is interrupted by military service, reduction in work force, or job related disability, then, upon reestablishment of membership and provided that the member has not received any distribution from his DROP account, the member shall be immediately eligible for resumption of participation in the DROP for the balance of the five year maximum. Other than the above-described types of interruptions of participation, the five year period shall continue to run in all other cases.

(8) Upon commencement of the member's participation in the DROP, the member shall remain an active member. Nevertheless, the member shall earn no additional service credit or additional benefits under the Statewide Defined Benefit Plan.

(9) Upon commencement of the member's participation in the DROP, the normal retirement benefit provided in this part 4 and the member contribution provided in this part 4 shall be paid into the member's Deferred Retirement Option Plan account. In no case shall the employer contribution be used to fund the DROP.

(10) The DROP assets shall continue to be commingled for investment purposes as part of the fire and police members' benefit fund and shall be credited with net investment earnings and losses at the same rate as other assets in the fund. The Board shall be authorized to charge each account a fee for the administration of the DROP.

(11) The Board is authorized to adopt rules and regulations governing the DROP.

(12) The DROP account shall not be subject to any fees or charges of any kind for any purpose, except as otherwise provided herein.

(13) A participant in the DROP who terminates employment or reaches the five-year limit for participation shall become a retiree and shall receive, at the retiree's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the retiree's life expectancy or the joint life expectancies of the retiree and the retiree's designated beneficiary. At the end of the installment period, a final disbursement of remaining funds in the DROP account shall be made. If no selection is made by the retiree within 30 days of retirement, the lump sum payment method shall be utilized.

(14) If the member dies during the period of the member's participation in the DROP and the member's designated beneficiary is the member's surviving spouse to whom the member was legally married at the time of the member's death, the member's designated beneficiary shall receive, at the beneficiary's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the spouse's life or life expectancy. If no selection is made by the designated beneficiary within 30 days of death of the member, the lump sum payment method shall be utilized.

(15) If the member dies during the period of the member's participation in the DROP and the member's designated beneficiary is someone other than the member's surviving spouse to whom the member was legally married at the time of the member's death, the designated beneficiary shall receive a lump sum payment equal to the member's individual DROP account balance plus net investment earnings or losses.

(16) If the member dies during the period of the member's participation in the DROP and the designated beneficiary has not survived the member, the member's estate shall receive a lump sum payment equal to the member's individual DROP account balance plus net investment earnings or losses.

(b) Amendment Five will be effective January 1, 1999 or upon receipt by FPPA of a favorable determination letter from the Internal Revenue Service approving Amendment Five, whichever occurs later.

FIRE AND POLICE PENSION ASSOCIATION
AMENDMENTS TO THE STATEWIDE DEFINED BENEFIT PLAN
ADOPTED AUGUST 25, 1993

RELOCATED BY RESOLUTION 97-4

Amendment One. The provisions of section 31-31-403 (1) (a), Colorado Revised Statutes, as amended, are modified as follows:

Any member covered by the statewide defined benefit plan who has completed at least twenty-five years of active service and has attained the age of sixty years shall be eligible for a normal retirement pension, but any member shall be eligible for a normal retirement pension at any time after attaining the age of fifty-five years if the member's employer has certified to the board that there is no available position for which such member is qualified. The annual normal retirement pension shall be two percent of the average of the member's highest three years' base salary multiplied by the member's years of service, not to exceed twenty-five. In addition to the annual normal retirement pension set forth in this paragraph (a), a member shall receive two percent of the average of the member's highest three years' base salary for each year of service which the member accrues after having served at least twenty-five years and attaining the age of sixty years or such lesser age as the Board may set pursuant to paragraph (b) of this subsection (1). However, in no event shall a member receive more than seventy percent of the average of the member's highest three years' base salary as a retirement benefit. The additional benefit provided by this paragraph (a) shall only accrue with respect to years of service credit after January 1, 1994.

Amendment Five. The provisions of section 31-31-404 (2) (a), Colorado Revised Statutes, as amended, are modified as follows:

In lieu of having the member's contributions returned as provided in paragraph (a) of subsection (1) of this section, a member who has at least ten years of credited service may leave the contributions with the fund. When the inactive member attains age sixty-five, the member shall be eligible to receive an annual vested benefit equal to two percent of the member's average highest three years' salary multiplied by years, not to exceed twenty-five, of active service. Any such member shall be eligible to receive the applicable vested benefit as provided in this section or to make an election for a reduced pension in the manner provided in section 31-31-403 (5). All the provisions of section 31-31-403 (5) shall apply to said member; except that the benefits used to calculate the reduced benefits shall be the vested benefit provided to the member under this section rather than the retirement benefit provided in section 31-31-403. The member may not elect one of the options earlier than sixty days prior to the commencement of vested benefit payments. In the event that an inactive member who is eligible for vested benefits dies prior to the commencement of benefit payments, the fire and police pension association shall EITHER refund the inactive member's contributions to the member's estate, or provide survivor benefits to the member's designated beneficiary, payable when the member would have been eligible to receive a vested benefit under this subsection (2), whichever is greater. The survivor benefits shall be calculated as if the member had selected option 1 as set forth in Section 31-31-403 (5) (a) (I). If the member's designated beneficiary dies prior to the time the member would have been eligible to receive a vested benefit under this subsection (2), the Fire and Police Pension Association shall refund the inactive member's contributions to the beneficiary's estate.

TITLE 31
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Fire - Police - New Hire Pension Plans

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ARTICLE 30
Fire - Police - Sanitation

PART 1
FIRE, POLICE, OR STREET DEPARTMENT - PAID - CIVIL SERVICE

31-30-101. Authority to provide for classified departments. The governing body of any city or town may provide by ordinance for a paid fire department, a paid police department, or a paid street department or all of same and may fix, define, and classify the various grades of employment in such departments, which grades and classifications shall be based upon the nature of the services to be rendered and the duties to be performed and shall also fix uniform wages and salaries to be paid to all employees in each particular class, which wages may be lowered or increased uniformly for each class from time to time.

31-30-102. Civil service commission - withdrawal. The governing body of any city or town in the state maintaining a paid police department, a paid fire department, or a paid street department may establish a commission which shall be known as "the city (town) of fire and police and street department civil service commission". Said governing body shall not have the authority to withdraw said departments from operation of such system unless and until the withdrawal thereof has been submitted to the registered electors of said city or town at a special or regular election held in said city or town pursuant to an ordinance properly passed submitting the same to said electors and has been approved by not less than a majority vote of said electors voting on such proposition.

31-30-103. Purpose. It is the intent of this part 1 to enable the governing body of any city or town within this state to adopt by ordinance such civil service system for fire, police, or street departments as may be adaptable to the size and type of city or town involved and consist of a comprehensive civil service system as in the sound discretion of said governing body may be for the best interests of the public service in said city or town. The provisions of this part 1 shall not apply to or in any way annul, repeal, or set aside the civil service provisions in force on or before May 17, 1939, in any city or town.

31-30-104. Contract for conducting examination. The governing body of any city or town may contract with the governing body of any municipality or county within this state or with

any department of the state for the conducting of competitive examinations to ascertain the fitness of applicants for positions and employment in the fire, police, or street department or all of same and for the performance of any other service in connection with personnel selection and administration.

31-30-105. Ordinance - violation. (1) Any ordinance adopted by the governing body of any city or town under the provisions of this part 1 shall include the following provisions and penalty for violation thereof: No person holding an office or place in a fire, police, or street department placed by the governing body under a civil service system pursuant to the provisions of this part 1 shall seek or accept election, nomination, or appointment as an officer of a political club or organization; take an active part in a county or municipal political campaign; serve as a member of a committee of such club, organization, or circle; seek signatures to any petition provided for by any law; act as a worker at the polls; or distribute badges, pamphlets, dodgers, or handbills of any kind favoring or opposing any candidate for election or for nomination to a public office, whether county or municipal. Nothing in this part 1 shall prevent any such officer or employee from becoming or continuing to be a member of a political club or organization, attending a political meeting, or enjoying entire freedom from all interference in casting his vote.

(2) Any willful violation of this section or violation through culpable negligence is sufficient grounds to authorize the discharge of any firefighter, police officer, or street department employee.

PART 2 FIREFIGHTERS' CIVIL SERVICE

31-30-201. Authorization - petition - election. (1) All cities or towns organized under the general laws of this state which have paid fire departments are authorized to adopt civil service regulations pertaining to such departments in the following manner:

(a) The governing body may, and upon the petition of registered electors in number not less than fifteen percent of the last preceding vote for mayor shall, submit the question of accepting civil service provisions relative to such fire department to a vote of the registered electors at the next regular election. If a petition is submitted, the signatures to such petition shall be acknowledged before a notary public and need not be all on one paper. The ordinance or resolution calling for submission of the question shall provide for classification of all members of the fire department.

(b) The election notice shall state that the question is submitted for the purpose of ascertaining whether or not the city or town will adopt civil service regulations relative to said fire department. The election shall be conducted as nearly as may be in accordance with the provisions of the "Colorado Municipal Election Code of 1965". The ballots or voting machine tabs shall contain the words "For the Merit System" and "Against the Merit System".

(c) If, upon the official determination of the result of such election, it appears that a majority of all the votes cast are for the adoption of the merit system under civil service regulations, this part 2 and all rules made under this part 2 shall immediately be in full force and effect in said city or town.

31-30-202. Commissioners appointed - terms - vacancies - expenses allowed. Immediately upon the adoption of the merit system under civil service regulations, the governing body shall appoint three persons as civil service commissioners who shall be known and designated as the board of civil service commissioners or board of public safety to serve for six years, four years, and two years, respectively, from the date of their appointment and until their

successors are appointed and qualified. Every alternate year the governing body shall appoint one person, as the successor of the commissioner whose term shall expire, to serve for the term of six years from the date of the appointment and until a successor is appointed and qualified. Any vacancy may be filled for the unexpired term by appointment by the governing body. At no time shall more than two commissioners be members of the same political party. Said commissioners shall serve without compensation but shall be paid their necessary expenses actually incurred in the discharge of their official duties.

31-30-203. Merit. Appointments and employment in and promotion to said fire department and said classified civil service shall be made according to merit and fitness, to be ascertained by competitive tests of competency except as provided in section 31-30-206.

31-30-204. Removal - public hearings. The classified civil service of the said city or town shall comprise all members of the fire department. Persons in the classified civil service shall hold their respective positions and be graded according to their competency, which shall be the same for all persons having like duty; except that the members of any paid fire department holding positions on the same at the time said city or town adopts the provisions of this part 2 shall retain their respective positions until removed after a public hearing for good cause shown, as provided in this section. They shall be removed or discharged only upon written charges which shall be filed by the head of the department or by any citizen of the city or town acting for the good of the service, to be promptly acted upon by the commission. All hearings before the commission shall be open to the public. No person shall be discharged for a political or religious reason. In case of emergency, the commission shall authorize the temporary appointment of members to the fire department without competitive tests for a period of not to exceed ninety days.

31-30-205. Commission to make rules. The making or enforcement of rules to carry out the purpose of the classified civil service of such city or town, the alteration and discharge of such rules, the conducting of all competitive tests and determination of all removals or discharge cases, and the standardization in such classified civil service shall be vested in the commission. No person in the classified civil service shall be paid until a certificate is made by the commission that his appointment is made pursuant to law.

31-30-206. Positions retained. All persons holding regular positions in the classified civil service, as defined by this part 2, at the time of the adoption of the civil service provision, as provided in this part 2, shall retain their respective positions without examination or further appointment. In all other respects said persons shall be subject to the provisions and rules of this part 2.

31-30-207. Commission to make inquiries - record - report. (1) It is the duty of the commission to investigate alleged breaches of this part 2 and its rules, and in the course of such investigations they, or any of them, may subpoena witnesses, administer oaths, and compel the testimony of witnesses and production of books, papers, and records relative to such inquiry, and it is the duty of such persons so subpoenaed to appear and testify and to produce such books, papers, and records as are called for in such subpoena. Should the person subpoenaed fail to appear and testify or produce documentary evidence, the commission may apply to the district court for an order compelling compliance with the subpoena. Failure to obey the order of the court shall be punishable as a contempt of court. The commission shall keep records of its proceedings and of all examinations held by it or under its authority. All records and documents filed by the commission shall be filed as public records. The minutes of the commission shall be kept in a separate book and shall be open to the public at all reasonable times.

(2) The commission, on or before the December 1 preceding each regular session of the governing body, shall make a report to the governing body of its work during the preceding year

and include therein all rules adopted and any suggestions for legislation to carry out the purposes of the civil service.

31-30-208. Fee of applicants. Every applicant for examination shall pay the commission a fee of one dollar for the purpose of defraying the expenses of conducting such examination. All moneys received or collected by the commission shall be paid into the municipal treasury and shall be placed by the treasurer in a separate fund to the credit of the commission for the use of said commission. No person shall be examined unless such fee has been paid.

31-30-209. Powers of commission. The commission has the power to make and enforce all rules and regulations, which rules and regulations shall be printed for distribution. No rule shall become effective until five days after publication of the same in some newspaper in said city or town.

31-30-210. Qualifications - notice of examination. Applicants for appointment shall be citizens of the United States and reside in the city and county of such municipality for one year next preceding the date of their application. All examinations shall be impartial and only relate to the fitness of such persons examined for the service they wish to enter. No question shall relate to political or religious affiliation, and no appointment shall be affected in any manner by such political or religious affiliation. Notice of time, place, and scope of such examination shall be given in said notice published in said paper. No person shall be certified to appointment whose standing shall be less than sixty-five percent of complete proficiency. Preference shall be given to persons honorably discharged from the naval or military service of the United States and whose qualifications are otherwise equal.

PART 3
PENSION - POLICE - GENERAL

31-30-301 to 31-30-325. (Repealed)

PART 4
PENSION - FIREFIGHTERS' - GENERAL

31-30-401 to 31-30-418. (Repealed)

PART 5
FIREFIGHTERS' PENSIONS - CITIES OF OVER 100,000

31-30-501 to 31-30-523. (Repealed)

PART 6
POLICEMEN'S PENSIONS - CITIES OF OVER 100,000

31-30-601 to 31-30-621. (Repealed)

PART 7
PENSION FUNDS - INVESTMENT - PERSONNEL INSURANCE

31-30-701 and 31-30-702. (Repealed)

PART 8
POLICEMEN'S AND FIREFIGHTERS' PENSION REFORM LAW

31-30-801 to 31-30-806. (Repealed)

PART 9
POLICEMEN'S AND FIREFIGHTERS' PENSION REFORM COMMISSION

31-30-901. (Repealed)

PART 10
MEMBERS' BENEFITS

31-30-1001 to 31-30-1019. (Repealed)

PART 11
VOLUNTEER FIREFIGHTER PENSION ACT

31-30-1101. Short title. This part 11 shall be known and may be cited as the "Volunteer Firefighter Pension Act".

31-30-1102. Definitions. As used in this part 11, unless the context otherwise requires:

(1) "Board" means the board of trustees of the volunteer firefighter pension fund that is created in a municipality or district under this part 11.

(2) "District" means a fire protection district or county improvement district in this state having fire department members and offering fire protection services, and any county that provides funding, including volunteer pension funding, through intergovernmental cooperation for the provision of fire protection services.

(3) "Fire and police pension association" means the association created by section 31-31-201.

(4) "Fire department member" means a volunteer firefighter who is in a fire department that serves a municipality, county, or district and who accrues benefits in the volunteer firefighter pension fund.

(5) "Fund" means the volunteer firefighter pension fund provided in this part 11.

(6) "Municipality" means a municipality in this state that maintains a regularly organized volunteer fire department and that offers fire protection services.

(7) "Plan" means a program of benefits provided under this part 11.

(7.5) "Previous net valuation" means an amount equal to the total valuation for assessment certified by the county assessor pursuant to section 39-5-128, C.R.S., and amended pursuant to section 39-1-111 (5), C.R.S., less the valuation for assessment that has been divided for an urban renewal area pursuant to section 31-25-107 (9) or for a downtown development authority pursuant to section 31-25-807 (3) for the property tax year in which the municipality or district made a contribution to the fund. If the total valuation for assessment certified by the county assessor, as amended, does not include the valuation for assessment that has been divided for an urban renewal area, such urban renewal valuation for assessment shall not be subtracted from the total valuation for assessment.

(8) "Retired fire department member" means a volunteer firefighter who is not on active

duty and who receives pension benefits from the volunteer firefighter pension fund.

(9) (a) "Volunteer firefighter" means a firefighter who renders service to a fire department in a municipality, county, or district, who does not receive compensation as a firefighter, and who is not classified as an employee for purposes of the federal "Fair Labor Standards Act of 1938", as amended, based on payments, fees, or benefits that the firefighter receives. "Volunteer firefighter" may include other designations or titles given to firefighters provided that the firefighter meets all of the requirements for being a volunteer firefighter in this part 11.

(b) For the purposes of this subsection (9), "compensation" does not include:

(I) Actual expenses incurred by and reimbursed to a volunteer firefighter;

(II) Salary lost as a consequence of actual firefighting duties causing the absence of the volunteer firefighter from normal employment;

(III) Participation in or receipt of benefits from the fund;

(IV) Participation in or receipt of benefits upon termination of volunteer services to any district or municipality provided as part of an internal revenue code qualified volunteer service award plan established for the benefit of volunteer firefighters;

(V) Payments from federal moneys, either through the district or municipality or to the volunteer firefighter directly, for participation in a temporary emergency incident;

(VI) Nominal fees or benefits paid on a per-call basis or as part of an annual merit or recognition award program or other incentive award program.

31-30-1103. Board of trustees - fund. (1) In any municipality or district that maintains a regularly organized volunteer fire department, there is created a board of trustees of the volunteer firefighter pension fund. The board:

(a) Shall manage, use, and disburse moneys in the fund according to its rules and bylaws and this part 11;

(b) Shall supervise and control the fund;

(c) May take all necessary steps and pursue all necessary remedies to preserve the fund.

31-30-1104. Board - municipality. (1) In a municipality, the board must consist of the following members:

(a) The mayor for a term equal to the mayor's tenure as mayor;

(b) The municipal treasurer or finance officer for a term equal to the treasurer's or finance officer's tenure with the municipality;

(c) Two other persons appointed by and for terms determined by the governing body of the municipality; and

(d) Three fire department members of the entire membership of all classes of fire departments serving the municipality who are elected by the fire department members of those fire departments for three-year terms; except that, at the initial election, one member shall be elected for three years, one member for two years, and one member for one year. In all subsequent elections, these members shall be elected for three years.

(2) The board shall elect a president and secretary from its members. The municipal treasurer or finance officer shall serve as the ex officio treasurer of the board.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, the governing body of the municipality may continue with the board composition that was in effect on June 4, 1995.

31-30-1105. Board - fire protection district. (1) In a fire protection district, the board must consist of the following members:

(a) The board of directors of the fire protection district for terms equal to their tenure on the fire protection district board;

(b) The treasurer of the board of the fire protection district who shall be treasurer of the fund for a term equal to the treasurer's tenure on the fire protection district board; and

(c) Two fire department members elected by the fire department members for two-year terms; except that, at the initial election, one member shall be elected for two years and one member for one year. In all subsequent elections, these members shall be elected for two years.

(2) The board shall elect a president and secretary from its members.

(3) The treasurer of the board shall obtain a bond paid from the fund in an amount determined by the board.

31-30-1106. Board - county improvement district. (1) In a county improvement district, the board must consist of the following members:

(a) One county commissioner of the county in which the district is located for a term equal to the commissioner's tenure as county commissioner;

(b) The county treasurer for a term equal to the treasurer's tenure with the county;

(c) Three residents of the county obligated to pay real or personal property taxes who are appointed by the county commissioners for staggered terms determined by the county commissioners; and

(d) Two fire department members for two-year terms.

(2) The treasurer of the fund shall obtain a bond paid from the fund in an amount determined by the board.

31-30-1107. Board - consolidation or merger. (1) If a municipality or district merges or consolidates with one or more municipalities or districts, the former trustees of the various volunteer firefighter pension funds of the consolidated or merged municipalities or districts shall:

(a) Elect seven persons from their members, not more than three of whom are fire department members, to serve as trustees of the volunteer firefighter pension fund of the consolidated or merged fund with due regard to equal representation;

(b) Cease to hold office if they are not elected under paragraph (a) of this subsection (1).

(2) The trustees of the consolidated or merged fund shall elect from its members a president, secretary, and treasurer. The treasurer of the consolidated or merged district's fund shall obtain a bond paid from the fund in an amount determined by the board.

31-30-1108. Board powers and duties. (1) A board created by this part 11 to control a fund:

(a) Shall adopt necessary rules that are not inconsistent with this part 11 for the management and discharge of its duties, for its own government and procedure, and for the preservation and protection of the fund;

(b) Shall hear and decide each application for benefits under this part 11 in accordance with section 24-4-105, C.R.S. Action on an application is final and conclusive; except that, if in the opinion of a board, justice demands reconsideration of the action, the board may reverse the action.

(c) Shall keep and preserve a record of the action and all other matters properly before the board;

(d) May make agreements with the fire and police pension association to administer the plan and manage the funds of the plan for investment;

(e) May consolidate its fund with the fund of another municipality or district and shall administer the consolidated funds as a single fund if in the opinion of the board the total moneys allocated to a fund by a municipality or district are inadequate to sustain a proper fund for retirement or for the other purposes of the fund under this part 11. The boards of these single funds may consolidate the funds under conditions and terms provided in an agreement consistent with this part 11.

31-30-1109. Attorney representation. (1) The attorney for a municipality or district shall:

(a) When required by the board, advise the board on all matters pertaining to the board's duties and management of the fund;

(b) Represent and defend the board in any suit or action at law or in equity brought against the board; and

(c) Bring all suits and actions on the board's behalf as the board requires or requests.

(2) If a conflict between a board and a municipality or district exists, the board may obtain an attorney to represent the board in any action described in this section at the board's expense.

31-30-1110. Property tax - other tax revenue. (1) The governing body of a municipality with a population of less than one hundred thousand, the board of directors of each fire protection district, the board of county commissioners, or the board of a county improvement district may levy and set apart a tax for each year of not more than one mill on the taxable property in the municipality, county, or district. The governing body or board shall contribute the proceeds of this tax, if any, to the municipality's, county's, or district's fund. The total tax levied under this section and section 31-30.5-403 (1), if any, for a fire department that has both paid and volunteer firefighters must not exceed one mill on the taxable property in the municipality, county, or district. Any new tax or an increase in the mill levy under this section shall comply with the voter approval requirements under section 20 of article X of the state constitution.

(2) The governing body of a municipality with a population of less than one hundred thousand, the board of directors of a fire protection district, the board of county commissioners, or the board of a county improvement district may contribute the proceeds of any other tax that the municipality, county, or district is authorized to collect to the municipality's, county's, or district's fund.

31-30-1111. Contribution to fund. (1) In addition to any tax revenues contributed under section 31-30-1110, the fund also consists of any:

(a) Moneys given to the board or fund by a person for the use and purpose for which the fund is created. The board may take any money, personal property, or real estate, or interest therein by gift, grant, devise, or bequest as trustees for the use and purpose for which the fund is created;

(b) Moneys, fees, rewards, or emoluments of any nature and description that are paid or given to the fund; and

(c) Moneys provided by the state under section 31-30-1112.

(2) Fund moneys are held in trust for the exclusive use and benefit of the fire department members and retired fire department members and their surviving spouses, dependent children, dependent parents, and other beneficiaries in accordance with this part 11.

31-30-1112. State contributions - intent - advisory committee - repeal. (1) (a) Prior to July 1, 2004, the state treasurer may transfer moneys annually to the fire and police pension association for distribution as provided in this section to assist in funding volunteer firefighter pension funds.

(b) On and after July 1, 2004, the state treasurer shall transfer moneys to the department of local affairs for distribution as provided in this section to assist in funding volunteer firefighter pension plans.

(2) (a) State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming

one hundred percent collection.

(b) A municipality or district that was contributing an amount necessary to pay volunteer firefighter pensions in excess of three hundred dollars per month shall receive state contributions under paragraph (a) of this subsection (2) in an amount not to exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection but based upon the greater of:

(I) The contribution that was actuarially required to pay a pension of three hundred dollars per month in the previous year, as determined by the municipality or district; or

(II) The highest actual contribution received by the municipality or district during the calendar year 1998, 1999, 2000, or 2001, irrespective of whether the state contribution was authorized by law at the time it was made. In the event of a consolidation or merger of two or more municipalities or districts, the sum of the highest actual contribution received by each consolidating or merging municipality or district during the calendar year 1998, 1999, 2000, or 2001 shall be the state contribution of the surviving consolidated or merged entity for the purposes of this subparagraph (II).

(c) and (c.5) (Deleted by amendment, L. 2002, p. 504, § 1, effective July 1, 2002.)

(d) The board in any municipality or district shall not increase benefits above the following amounts unless the increase is approved by the governing body of the municipality or district and an actuarial review indicates a higher payment is actuarially sound:

(I) For volunteer firefighter pensions, three hundred dollars per month;

(II) For a short-term disability monthly annuity pursuant to section 31-30-1121, one hundred fifty dollars per month;

(III) For a retirement pension pursuant to section 31-30-1123, two hundred dollars per month;

(IV) For survivor benefits pursuant to section 31-30-1127, one hundred fifty dollars per month; or

(V) For funeral benefits pursuant to section 31-30-1129, one hundred dollars.

(e) In no event shall a municipality or district receive less than one thousand dollars if the municipality or district contribution to its fund is equal to or greater than one-half mill on the previous net valuation for assessment of the municipality or district.

(f) (Deleted by amendment, L. 2002, p. 504, § 1, effective July 1, 2002.)

(g) The moneys necessary to make the state's contribution under this section shall be derived from the proceeds of the tax imposed by section 10-3-209, C.R.S., as follows:

(I) (A) On September 30 of each year through September 30, 2003, the state treasurer shall transfer the amount necessary to provide contributions equal to the contributions made by the state to each municipality and district during the calendar year 1979 to the fire and police pension association for disbursement to the fund of each municipality or district.

(B) As of July 1, 2004, the department of local affairs shall be responsible for disbursing the state contribution to each municipality and district. On or before October 31, 2004, and on or before October 31 of each year thereafter, the state treasurer shall transfer the amount necessary to provide contributions equal to the contributions made by the state to each municipality and district during the calendar year 1979 to the department for disbursement to the fund of each municipality or district.

(II) (A) To the extent the state's contribution under this section exceeds the contributions made by the state during the calendar year 1979, the state treasurer shall transfer the excess amounts from the proceeds of the tax imposed by section 10-3-209, C.R.S., to the fire and police pension association on September 30 of each year through September 30, 2003, for disbursement

to the municipality's or district's funds.

(B) To the extent that the state's contribution under this section exceeds contributions made by the state during the calendar year 1979, the state treasurer shall transfer the excess amounts from the proceeds of the tax imposed by section 10-3-209, C.R.S., to the department of local affairs on or before October 31, 2004, and on or before October 31 of each year thereafter, for disbursement to the municipality or district's funds.

(C) Moneys transferred under this subparagraph (II) shall be separate from and in addition to moneys transferred under section 31-30.5-307 (2) and do not revert to the general fund but are available for the purposes provided in this section.

(h) (I) In addition to any other transfers required by this section, on September 30 of each year through September 30, 2003, the state treasurer shall transfer from the proceeds of the tax imposed by section 10-3-209, C.R.S., to the fire and police pension association, such moneys as may be necessary to pay for the accidental death and disability insurance policy for volunteer firefighters provided in section 31-31-202 (4).

(II) As of July 1, 2004, the executive director of the department of local affairs or the director's designee shall be responsible for providing the accidental death and disability insurance policy for volunteer firefighters as provided in sections 31-30-1134 and 31-31-202 (4) (d). In addition to any other transfers required by this section, on or before October 31, 2004, and on or before October 31 of each year thereafter, the state treasurer shall transfer from the proceeds of the tax imposed by section 10-3-209, C.R.S., to the department such moneys as may be necessary to pay for the accidental death and disability insurance policy for volunteer firefighters and the administrative costs of providing such policy.

(i) Moneys transferred pursuant to this section shall be included for information purposes in the general appropriation bill or in supplemental appropriation bills to comply with the limitation on state fiscal year spending imposed by section 20 of article X of the state constitution and section 24-77-103, C.R.S.

(j) It is the intent of the general assembly to continually fund volunteer firefighter pension plans.

(3) (a) The department of local affairs shall work with the municipalities, the districts, and the advisory committee established in subsection (6) of this section to develop a procedure by which municipalities and districts apply to receive state assistance moneys distributed pursuant to this section. Such application procedure shall ensure that the department can verify the amount of money to which each municipality and district is entitled before the department transfers funds to the municipalities and districts each year.

(b) The department of local affairs shall work with the joint budget committee to develop a procedure that allows any municipality or district to apply for a late disbursement of moneys in the event that such municipality or district made a good faith effort, but was unable to comply with the application procedure created pursuant to paragraph (a) of this subsection (3) due to a delay in preparing a financial statement or completing a required audit or actuarial study.

(4) (a) The department of local affairs, after consultation with the advisory committee established in subsection (6) of this section, may impose a nonrefundable application fee in an amount to be determined by the department on any municipality or district that applies to the department for state assistance moneys distributed pursuant to this section. The application fee may be on a sliding scale based on the amount of state assistance moneys distributed to each fund pursuant to this section in the previous year.

(b) All revenue collected by the department of local affairs from the fee imposed pursuant to paragraph (a) of this subsection (4) shall be transmitted to the state treasurer who shall credit the

revenue to the volunteer fire department application fund, which fund is hereby created in the state treasury. The moneys in the fund shall be continuously appropriated to the department for the purpose of covering the direct costs of administering the distribution of the state contribution moneys pursuant to this section.

(5) The department of local affairs shall have the authority to contract with any entity for the purpose of complying with the requirements of this section.

(6) (a) There is hereby established a volunteer firefighter advisory committee. The department of local affairs shall consult with the committee in the performance of its duties in connection with the distribution of state contribution moneys to municipal and district volunteer firefighter pension funds pursuant to this section and to the accidental death and disability insurance policy for volunteer firefighters pursuant to section 31-30-1134. The members of the advisory committee shall not receive compensation or reimbursement from the state or the department for expenses incurred in the performance of their duties. The committee shall consist of five members that the executive director of the department shall appoint as follows: three members shall be members of a board, one member shall be an active volunteer firefighter, and one member shall be a representative of a municipality or district that has volunteer firefighters.

(b) This subsection (6) is repealed, effective July 1, 2014. Prior to the repeal of this subsection (6), the advisory committee shall be reviewed as provided for in section 2-3-1203, C.R.S.

31-30-1113. Fund investments. (1) The board may invest all or any part of fund moneys in the name of the board's treasurer or in the name of a custodian or custodians appointed by the board under this section in interest-bearing obligations of the United States, in interest-bearing bonds of this state, in general obligation bonds of municipalities, whether organized under general law or article XX of the state constitution, or in any depository stated in section 24-75-603, C.R.S., and secured as provided in articles 10.5 and 47 of title 11, C.R.S. By written resolution, the board may appoint one or more persons to act as a custodian or custodians, in addition to the treasurer, to deposit or cause to be deposited all or part of the fund in any state or national bank or any state or federally chartered savings and loan association in this state. The appointed persons shall give surety bonds, and the board shall determine the bonds' amounts, form, and purposes. These securities and evidences of investment shall be deposited with the treasurer of the municipality or district.

(2) Upon the board's direction, the treasurer of a municipality or district may invest part of the fund available for investment, with or without one or more other volunteer firefighter pension funds, in a noninsured trust pension plan with a bank or trust company authorized to exercise trust powers in this state as a trustee. The trustee's investment of fund moneys is governed by article 1.1 of title 15, C.R.S., but the trustee shall at all times hold fixed-income obligations having a book value or cost of not less than sixty percent of the total contributions made to the trust less the amounts paid out.

(3) Notwithstanding subsection (1) of this section, the board may invest all or any part of fund moneys in the name of the board's treasurer or in the name of a custodian or custodians appointed by the board under this section in one or more of the following:

(a) Any public-private initiative with the department of transportation, as defined in section 43-1-1201 (3), C.R.S.;

(b) Bonds issued for turnpikes in accordance with part 2 of article 3 of title 43, C.R.S.; or

(c) Repealed.

(d) Any other public-private initiative program for transportation system projects in Colorado authorized by law.

(4) The board may give preference to the investments described in subsection (3) of this section if such investments are consistent with sound investment policy.

31-30-1114. Fund investment in insurance. (1) Except as provided in subsection (2) of this section and with the concurrence of sixty-five percent of the fire department members voting thereon and sixty-five percent of the retired fire department members voting thereon, the board may:

(a) Insure the fire department members under the following insurance policies issued by companies authorized to do business in this state:

- (I) Individual, group, or blanket life, endowment, or annuity insurance;
- (II) Variable annuity insurance; or
- (III) Disability or liability insurance; and

(b) Spend any part of the fund to pay premiums on these policies.

(2) The board shall not spend fund moneys to purchase insurance if the expenditure would impair the pension fund's ability to:

(a) Pay annuities to a fire department member, surviving spouse, or dependent parent or child receiving annuities; or

(b) Meet the future requirements of pensions, benefits, and awards under the plan.

(3) The board must be the beneficiary of any insurance policies, and the proceeds of the insurance policies shall be paid to the board as an addition to the fund.

31-30-1115. Warrants. (1) Officers of the municipality or district who are designated by law to draw warrants on the treasurer of the municipality or district shall draw warrants thereon upon orders by the board, payable to the board's treasurer for moneys belonging to the fund.

(2) Except as provided in subsection (3) of this section, the board's treasurer shall pay moneys ordered to be paid from the fund to any person only upon warrants signed by the board's president and countersigned by the board's secretary. A warrant shall not be drawn except by the board's order that is duly entered in the records of the board's proceedings.

(3) Fund moneys in noninsured trust pension plans with a bank or trust company shall be paid by the trustee only upon the board's written order that is signed by the board's president, countersigned by the board's secretary, and duly entered in the records of the board's proceedings.

31-30-1116. Treasurer - custodian - segregation of moneys. (1) The board's treasurer and the custodian appointed by the board under section 31-30-1113 are the custodians of the fund and shall secure and safely keep books and accounts concerning the fund in the manner as the board may prescribe. The books and accounts are subject to inspection by the board, any board member, or any other interested person. Upon expiration of the treasurer's or custodian's term of office or appointment, the treasurer or custodian shall surrender and deliver to the successor all bonds, securities, and unexpended moneys or other property of the fund that the treasurer or custodian has possessed.

(2) A municipality or district that includes both paid and volunteer firefighters in their pension plans may consolidate the funds but must segregate the moneys for paid and volunteer firefighters on an equitable basis for accounting and actuarial purposes. The segregation shall be considered in actuarial reports on the funds. In computing the portion of the fund attributed to volunteer firefighters, volunteer firefighters' benefits shall not be changed.

31-30-1117. Exemption from levy. (1) Except for an assignment for child support purposes as provided in sections 14-10-118 (1) and 14-14-107, as they existed prior to July 1, 1996, and except for income assignments for child support purposes pursuant to section 14-14-111.5, C.R.S., and a writ of garnishment that is the result of a judgment taken for arrearages for child support or for child support debt, no part of the fund, either before or after any order for

distribution of the fund to a fire department member, retired fire department member, or beneficiary of the fund or the surviving spouse or guardian of any child of a deceased or disabled fire department member or of a deceased, disabled, or retired fire department member shall be held, seized, taken, subjected to, detained, or levied on by virtue of any attachment, execution, protest, or proceeding of any nature whatsoever issued out of or by any court in this or any other state for the payment or satisfaction of all or part of any debt, damages, claim, demand, judgment, fine, or amercement of the municipality or district or of a fire department member, retired fire department member, or their surviving spouses, dependent children, or designated beneficiaries.

(2) Except as provided in section 31-30-1118, the fund must be kept, secured, and distributed for the purpose of issuing pensions and protecting the persons named in this part 11 and for no other purpose whatsoever; except that the board may annually spend moneys as it deems proper and necessary from the fund for necessary expenses connected with the fund.

31-30-1118. Fund use - other purposes. (1) If the governing body of a municipality or district finds by resolution that no person is eligible or can become eligible for payment of a fund benefit, it may authorize contributions of all fund moneys for any fire-related purpose and, if no fire-related purpose exists, for any purpose as determined by the governing body of the municipality or district.

(2) At least sixty days before adoption of this resolution, the governing body of the municipality or district shall publish one notice in a newspaper with general circulation within the municipality or district and shall provide a copy of the published notice to the board of directors of the fire and police pension association. The notice must state that the intent of the governing body is to use the money in the fund for the purposes permitted in subsection (1) of this section and that persons who believe they are or may be entitled to benefit payments from the fund have fifty days from the date of the notice in which to file a written objection with the governing body regarding its proposed use of the fund. If a written objection is received, the governing body shall hold a public hearing before adoption of the resolution. Before the hearing, the governing body shall publish notice of the time and place of the hearing and send written notice of the hearing by certified mail to each person who files a written objection.

(3) If a person establishes a claim to a benefit from the fund within one year after adoption of this resolution, the municipality or district shall repay to the fund any money paid from the fund under this section, and no such additional payments shall be made from the fund.

31-30-1119. Board report. The board shall make a report to the governing body of the municipality or the board of directors of its district, whichever is applicable, on the condition of the fund. The board shall submit the report to the governing body or board of directors before the last meeting in February and the last meeting in August of each year.

31-30-1120. Maximum benefit amount. (Repealed)

31-30-1121. Disability pension - rules - hearing. (1) If a volunteer firefighter is injured while in the line of duty as a volunteer firefighter, the board shall pay to the volunteer firefighter:

(a) A short-term disability monthly annuity for not more than one year in an amount it determines is proper and equitable, considering the financial condition of the fund, but not more than one-half the amount paid by the board pursuant to section 31-30-1122 (1) or two hundred twenty-five dollars, whichever is greater; or

(b) A long-term disability monthly annuity for a disability that deprives the volunteer firefighter of an earning capacity and that extends beyond one year in an amount it determines is proper and necessary but not more than the amount paid by the board pursuant to section 31-30-1122 (1) or four hundred fifty dollars, whichever is greater. Any increase in the benefits in

a municipality under this paragraph (b) shall be approved by the municipality's governing body.

(2) Disability-pension applicants shall be examined by one or more physicians selected by the board and may be examined by one or more physicians selected by the applicant. The board shall pay from the fund the expenses of the physician chosen by the board.

(3) The board shall adopt rules it deems proper concerning the examination of persons who are receiving disability benefits under this section to determine periodically the fitness of these persons. A person who is receiving benefits under this section and who is either fifty years of age or has completed twenty years of active duty in the fire department before the date disability benefits under this section are first provided shall not be reexamined. A person receiving benefits under this section shall not be examined before one year after the date disability benefits under this section are first provided and not more often than annually after this date.

(4) The board shall terminate the disability benefits under this section of a person who the board finds has recovered sufficiently from the disability that resulted in the receipt of these benefits, is under the age of fifty years, and has served less than twenty years of active duty. A person whose benefits are terminated under this subsection (4) may file a written protest within thirty days after the termination date stating the objection to the termination and requesting a hearing. The decision of the board is suspended pending a hearing on the protest. At the hearing, the member may appear and be represented by counsel.

31-30-1122. Retirement pension. (1) The board of a municipality, with the prior consent of the municipality's governing body, or the board of a fire protection district or county improvement district may pay a retirement pension to a volunteer firefighter who has twenty years of active service and who is over the age of fifty years. The retirement pension shall be an amount determined by the board of not more than one hundred dollars per month, unless an actuarial review indicates a higher payment is actuarially sound; except that any such amount determined by the board of a municipality shall be made with the prior consent of the municipality's governing body. Pensions that make payments in excess of three hundred dollars per month are subject to the state contribution limitation specified in section 31-30-1112 (2) (b). Except as provided in section 31-30-1132, a volunteer firefighter shall not receive a retirement pension for service in a fire department while the firefighter is an active member of that department. A volunteer firefighter shall maintain a minimum training participation in the fire department of thirty-six hours each year to qualify for retirement benefits. A volunteer firefighter who has served twenty years and who has not reached the age of fifty years may be granted a leave of absence and retain all rights to a retirement pension and is entitled to the retirement pension when the firefighter is fifty years of age.

(2) Notwithstanding subsection (1) of this section, the board may pay a retirement pension to a volunteer firefighter who has less than twenty years of active service if the municipality's or district's fund is actuarially sound. The board shall determine the period of active service necessary to qualify for this retirement pension, but in no event shall such period be less than ten years of active service. The board shall not pay this retirement pension until the volunteer firefighter is fifty years of age. The amount of this retirement pension shall be determined by prorating the amount of the retirement pension under subsection (1) of this section based on the volunteer firefighter's years of service.

(3) Whenever the board increases the retirement pension benefit payable pursuant to subsection (1) of this section, such increase may also be applied to the pension benefit of any retired volunteer firefighter receiving the pension benefit specified in subsection (1) of this section at the time of such increase. The applicable pro rata share of any such increase, based upon the number of years of service, may also be applied to the pension benefit of any retired volunteer

firefighter receiving the pension benefit specified in subsection (2) of this section at the time of such increase. Whenever the board elects to apply any retirement pension increase permitted under this subsection (3), the board shall apply such increase to the retirement pension of all retired volunteer firefighters in a fire department who are eligible for such increase under this subsection (3). Any actuarial review required under subsection (1) of this section shall include the cost of any retirement pension increase permitted under this subsection (3).

31-30-1123. Retirement pension - sources of payment. The retirement pension of a volunteer firefighter who has earned twenty years of active service as a volunteer firefighter for any one municipality or district shall be paid from the fund of that municipality or district, and no other fund shall pay a pension to that volunteer firefighter. The retirement pension of a volunteer firefighter who earns twenty years of active service as a volunteer firefighter after June 2, 1977, by serving more than one municipality or district shall be paid from the fund of each municipality or district for which the volunteer firefighter served at least five years. The amount paid by each fund for each year of service with the particular municipality or district shall equal one-twentieth of the retirement pension being paid by that fund on the day the volunteer firefighter left the service of the particular municipality or district. The retirement pension of a volunteer firefighter who earns twenty years of active service as a volunteer firefighter by serving more than one municipality or district shall be paid only by the municipality or district last served by that volunteer firefighter if any part of the twenty years of service was earned on or before June 2, 1977. In no event shall a volunteer firefighter receive a total retirement benefit from all volunteer firefighter pension funds exceeding the maximum amount paid by the board from such funds pursuant to section 31-30-1122 (1) or four hundred fifty dollars, whichever is greater.

31-30-1124. Compliance - insufficient moneys. (1) The board may require information, including proof of years of service, and establish procedures as it deems necessary to ensure compliance with the requirements and limitations of sections 31-30-1122 and 31-30-1123.

(2) If at any time money or other property in the fund is insufficient to pay the full amount per month to which each volunteer firefighter receiving a pension under this part 11 and other beneficiary of the fund is entitled, an equal percentage of the monthly payment shall be made to those volunteer firefighters and other beneficiaries until the fund is replenished in an amount that permits payment in full to those volunteer firefighters and other beneficiaries.

31-30-1125. Supplemental retirement pension. (1) In addition to the monthly retirement pension provided by section 31-30-1122, the board of a municipality, with the prior consent of the municipality's governing body, or the board of a fire protection district or county improvement district may pay a supplemental monthly retirement pension to a volunteer firefighter who is fifty years of age and who has been in active service more than twenty years if:

(a) An actuarial review indicates a supplemental monthly pension payment is actuarially sound; and

(b) Sixty-five percent of the total number of fire department members and retired fire department members give prior approval.

(2) The supplemental monthly pension payment shall not exceed five percent of the monthly pension payment provided by section 31-30-1122 multiplied by the number of years of active service in excess of twenty years, up to a maximum of ten years; except that the total of the monthly retirement pension payment provided by section 31-30-1122 and the supplemental monthly pension payment shall not exceed an amount that is actuarially sound.

31-30-1126. Survivor benefit. (1) Except as otherwise provided in subsection (3) of this section, upon the death of a retired fire department member or a volunteer firefighter who, regardless of age, has served the requisite number of years for retirement under section 31-30-1122

and who leaves a surviving spouse, the board may pay an annuity of not more than fifty percent of the current pension payment for a retired fire department member if the fund is actuarially sound. If the volunteer firefighter had less than twenty years of active service, the annuity to the surviving spouse shall be prorated based upon the number of years of service.

(2) This annuity to the surviving spouse shall cease if the surviving spouse remarries. Dissolution of a subsequent marriage does not reinstate the annuity. A surviving spouse shall not receive both an annuity under section 31-30-1127 and an annuity under this section.

(3) The benefits under this section do not apply if the optional survivor benefits under section 31-30-1128 are provided.

(4) The benefits under this section may be increased in the same manner as postretirement benefit increases as provided in section 31-30-1122 (3), subject to the state contribution limit set forth in section 31-30-1112 (2).

31-30-1127. Survivor benefit - death from injuries in the line of duty. (1) Except as otherwise provided in subsection (4) of this section, if a fire department member dies from injuries received while in the line of duty as a volunteer firefighter and leaves a surviving spouse, the board shall pay the surviving spouse a monthly annuity either in an amount the board deems proper and necessary, but not more than one-half the amount paid by the board pursuant to section 31-30-1122 (1) or two hundred twenty-five dollars, whichever is greater, or within limits prescribed by municipal ordinance or by rules of the board of the affected municipality or district. The annuity shall cease if the surviving spouse remarries. Dissolution of a subsequent marriage does not reinstate the annuity.

(2) Except as otherwise provided in subsection (4) of this section, if there is no surviving spouse as provided in subsection (1) of this section but there is a surviving child of the deceased volunteer firefighter under eighteen years of age, the board shall pay a monthly annuity either in an amount the board deems proper or necessary, but not more than one-half the amount paid by the board pursuant to section 31-30-1122 (1) or two hundred twenty-five dollars, whichever is greater, or within limits prescribed by municipal ordinance or by rules of the board of the affected municipality or district. The board shall pay this annuity to the guardian of the child on behalf of the child. The annuity shall cease when the child is eighteen years of age.

(3) Except as otherwise provided in subsection (4) of this section, if there is no surviving spouse or child as provided in subsections (1) and (2) of this section but there is a surviving dependent parent of the deceased volunteer firefighter, the board shall pay the dependent parent a monthly annuity either in an amount the board deems proper and necessary, but not more than one-half the amount paid by the board pursuant to section 31-30-1122 (1) or two hundred twenty-five dollars, whichever is greater, or within limits prescribed by municipal ordinance or by rules of the board of the affected municipality or district. The annuity shall cease if the dependent parent remarries. Dissolution of a subsequent marriage does not reinstate the annuity.

(4) The benefits under this section:

(a) Are in addition to the educational benefits under section 23-3.3-205, C.R.S.;

(b) Do not apply if the optional survivor benefits under section 31-30-1128 are provided;

and

(c) May be increased in the same manner as postretirement benefit increases as provided in section 31-30-1122 (3), subject to the state contribution limit set forth in section 31-30-1112 (2).

31-30-1128. Optional survivor benefits. (1) Notwithstanding the provisions of sections 31-30-1126 and 31-30-1127 relating to payment of annuities in the event of the death of a volunteer firefighter in active service, the board in any municipality, with the prior consent of the governing body of such municipality, fire protection district, or county improvement district

having a volunteer fire department may provide to the active members of the volunteer fire department the option of having the survivor benefits offered by this section in lieu of the purchase of individual, group, or blanket life, endowment, or annuity or variable annuity insurance pursuant to section 31-30-1114 (1) (a) (I) and (1) (a) (II) and in lieu of the survivor benefits provided to active volunteer firefighters pursuant to sections 31-30-1126 and 31-30-1127 if the following conditions are met:

(a) Sixty-five percent of the active and retired volunteer firefighters of the affected volunteer fire department consent in writing to the option provided by this section;

(b) An actuarial review by an independent actuary indicates the option provided by this section is actuarially sound and will not impair the ability of pension funds to pay the annuities to a beneficiary or to pay pensions; and

(c) If a municipality intends to provide the option provided by this section, the governing body of the municipality consents to the option.

(2) The governing body of a municipality or the board of a fire protection district or county improvement district having a volunteer fire department that intends to provide the option provided by this section shall determine whether the survivor benefits are allowed only if the volunteer firefighter dies while on duty and shall determine the benefit amount equal to up to one hundred percent of the amount of the pension the volunteer firefighter would have been entitled to under this part 11 if the volunteer firefighter had retired immediately before the volunteer firefighter's death. If survivor benefits are provided pursuant to subsection (1) of this section to the members of a volunteer fire department and if a volunteer firefighter who is a member of such fire department dies on duty or, if authorized by the governing body or board, off duty, a spouse, dependent child, or dependent parent of the volunteer firefighter or, lacking such dependents, any other beneficiary who is a natural person and who has been designated by the volunteer firefighter shall receive a monthly annuity in the amount determined pursuant to this subsection (2).

(3) If survivor benefits are provided pursuant to subsection (1) of this section, the board shall pay the annuity authorized by this section to the designated beneficiary or to the legal guardian of the designated beneficiary who is a child under the age of eighteen as follows:

(a) Until the death of the beneficiary;

(b) If the beneficiary is a child under the age of eighteen, until the death of the child or until the child is eighteen years of age;

(c) If the beneficiary is a full-time student in an educational or vocational institution, until the beneficiary is twenty-three years of age;

(d) If the beneficiary is the surviving spouse, until the surviving spouse remarries; or

(e) Until the proceeds of the insurance policies provided in subsection (4) of this section and the accrued interest on such insurance proceeds are exhausted.

(4) To pay the costs of the option provided pursuant to this section, the board shall insure members of the volunteer fire department by insurance policies of individual, group, or blanket life, endowment, or annuity insurance or variable annuity insurance. The pension fund must be the beneficiary of these insurance policies, and the proceeds of these insurance policies shall be paid to the board as an addition to the fund. Payment of the premiums on these policies shall be paid from the existing pension fund assets, from additional local contributions made to the existing pension fund for payment of the premiums, or both; except that, notwithstanding the provisions of section 31-30-1112 concerning the amount of state contributions to the pension fund, additional state contributions shall not be made to the existing pension fund assets for payment of the premiums on these policies or as a result of additional local contributions made to the existing pension fund for payment of the premiums.

(5) If survivor benefits are provided pursuant to subsection (1) of this section and if a volunteer firefighter terminates active duty before retirement, the board may allow the firefighter to purchase any insurance policy that was purchased pursuant to subsection (4) of this section at a price equal to the cash value of the policy. If the firefighter does not purchase the policy, the board shall surrender the policy for its cash value. Moneys obtained by the board pursuant to this subsection (5) shall be deposited in the pension fund and used to pay the costs of the survivor benefits provided pursuant to this section.

(6) The survivor benefits provided pursuant to subsection (1) of this section may be terminated at any time by either:

(a) A vote to terminate by the governing body of the municipality or the board of the fire protection district or county improvement district having a volunteer fire department;

(b) A vote to terminate approved by sixty-five percent of the members of the volunteer fire department.

31-30-1129. Funeral benefit. When an active volunteer firefighter or retired fire department member dies, the board shall pay a funeral benefit to assist in the proper burial of the deceased firefighter in an amount determined by the board of not more than twice the amount determined by the board under section 31-30-1122, but not less than one hundred dollars. The board shall pay this funeral benefit to any person who pays the necessary funeral expenses.

31-30-1130. Fire department dissolution. (1) If a fire department dissolves and the services of volunteer firefighters or the fire department are discontinued:

(a) The benefits paid under this part 11 to volunteer firefighters or their surviving spouses, dependent parents, children, and other beneficiaries at the time of the dissolution shall continue;

(b) Assets of the fund shall be transferred with other assets of the fire department and shall be administered by the board of trustees of the successor pension fund;

(c) In no event shall the rate of compensation be altered either after commencement of proceedings for dissolution has occurred or after its completion;

(d) A volunteer firefighter who has accrued ten or more years of active service at the time of the dissolution shall be granted an annuity after the firefighter is fifty years of age. The annuity shall be prorated in accordance with the number of years of service and the amount of annuity being paid for age and service pensions by the board at the time of the dissolution.

31-30-1131. Volunteer firefighter - employment termination restricted. (1) An employer shall not terminate an employee who is a volunteer firefighter and who fails to report to work because the employee has responded to an emergency summons if the employee provides the employer with a written statement from the chief of the fire department that the employee's absence was due to the response.

(1.5) An employer shall not terminate an employee who is a volunteer firefighter and who leaves work to respond to an emergency summons, if:

(a) The employer does not deem the employee to be essential to the operation of the employer's daily enterprise;

(b) The employer has previously received written documentation from the fire chief of the employee's fire department notifying the employer of the employee's status as a volunteer firefighter;

(c) The emergency is within the response area of the employee's fire department and is of such magnitude that the emergency summons issued by the fire chief requires all firefighters to respond; and

(d) The chief of the employee's fire department provides the employer with a written statement verifying the time, date, and duration of the employee's response.

(2) An employer may deduct time lost from employment caused by a response to an emergency summons from the wages of an employee who is a volunteer firefighter.

(3) Notwithstanding the provisions of this section, if a volunteer firefighter is called to an emergency pursuant to part 22 of article 32 of title 24, C.R.S., the provisions of section 24-32-2225 or 24-32-2226, C.R.S., shall control regarding the volunteer firefighters absence or leave from work. Under no circumstances shall a volunteer firefighter's leave exceed the amount allowed pursuant to section 24-32-2225 or 24-32-2226, C.R.S.

31-30-1132. Retired firefighter - return to active service - benefits. If the governing body of any municipality, fire protection district, or county improvement district, by resolution, determines that a fire department is in need of additional volunteer firefighters, a retired fire department member shall be eligible to serve as an active volunteer firefighter of such fire department. Any retired fire department member who, subsequent to retirement, serves as an active volunteer firefighter for a fire department pursuant to this section shall continue to receive pension benefits from the volunteer firefighter pension fund under this article during the period in which the person is an active volunteer firefighter of the fire department. During the period such person is receiving a pension and acting as an active volunteer firefighter pursuant to this section, such person shall not receive service credit for the purpose of increasing such pension.

31-30-1133. Qualification requirements - internal revenue code - definitions. (1) As used in this section, "internal revenue code" means the federal "Internal Revenue Code of 1986", as amended.

(2) Any volunteer firefighter pension plan established by this part 11 to provide retirement benefits for volunteer firefighters shall satisfy the qualification requirements specified in section 401 of the internal revenue code, as applicable to governmental plans. In order to meet those requirements, such plans are subject to the following provisions, notwithstanding any other provision of this part 11:

(a) The board shall distribute the corpus and income of the pension plan to members and their beneficiaries in accordance with this part 11 and the rules adopted by the board.

(b) No part of the corpus or income of the pension plan may be used for or diverted to any purpose other than that of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the pension plan, except for an assignment for child support debt pursuant to section 14-14-104, C.R.S., child support arrearages as requested as part of an enforcement action under article 5 of title 14, C.R.S., or child support arrearages that are the subject of enforcement services provided under section 26-13-106, C.R.S., and except for income assignments for child support purposes pursuant to section 14-14-111.5, C.R.S., and a writ of garnishment that is the result of a judgment taken for arrearages for child support or for child support debt.

(3) A board may adopt any provision for a plan that is necessary to comply with the internal revenue code.

31-30-1134. Statewide accidental death and disability insurance policy - department of local affairs. (1) Beginning on July 1, 2004, the department of local affairs shall provide for and determine the cost of a statewide accidental death and disability insurance policy to cover all volunteer firefighters serving in volunteer or paid and volunteer fire departments, the insurance to be applicable only when serving as a volunteer firefighter. The policy shall be paid for as provided in section 31-30-1112 (2) (h) (II) from the proceeds of the tax imposed by section 10-3-209, C.R.S.

(2) The department of local affairs shall set the amount of coverage to be provided for each volunteer firefighter, take competitive bids for the policy from insurers, and make such rules as

may be necessary to provide for the policy.

(3) The department of local affairs shall secure an accidental death and disability insurance policy that offers the best benefits available for the amount of moneys transferred to the department pursuant to section 31-30-1112 (2) (h) (II).

(4) The insurer shall have sole power to determine disability for volunteer firefighters under the policy provided by this section.

(5) The department of local affairs shall have the authority to contract with any entity for the purpose of complying with the requirements of this section.

PART 12 VOLUNTEER SERVICE AWARD ACT

31-30-1201. Short title. This part 12 shall be known and may be cited as the "Volunteer Service Award Act".

31-30-1202. Definitions. As used in this part 12, unless the context otherwise requires:

(1) "Bona fide volunteer" means a person who renders qualified services for an emergency service provider if the only compensation received by the person for performing the qualified services is in the form of:

(a) Reimbursement, or a reasonable allowance, for reasonable expenses incurred in the performance of such services; or

(b) Reasonable benefits, including length of service awards, and nominal fees for qualified services customarily paid by an eligible emergency service provider in connection with the performance of such services.

(2) "Emergency service provider" means a local government or an authority formed by two or more local governments that provides any of the following services:

(a) Fire fighting and prevention services;

(b) Emergency medical services; or

(c) Ambulance services through the use of volunteers.

(3) "Qualified services" means fire fighting and prevention services, emergency medical services, and ambulance services.

(4) "Volunteer service award" means a benefit based on length of service that a volunteer may legally accrue pursuant to current rulings of the internal revenue service and that, while invested under a volunteer service award plan adopted pursuant to this part 12, is exempt from federal income taxes on both the emergency service provider's contribution and all interest, dividends, and capital gains until the ultimate distribution to the volunteer.

31-30-1203. Volunteer service award plan. (1) The governing body of any emergency service provider may adopt and amend or provide for the administration and amendment of a volunteer service award plan for bona fide volunteers.

(2) If the governing body of the emergency service provider chooses to adopt and amend or provide for the administration and amendment of a volunteer service award plan, the body shall adopt a plan document providing for the administration of the volunteer service award that is intended to comply with the provisions of section 457 (e) (11) of the federal "Internal Revenue Code of 1986", as amended. The emergency service provider shall be responsible for ensuring that such plan document is in compliance with applicable law. Participation by volunteers shall be subject to the requirements and limitations of said section 457 (e) (11) and the applicable regulations promulgated under said section 457.

(3) The governing body of the emergency service provider that adopts a volunteer service