

**FPPA**

*Fire and Police Pension Association of Colorado*

2007

# State Legislative Agenda



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**FPPA** Fire & Police Pension Association of Colorado

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This document is intended for general informational purposes only. Official interpretations or determinations are based upon the State & Federal Legislation which govern these acts.

## State Legislative Highlights

*The following bills introduced by FPPA and sponsored by the Pension Reform Commission are currently on their way through the 2007 Colorado General Assembly. For complete information and current updates refer to the Colorado State web site at [www.colorado.gov](http://www.colorado.gov).*

### House Bill 07-1024 – FPPA Property Tax Exemption.

- The legislation would recognize that property owned and used by FPPA is exempt from real and personal property taxes as FPPA is a political subdivision of the State of Colorado.
- Property owned by FPPA and leased to third parties would be assessed property tax.
- This legislation is necessary because of the Colorado Supreme Court has ruled that in order for FPPA property to be exempt from property taxes, the legislature must declare its intent to recognize such exemption. (See *Denver v. FPPA*, 30 P3d 177 (Supreme Court 2001))

### House Bill 07-1030 - Contribution Timing

- The legislation would require employers to remit payment of contributions within 10 days of the date of payment of salary for FPPA plans.
- Currently certain plans provide for payment within 10 days after the last day of the pay period. Currently, departments that pay salaries more than once a month may make contributions by the 10th day of the following month. This legislation makes payment for all plans consistent and easier to handle administratively.

### House Bill 07-1028

#### FPPA Pension Options for Retirees Who Marry

- For members who are single when they retire under the SWDB or are awarded a disability benefit and choose a single life annuity and who subsequently marry and who wish to choose a new benefit option, the

legislation requires that the member to do so within six months of the date of marriage.

- It also sets a deadline for any such existing retired members who were initially single at retirement and subsequently became married, who have not chosen a new benefit option, of January 1, 2008 or the option is lost.
- The language also requires that a retiree to survive for 6 months after the date of marriage when an option change is made in order for the survivor benefit to be payable.

### House Bill 07-1029 – FPPA Disability and Survivor Benefits

- The proposed legislation would provide for an offset for any member or survivor who becomes eligible for a death and disability benefit and who also receives a benefit from a defined benefit plan. (This could occur if a member takes an early retirement from one department and subsequently works for a money purchase plan department and then becomes disabled or dies.)
- FPPA proposed to simplify the definition of “dependent child” to any child under the age of 23. However, the Senate Local Government Committee removed this change from the bill and it will not be included in the final legislation
  - This amendment would have only impacted the pre-2002 occupational disability retirees and survivors who receive a tiered benefit based on whether they have children. The administrative burden of tracking compliance with the current definition outweighs the additional benefit costs.
- Finally, the legislation would change how the income offset is calculated for permanent occupational disabilities.
  - The base salary used would be the previous base salary multiplied by the change in CPI each year instead of the actual base salary used by the department over time.
  - This simplifies the process significantly and will reduce the error rate.
  - Collecting base salary information for disabled members from departments each year has proved time consuming and subject to errors.