



HB 20-1044

PENSIONS

MODIFY PENSION PLANS ADMINISTERED BY FPPA FIRE AND POLICE PENSION ASSOCIATION

HB 20-1044 – AMENDMENT RESPECTFULLY REQUESTED

HB 20-1044 makes unilateral increases to employer contributions to FPPA Statewide Defined Benefit (SWDB) plans without direct input from participating employers. **CML is opposed unless amended**, due to the concerns over the 5% employer contribution increase without a plan election.

In addition to the employer contributions outlined above, HB 20-1044 empowers the FPPA Board to increase contributions going forward without the approval of the legislature. CML believes this is inappropriate and the legislature is the correct body to make these decisions.

CML respectfully requests that the legislature amend the legislation to allow the employers a say in the increase to the employer contribution **by making the mandated employer contributions in legislation subject to a plan election – just as employee contributions were subject to a plan election that occurred in 2014 subsequent to 2010 legislation.**

There is direct legislative precedent on contribution increases including employer and employee plan election votes.

SB 10-022 created the precedent for contribution increases via plan election absent actuarial necessity, and it was employee groups that requested it. Employees desired to increase their own contributions to potentially allow for a future COLAs, which is the same reason they are now advocating for a 4% contribution increase. SB 10-022 allowed the increase upon approval of a plan amendment (like any other plan amendment) by employees and employers. Employers and employees voted for the increase.

What was good enough in 2010 should be good enough for 2020, both for the 4% increase and the 1% increase for early retirement.

CML requests that HB 20-1044 be amended to:

- Require a plan amendment and successful approval by employers and employees per existing law for the pension contribution increase.
- Require a plan amendment and successful approval by employers and employees per existing law for the contribution increase for early retirement.
- Remove the ability of the FPPA Board to unilaterally increase future employer and employee contributions.

With these changes, CML will drop opposition to HB 20-1044.

For more information, contact Legislative and Policy Advocate Meghan Dollar at mdollar@cml.org or 303-831-6411.