

# Colorado Revised Statutes 2023

## TITLE 24

### GOVERNMENT - STATE

**Cross references:** For elections, see title 1; for peace officers and firefighters, see article 5 of title 29; for state engineer, see article 80 of title 37; for state chemist, see part 4 of article 1 of title 25; for offenses against government, see article 8 of title 18; for the "Uniform Records Retention Act", see article 17 of title 6.

### ARTICLE 54

County, Municipal, and Political Subdivision

Officers' and Employees' Retirement Systems

**Editor's note:** Prior to 1987, the substantive provisions of this article were located in parts 9 and 11 of article 51 of this title.

**24-54-101. Authorization to establish and maintain retirement plan or system - definitions.** (1) Any county, municipality, or other political subdivision by itself or in conjunction with any other county, municipality, or political subdivision is hereby authorized to establish and maintain a general plan or system of retirement benefits for its elected or appointed officers and its employees, or any class thereof, subject to appropriations being available therefor.

(2) (Deleted by amendment, L. 2005, p. 358, § 1, effective April 22, 2005.)

(2.5) Any pension plan or system of retirement benefits established by a county or counties may include participating county departments of health and human or social services, library districts organized or existing pursuant to part 1 of article 90 of this title 24 located in whole or in part within those counties, and the district attorneys' offices serving those counties.

(2.7) For purposes of this article 54, unless the context otherwise requires:

(a) "County" means a county or a city and county, including any entity formed by such county or city and county.

(a.5) "Current employee" means any person currently performing service that constitutes employment for any county, municipality, or other political subdivision of the state. "Current employee" does not include former employees of any county, municipality, or other political subdivision of the state who left employment through retirement, resignation, separation, termination, or otherwise. "Current employee" also does not include beneficiaries of either current employees or former employees.

(b) "Defined benefit plan or system" means any retirement plan or system that is not a defined contribution plan or system.

(c) "Defined contribution plan or system" means a retirement plan or system that provides for an individual account for each participant and the benefits of which are based solely on the amount contributed to the participant's account and that includes any income, expenses, gains, losses, or forfeitures of accounts of other participants that may be allocated to the participant's account.

(d) "Municipality" means a city or a town and any entity formed by such city or town.

(d.5) "Peace officer" means a certified peace officer as described in section 16-2.5-101 and includes any guards employed by a county sheriff pursuant to section 17-26-122.

(e) "Political subdivision" means any district, special district, improvement district, authority, council of governments, governmental entity formed by an intergovernmental agreement, or any other kind of municipal, quasi-municipal, or public corporation organized pursuant to law.

(3) Any municipality, special district, fire authority, or county improvement district offering fire protection services that is not required to affiliate with the police officers' and firefighters' pension plans established pursuant to the provisions of title 31, C.R.S., may affiliate with a retirement plan or system established pursuant to this article.

(4) No member of the governing board of the plan shall act upon his own application for retirement.

(5) Any county, municipality, political subdivision, or other participating entity not participating in the social security system pursuant to the provisions of article 53 of this title shall also have the authority to establish a retirement plan or system extending benefits to its employees in lieu of those benefits provided by the social security act, as defined in section 24-53-101.

(6) The board of any retirement plan or system established in accordance with this section may allow its employees to participate as members of such plan or system.

(7) Notwithstanding the provisions of this section, any entity that is not a county, municipality, or political subdivision as defined in this section but that was included in a retirement plan or system established pursuant to this article before April 22, 2005, shall be allowed to remain in the plan or system.

**Source:** **L. 87:** Entire article added, p. 1086, § 2, effective July 1. **L. 97:** (2.5) and (6) added and (5) amended, p. 156, § 4, effective March 28; (3) amended, p. 1020, § 37, effective August 6. **L. 2005:** (1), (2), (3), (5), and (6) amended and (2.7) and (7) added, p. 358, § 1, effective April 22. **L. 2012:** (2.7) amended, (SB 12-149), ch. 227, p. 1002, § 1, effective May 29. **L. 2018:** (2.5) amended, (SB 18-092), ch. 38, p. 441, § 98, effective August 8. **L. 2019:** IP(2.7) amended and (2.7)(a.5) and (2.7)(d.5) added, (SB 19-106), ch. 143, p. 1749, § 1, effective August 2.

**Cross references:** For the legislative declaration in SB 18-092, see section 1 of chapter 38, Session Laws of Colorado 2018.

**24-54-101.5. Retirement plans or systems - exemption.** A retirement plan or system established pursuant to a provision of law other than this article may elect not to be covered under this article.

**Source:** **L. 2007:** Entire section added, p. 396, § 1, effective August 3.

**24-54-102. Type of plan or system.** Any plan or system adopted pursuant to the provisions of this article shall be based either on the purchase of an insured group plan of retirement annuities funded through a group carrier or on a noninsured trust retirement plan; or such plan or system may provide for participation in the public employees' retirement association as provided in article 51 of this title.

**Source:** **L. 87:** Entire article added, p. 1087, § 2, effective July 1.

**24-54-103. Prior service benefits.** Employees of a county, municipality, political subdivision, or other participating entity that adopts a retirement plan or system may receive prior service benefits not to exceed five years to be funded entirely by the county, municipality, political subdivision, or other participating entity; but prior service benefits in excess of five years may be allowed if funded entirely by the employee.

**Source: L. 87:** Entire article added, p. 1087, § 2, effective July 1. **L. 97:** Entire section amended, p. 156, § 5, effective March 28. **L. 2005:** Entire section amended, p. 359, § 2, effective April 22.

**24-54-104. Funds for plan or system - additional contribution.** (1) Except as otherwise provided in this section, any plan or system adopted pursuant to this article 54 shall require participants to contribute a percentage of their salaries toward the cost thereof, such rate of contribution to be not less than three percent of the participant's basic salary or wage. Participation in the public employees' retirement association shall be as provided by article 51 of this title 24.

(2) The governing body of each county, municipality, political subdivision, or other participating entity shall establish the percentage of the governing body's contribution to any plan or system, adopted pursuant to this article 54, made on behalf of the participant of the county, municipality, political subdivision, or other participating entity. The amount of the contribution made on behalf of each participant shall not be less than three percent of the participant's basic salary or wage. The percentage of the contribution made by a county, municipality, political subdivision, or other participating entity to any plan or system and the percentage of the contribution made by the participant to a plan or system need not be the same as long as the percentage of the contribution made by either is not less than three percent of the participant's basic salary or wage.

(3) When a plan or system in lieu of social security benefits is established pursuant to the provisions of section 24-54-101 (5), such plan may require additional contributions from the county, municipality, political subdivision, or other participating entity and its employees, and said contributions shall be set at a rate not to exceed the total contribution required by the county, municipality, political subdivision, or other participating entity and its employees pursuant to the "Federal Insurance Contributions Act", as defined in section 24-53-101.

(4) Any plan or system adopted pursuant to this article may, pursuant to the provisions of section 414 (h)(2) of the federal "Internal Revenue Code of 1986", as amended, provide that the county, municipality, political subdivision, or other participating

entity may elect to pick up the contributions of employee or elected official participants required in this section.

**Source: L. 87:** Entire article added, p. 1087, § 2, effective July 1. **L. 97:** Entire section amended, p. 156, § 6, effective March 28. **L. 2004:** (1) and (2) amended, p. 86, § 1, effective August 4. **L. 2005:** Entire section amended, p. 359, § 3, effective April 22. **L. 2007:** (1) and (2) amended, p. 396, § 2, effective August 3. **L. 2019:** (1) and (2) amended, (HB 19-1299), ch. 211, p. 2218, § 1, effective August 2.

**24-54-105. Insurer authorized to do business in state - county, municipal, or political subdivision charge.** (1) Any group annuity contract purchased pursuant to the provisions of this article shall be obtained from a life insurance company duly authorized to do an insurance and annuity business in this state, responsible and financially sound considering the extent and duration of coverage required.

(2) The consideration paid by any county, municipality, or political subdivision pursuant to any group annuity contract shall be a proper charge against the county, municipality, or political subdivision participating in any such contract.

**Source: L. 87:** Entire article added, p. 1088, § 2, effective July 1. **L. 2005:** (2) amended, p. 360, § 4, effective April 22.

**24-54-106. Association shall be formed - withdrawal.** (1) Any county, or group of counties, any municipality or group of municipalities, any political subdivision or group of political subdivisions, or any other participating entity or group of participating entities adopting a retirement plan or system pursuant to the provisions of this article shall form and maintain an association for the purchase, establishment, or procurement of a group annuity retirement plan or a noninsured trust retirement plan. Any such association so formed shall be an instrumentality of the members thereof. The cost and expenses incident to the formation and maintenance of such an association and the consideration paid by any county, any municipality, any political subdivision, or any other participating entity as an employer pursuant to any such plan are proper charges against the county, the municipality, the political subdivision, or any other participating entity comprising the association.

(2) (a) Any employer may withdraw from its participation in and contributions to the association formed pursuant to this article. The employer may initiate withdrawal from

the association by filing with the board of the association a resolution adopted by the employer pursuant to paragraph (b) of this subsection (2) no less than ninety days prior to the effective date of withdrawal unless a shorter waiting period is approved by the board. The effective date of withdrawal shall be the first day of the month immediately following the month in which the waiting period expires.

(b) The employer's withdrawal resolution shall be adopted by the governing body of the employer and shall state the employer's intent to withdraw from participation in the association.

(c) Any withdrawal shall be approved by at least sixty-five percent of all active members employed by the employer who are participating in the association at the time of the election.

(d) The board shall disclose all ramifications and procedures for obtaining the member approval provided for in paragraph (c) of this subsection (2).

(e) All withdrawals from the association shall comply with the requirements set forth in this section, and, except as otherwise provided in this section, all withdrawals meeting such requirements shall be approved by the board of the association. Withdrawal requests that do not meet the requirements of this section shall not be approved by the board.

(3) (a) Notwithstanding subsection (2) of this section, once every four years a board of county commissioners may initiate the withdrawal of current employees who are peace officers in the county from its participation in and contributions to a defined contribution plan offered by an association formed pursuant to this article 54 for the purpose of joining a retirement plan offered by the fire and police pension association created in article 31 of title 31. The board of county commissioners, after an association has been provided an opportunity to present information to the board of county commissioners regarding the advantages or disadvantages of withdrawal from an association, may initiate the withdrawal by filing with the board of the association a resolution adopted by the board of county commissioners pursuant to subsection (3)(b) of this section no less than ninety days prior to the effective date of withdrawal unless a shorter waiting period is approved by the board of an association. The effective date of withdrawal shall be the first day of the month immediately following the month in which the waiting period expires.

(b) A board of county commissioners' withdrawal resolution shall be adopted by the board of county commissioners and shall state its intent to withdraw current employees who are peace officers from participation in a defined contribution plan offered by the association.

(c) Any withdrawal pursuant to this subsection (3) shall be approved by at least fifty-five percent of all current employees who are peace officers proposed to be withdrawn from a defined contribution plan.

(d) The board of the association shall disclose all ramifications and procedures for obtaining the member approval provided for in subsection (3)(c) of this section.

(e) Before the election to determine whether a board of county commissioners will withdraw current employees who are peace officers from participation in a defined contribution plan offered by an association, the board of the association and the board of county commissioners or its designee shall be allowed multiple opportunities to present information to current employees who are peace officers proposed to be withdrawn from a defined contribution plan offered by the association regarding the advantages or disadvantages of such withdrawal.

(f) All withdrawals from the association pursuant to this subsection (3) shall comply with the requirements set forth in this section, and, except as otherwise provided in this section, all withdrawals meeting such requirements shall be approved by the board of the association. Withdrawal requests that do not meet the requirements of this section shall not be approved by the board of the association.

(g) If a board of county commissioners files a resolution to withdraw current employees who are peace officers from a defined contribution plan offered by an association formed pursuant to this article 54, and the withdrawal is approved pursuant to subsection (3)(c) of this section, any current employee who is a peace officer may elect to remain an active member of such defined contribution plan if the withdrawal becomes effective. A current employee who is a peace officer shall notify, in writing, the board of the association and the board of county commissioners whether he or she will remain in the defined contribution plan or become part of the defined benefit plan administered by the fire and police pension association. A current employee who is a peace officer shall provide such written notice prior to the effective date of the retirement plan offered by the fire and police pension association to begin participation in a retirement plan offered by the fire and police pension association. If a current employee who is a peace officer does not provide such written notice, the current employee will remain in the defined contribution plan. A peace officer who is hired on or after the effective date of the retirement plan offered by the fire and police pension association shall be enrolled in the retirement plan offered by the fire and police pension association.

(h) Nothing in this subsection (3) shall be construed to prohibit a board of county commissioners from using subsection (2) of this section to initiate the withdrawal of current employees who are peace officers from participating in and contributing to an association formed pursuant to this article 54.

**Source: L. 87:** Entire article added, p. 1088, § 2, effective July 1. **L. 97:** Entire section amended, p. 157, § 7, effective March 28. **L. 2003:** Entire section amended, p. 2611, § 12, effective June 5. **L. 2005:** (1) amended, p. 360, § 5, effective April 22. **L. 2019:** (3) added, (SB 19-106), ch. 143, p. 1749, § 2, effective August 2.

**24-54-107. Boards of retirement.** (1) The management of the county retirement system shall be vested in a county board of retirement consisting of five members, one of whom shall be the county treasurer of the county in the system or from the county with the largest population if two or more counties are involved, two of whom shall be nonelected county employees elected by said employees within thirty days after the retirement system becomes operative, and two of whom shall be registered electors of the county chosen by the board of county commissioners. The county board of retirement shall by its own rules establish staggered four-year terms for its board members, and their successors shall be selected as provided in this subsection (1).

(2) The management of the municipal retirement system shall be vested in a municipal board of retirement consisting of five members, one of whom shall be the treasurer of the municipality in the system or from the municipality with the largest population if two or more municipalities are involved, two of whom shall be nonelected municipal employees elected by said employees within thirty days after the retirement system becomes operative, and two of whom shall be registered electors of the municipality not connected with municipal government and chosen by the governing body of the municipality. The municipal board of retirement shall by its own rules establish staggered four-year terms for its board members, and their successors shall be selected as provided in this subsection (2).

(3) The management of the political subdivision retirement plan or system shall be vested in a political subdivision board of retirement consisting of five members, one of whom shall be the treasurer of the political subdivision in the plan or system or from the political subdivision with the largest population if two or more political subdivisions are involved, two of whom shall be nonelected employees of the political subdivision elected by said employees within thirty days after the retirement plan or system becomes operative, and two of whom shall be registered electors of the political subdivision not connected with the government of the political subdivision and chosen by the board of directors. The board of retirement shall by its own rules establish staggered four-year terms for its board members, and their successors shall be selected as set forth in this subsection (3).

(4) The management of a county retirement system under section 24-54-101 (2.5) shall be vested in a county board of retirement consisting of five members, one of whom



shall be the county treasurer of the county in the system or from the county with the largest population if two or more counties are involved, two of whom shall be nonelected employees of the plan's participating employers elected by the plan's participating employees within thirty days after the retirement system becomes operative, and two of whom shall be registered electors of the county chosen by the board of county commissioners of such county. The county board of retirement shall establish, by its own rules, staggered four-year terms for its board members.

(5) On and after July 1, 2006, the management of a retirement plan or system comprised of one or more counties, one or more municipalities, and one or more political subdivisions shall be vested in a joint board of retirement consisting of seven members. The joint board shall by its own rules establish staggered four-year terms for its board members and procedures for the election of future board members. Successors of the joint board shall be selected as provided in this subsection (5). The joint board shall be comprised of the following members:

(a) One member shall be the county treasurer of the county in the retirement plan or system with the largest population.

(b) Two members shall be nonelected employees of a county participating in the retirement plan or system, elected to serve on the joint board by the participating county employees of the plan or system for staggered four-year terms. Of the two members of the joint board elected pursuant to this paragraph (b), one shall reside west of the continental divide and one shall reside east of the continental divide.

(c) Two members shall be representatives of a municipal or political subdivision employer in the retirement plan or system and shall be elected by the municipal and political subdivision employers participating in the retirement plan or system.

(d) (I) Two members shall be registered electors of the county in the retirement plan or system who are elected by the board of county commissioners. One of the registered electors of the county shall be from the financial or business community with experience in investments, and one shall be from the financial or business community with experience in personnel or corporate administration. The members shall be elected by the boards of county commissioners of all of the counties that participate in the plan or system.

(II) Each of the two registered electors from the financial or business community who are first elected to the joint board for a term commencing on or after July 1, 2006, shall serve staggered four-year terms.

(6) The management of a retirement plan or system comprised of any county and municipality, any county and political subdivision, or any municipality and political subdivision shall be vested in a joint board of retirement consisting of seven members;

except that this subsection (6) shall not apply to any retirement plan or system that is described in section 24-54-101 (2.5) and that is managed pursuant to subsection (4) of this section. The joint board shall by its own rules establish staggered four-year terms for its board members and procedures for the election of future board members. Successors of the joint board shall be selected as provided in this subsection (6). The joint board shall be comprised of the following members:

(a) One member shall be the treasurer of the county in the retirement plan or system with the largest population if there is a county in the plan or system or the treasurer of the municipality in the retirement plan or system with the largest population if there is not a county in the plan or system.

(b) Two members shall be nonelected employees of a county, municipality, or political subdivision in the retirement plan or system elected by employees participating in the plan or system. Of the two members of the joint board elected pursuant to this paragraph (b), one member shall be an employee of a county and one member shall be an employee of a municipality if the plan is comprised of a county and municipality, one member shall be an employee of a county and one member shall be an employee of a political subdivision if the plan is comprised of a county and political subdivision, or one member shall be an employee of a municipality and one member shall be an employee of a political subdivision if the plan is comprised of a municipality and political subdivision.

(c) Two members shall be representatives of a municipal or political subdivision employer in the retirement plan or system and shall be elected by the municipal and political subdivision employers participating in the retirement plan or system.

(d) Two members shall be registered electors of a county, municipality, or political subdivision in the retirement plan or system who are elected by all of the governing bodies of the counties, municipalities, or political subdivisions that participate in the plan or system. One of the registered electors shall be from the financial or business community with experience in investments, and one shall be from the financial or business community with experience in personnel or corporate administration.

**Source: L. 87:** Entire article added, p. 1088, § 2, effective July 1; entire section amended, p. 1588, § 64, effective July 1. **L. 97:** (4) added, p. 157, § 8, effective March 28. **L. 2005:** (3) amended and (5) and (6) added, p. 361, § 6, effective April 22. **L. 2006:** (5)(b) and (5)(d)(II) amended, p. 209, § 1, effective March 31.

**24-54-107.5. Boards of retirement - requirements - plans or systems comprised of one or more counties, one or more municipalities, and one or more political subdivisions.**

(1) A person who has been adjudicated of violating any provision of this article or who has been convicted of a felony or any crime involving the misappropriation of funds shall not be elected or continue to serve as a member of a joint board of retirement created pursuant to section 24-54-107 (5).

(2) Members of a joint board of retirement created pursuant to section 24-54-107 (5) shall be entitled to one hundred dollars compensation for each meeting attended and may be reimbursed by the retirement plan or system for any actual and necessary expenses incurred in the conduct of their official duties on the joint board.

(3) A joint board of retirement created pursuant to section 24-54-107 (5) shall obtain insurance or self-insure against liability that arises out of, or in connection with, the performance of duties by any joint board member or employee of the retirement plan or system.

(4) A joint board of retirement created pursuant to section 24-54-107 (5) shall set the time and place of meetings, conduct the meetings in accordance with the provisions of part 4 of article 6 of this title, and maintain a record of its proceedings.

(5) A joint board of retirement created pursuant to section 24-54-107 (5) may hold discussions in executive session pursuant to section 24-6-402 (4), which shall be closed to the public.

(6) A vote of a joint board of retirement created pursuant to section 24-54-107 (5) shall occur only when a quorum is present.

(7) A member of a joint board of retirement created pursuant to section 24-54-107 (5) shall not engage in any activity that might result in a conflict of interest with the member's functions as a fiduciary for the retirement plan or system.

**Source: L. 2005:** Entire section added, p. 363, § 10, effective April 22.

**24-54-108. Control and management of plan or system.** (1) The retirement board of any association formed pursuant to the provisions of section 24-54-106 shall have full and complete control and management of any retirement plan provided for and authorized by this article, other than matters relating to participation in the public employees' retirement association. Such retirement board shall make all necessary rules and regulations for managing and discharging its duties, for its own government and procedure in so doing, and for the preservation and protection of any fund or annuity contract.

(2) Such retirement board shall determine what type of retirement plan in which to participate and shall select, on the basis of the most sound proposal:

(a) An insurance company qualified under section 24-54-105 (1); or

(b) A noninsured trust retirement plan, with a bank or trust company authorized to exercise trust powers in this state as trustee, invested by the trustee pursuant to the provisions of part 3 of article 1 of title 15, C.R.S., but of the initial and subsequent sums of money available for investment, the trustee shall invest only in such investments as are specified in section 24-54-112; or

(c) A noninsured trust retirement plan, invested by the treasurer of the plan in such securities as are specified in section 24-54-112; or

(d) Participation in the public employees' retirement association, pursuant to article 51 of this title.

(3) The retirement board shall hear and decide all applications for relief, pensions, annuities, retirement, or other benefits pursuant to the plan or system adopted. A record of such action and all other matters properly coming before said retirement board shall be kept and preserved.

(4) The treasurer of the most populous county, municipality, or political subdivision shall be ex officio the treasurer of any association formed pursuant to the provisions of section 24-54-106 and establishing a noninsured trustee retirement plan or system. If any municipality or political subdivision alone adopts such a plan or system, the treasurer thereof shall serve as the treasurer of such plan or system. No fee therefor shall be charged by the treasurer pursuant to the provisions of section 30-1-102, C.R.S., or any other provision of law.

**Source: L. 87:** Entire article added, p. 1089, § 2, effective July 1. **L. 97:** (2)(b), (2)(c), and (4) amended, p. 153, § 1, effective March 28. **L. 2005:** (4) amended, p. 363, § 7, effective April 22.

**24-54-108.5. Control and management of individual county plan.** (1) The retirement board of any individual county retirement plan shall have full and complete control and management of any retirement plan provided for and authorized by this article, other than matters relating to participation in the public employees' retirement association. Such retirement board shall make all necessary rules for managing and discharging its duties, for its own government and procedure in so doing, and for the preservation and protection of any fund or annuity contract.

(2) The retirement board of any individual county retirement plan shall determine what type of retirement plan in which to participate and shall select, on the basis of the most sound proposal:

(a) An insurance company qualified under section 24-54-105 (1); or

(b) A noninsured trust retirement plan, with a bank or trust company authorized to exercise trust powers in this state as trustee, invested by the trustee pursuant to the provisions of part 3 of article 1 of title 15, C.R.S., but, of the initial and subsequent sums of money available for investment, the trustee shall invest only in such investments as are specified in section 24-54-112; or

(c) A noninsured trust retirement plan, invested by the treasurer of the plan in such securities as are specified in section 24-54-112; or

(d) Participation in the public employees' retirement association, pursuant to article 51 of this title.

(3) The retirement board of any individual county retirement plan shall hear and decide all applications for relief, pensions, annuities, retirement, or other benefits pursuant to the plan or system adopted. A record of such action and all other matters properly coming before said retirement board shall be kept and preserved.

(4) The county treasurer shall serve as the treasurer of the individual county retirement plan. No fee therefor shall be charged by the treasurer pursuant to the provisions of section 30-1-102, C.R.S., or any other provision of law.

**Source: L. 97:** Entire section added, p. 154, § 2, effective March 28.

**24-54-109. County, municipal, or political subdivision retirement fund - tax.** (1) Any county adopting a retirement plan as authorized by this article shall establish a county officials' and employees' retirement fund, which fund is hereby authorized. The board of county commissioners may levy a retirement fund tax, in addition to any other tax authorized by law, on all of the taxable property within said county, the proceeds of which shall be deposited to the credit of said fund for appropriation to pay the costs and expenses of and the employer contributions pursuant to said retirement plan.

(2) Any municipality adopting a retirement plan as authorized by this article shall establish a municipal officials' and employees' retirement fund. The city council or board of trustees, in addition to any other tax authorized by law, may levy a retirement fund tax on all the taxable property within said municipality, the proceeds of which shall be deposited to

the credit of said fund for appropriation to pay the costs and expenses of and the employer contributions pursuant to said retirement plan.

(3) Any political subdivision adopting a retirement plan or system as authorized by this article shall establish a political subdivision employees' retirement fund, which fund is hereby authorized. The board of directors may levy a retirement fund tax, in addition to any other tax authorized by law, on all of the taxable property within the political subdivision, the proceeds of which shall be deposited to the credit of said fund for appropriation to pay the costs and expenses of and the employer contributions pursuant to said retirement plan or system. Such tax, when added to other taxes levied by the political subdivision, shall not exceed any limitation on taxation established by law.

**Source: L. 87:** Entire article added, p. 1089, § 2, effective July 1. **L. 2005:** (3) amended, p. 363, § 8, effective April 22.

**24-54-110. Exemption authorized - conditions.** Any municipality is authorized to exempt the city manager and key management staff who report directly to the city manager or directly to the city council from the provisions of this article.

**Source: L. 87:** Entire article added, p. 1090, § 2, effective July 1; entire section amended, p. 1589, § 65, effective July 1.

**24-54-111. Funds not subject to process.** Except for assignments for child support purposes as provided for in sections 14-10-118 (1) and 14-14-107, C.R.S., as they existed prior to July 1, 1996, for income assignments for child support purposes pursuant to section 14-14-111.5, C.R.S., for writs of garnishment that are the result of a judgment taken for arrearages for child support or for child support debt, for payments made in compliance with a properly executed court order approving a written agreement entered into pursuant to section 14-10-113 (6), C.R.S., and for restitution that is required to be paid for the theft, embezzlement, misappropriation, or wrongful conversion of public property or in the event of a judgment for a willful and intentional violation of fiduciary duties pursuant to this article where the offender or a related party received direct financial gain, none of the moneys, funds, annuities, individual accounts, or other benefits specified in this article shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process.

**Source: L. 87:** Entire article added, p. 1090, § 2, effective July 1; entire section amended, p. 590, § 29, effective July 1. **L. 96:** Entire section amended, p. 623, § 35, effective July 1; entire section amended, p. 1460, § 4, effective January 1, 1997. **L. 2005:** Entire section amended, p. 74, § 9, effective August 8.

**Editor's note:** Amendments to this section by Senate Bill 96-002 and Senate Bill 96-204 were harmonized.

**24-54-112. Investments.** (1) The retirement board shall have complete control and authority to invest the funds of the plan.

(2) and (3) (Deleted by amendment, L. 2000, p. 752, § 1, effective August 2, 2000.)

(4) Funds of the plan shall be managed and invested by the retirement board of such plan in accordance with the prudent investor rule and the other standards and provisions for trustees set forth in the "Colorado Uniform Prudent Investor Act", article 1.1 of title 15, C.R.S.

(5) The limitations specified in subsection (4) of this section shall not apply to investments self-directed by participants in the plan.

**Source: L. 97:** Entire section added, p. 154, § 3, effective March 28. **L. 2000:** Entire section amended, p. 752, § 1, effective August 2.

**24-54-113. Direct rollovers.** Notwithstanding any other provision of this article, an employee or official who has terminated contributions to a plan established pursuant to this article, or a surviving spouse, may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan in a direct rollover in accordance with section 401 (a)(31) of the federal "Internal Revenue Code of 1986", as amended. If a direct rollover is elected, such distribution shall be made by the distributing plan not later than ninety days after the later of the date the last contribution is received or the date a direct rollover election is received by the plan.

**Source: L. 2003:** Entire section added, p. 2612, § 13, effective June 5.

**24-54-114. Audit.** Every three years, the state auditor may conduct or cause to be conducted an audit of any retirement plan or system of retirement benefits established and maintained by any county in conjunction with any other county pursuant to the provisions of this article. The audit shall review the financial transactions and accounts of the plan or system, investigate the qualified status of the plan or system with the internal revenue service, and determine whether the plan or system otherwise complies with the provisions of this article. The results of the audit shall be reported to the legislative audit committee created in section 2-3-101, C.R.S., the speaker of the house of representatives, the president of the senate, and the boards of county commissioners of each county that participates in the plan or system that is the subject of the audit. The audit shall not replace the annual audit prescribed in section 29-1-603, C.R.S.

**Source: L. 2003:** Entire section added, p. 2505, § 1, effective June 5. **L. 2005:** Entire section amended, p. 363, § 9, effective April 22.

**Editor's note:** This section was originally numbered as 24-54-113 in Senate Bill 03-344 but has been renumbered on revision for ease of location.

**24-54-115. Confidentiality.** All information contained in records of members of a retirement plan or system of retirement benefits established and maintained pursuant to the provisions of this article, former members, inactive members, or benefit recipients and their dependents shall be kept confidential by a retirement plan or system established pursuant to this article.

**Source: L. 2005:** Entire section added, p. 363, § 10, effective April 22.

**24-54-116. Modification of a defined benefit plan or system - legislative declaration - repeal. (Repealed)**

**Source: L. 2012:** Entire section added, (SB 12-149), ch. 227, p. 1003, § 2, effective May 29.



**Editor's note:** Subsection (5) provided for the repeal of this section, effective July 1, 2016. (See L. 2012, p. 1003.)

**24-54-117. Notice of possible change in benefits - ensuring sustainability.** The board of any defined benefit plan or system adopted pursuant to the provisions of this article shall provide written notice to each member, inactive member, and beneficiary that the possibility of a reduction of benefits to ensure the sustainability of the defined benefit plan or system could occur in the future.

**Source: L. 2012:** Entire section added, (SB 12-149), ch. 227, p. 1003, § 2, effective May 29.