



# Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Memorandum

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June 23, 2023

**TO:** Interested Persons

**FROM:** Erin Reynolds, Deputy Fiscal Notes Manager, 303-866-4146

**SUBJECT:** Overview of the Colorado Public Employees' Retirement Association

## Summary

The state legislature established the Colorado Public Employees' Retirement Association (PERA) in 1931 to provide a pension benefit to state and local government employees, predating the federal Social Security Act of 1935 by four years. PERA is administered under Article 51 of Title 24 of the Colorado Revised Statutes.

PERA is a substitute for Social Security for most participating public employees. PERA benefits are pre-funded; while a member is working both the employer and the employee contribute a fixed percentage of the employee's salary to the retirement trust fund.

For additional information on the financial operations of PERA, see its [Annual Comprehensive Financial Report](#) (ACFR) which is published each May for the prior calendar year. PERA also has a wide variety of resources on its website for members, employers, and retirees, available on its [website](#).

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## Membership

PERA provides retirement and other benefits to the employees of 410 government agencies and public entities in the State of Colorado. Initially, PERA covered only state employees, but its membership has expanded over the years to include employees of all Colorado school districts, judges in the state's judicial system, and many municipalities and other local government entities. For funding purposes, participating employers and their employees have been organized into five separate divisions within PERA: the State, School, Local Government, Judicial, and Denver Public Schools divisions. PERA membership totals are shown in Table 1 below in order of size. Visit PERA's website for a list of [affiliated employers](#).

**Table 1**  
**PERA Membership**  
*As of December 31, 2022*

Division <i>(in order of size)</i>	Active Members	Inactive Eligible Members <sup>1</sup>	Retirees and Beneficiaries	Totals
<b>School</b>	128,057	23,817	75,094	<b>226,968</b>
State	50,892	9,738	43,860	<b>104,490</b>
<b>Denver Public Schools</b>	15,254	3,173	8,829	<b>24,105</b>
Local Government	12,103	3,165	7,256	<b>25,675</b>
Judicial	340	31	446	<b>817</b>
<b>Total</b>	<b>206,646</b>	<b>39,924</b>	<b>135,485</b>	<b>382,055</b>

Source: PERA's 2022 Annual Comprehensive Financial Report.

<sup>1</sup> Includes terminated employees who have left employment with a PERA-affiliated employer who are eligible for, but not yet receiving, benefits. There are also a total of 289,856 inactive members across divisions who are not eligible for benefits.

- **State division.** Most state employees receive retirement benefits through PERA. Included in the state division are employees of the Judicial Department and independent judicial agencies. State troopers employed by the Department of Public Safety and corrections officers employed by the Departments of Corrections and Human Services are also in the state division as safety officers, paying a higher contribution rate with reduced retirement ages.
- **School division.** The school division contains school district employees in 177 of 178 school districts in the state. Employees of Denver Public Schools are in a separate division, as discussed below.
- **Local government division.** The local government division is comprised of 141 employers, including counties, municipalities, and special districts.
- **Judicial division.** The judicial division is comprised solely of judges, including Colorado Supreme Court justices, Court of Appeals judges, district judges, and county judges. Other employees of the Judicial Branch are classified as state employees.
- **Denver Public Schools division.** Denver Public Schools (DPS) is in a separate division as a result of merging its retirement system with PERA on January 1, 2010.

## Plan Options

PERA administers a hybrid defined benefit (DB) plan and a defined contribution (DC) plan. These plans are considered 401(a) plans under the Internal Revenue Code. In addition to retirement benefits, PERA provides disability benefits in the event of a disabling accident or illness, and spouse and survivor benefits, in the case of the death of a member. PERA also administers the following optional plans: a 401(k) and a 457 plan (PERAPlus); health benefits (PERACare); and life insurance. The assets of each of the five PERA divisions are held in separate trust funds. Most PERA members do not contribute to Social Security, and a Social Security benefit through a spouse or other employment may

be reduced because of a PERA membership. Table 2 provides an overview of certain elements available in each plan, and plans are further detailed below.

**Table 2**  
**Comparison of PERA's Defined Benefit and Defined Contribution Plans**

	DB Plan	DC Plan
Lifetime retirement benefit from investments made by PERA	✓	
Duration of retirement benefit dependent on personal investment choices		✓
Potential cost-of-living increase to retirement benefit	✓	
Access to survivor and disability benefits	✓	
Access to PERACare upon retirement	✓	✓ <sup>1</sup>
Access to life insurance	✓	✓
Access to PERAPlus 401(k) and 457 Plans	✓	✓
Investment advice available	✓ <sup>2</sup>	✓
Receive a percentage of employer contributions if account withdrawn	✓	✓
Direct fees		✓
Social Security offset applies	✓	✓

Source: PERA.

<sup>1</sup> PERACare is available to DC plan members who purchase a lifetime annuity upon termination of PERA-covered employment.

<sup>2</sup> Investment advice available to all members of the voluntary PERAPlus programs.

**Hybrid Defined Benefit (DB) Plan.** PERA’s DB plan is a pension plan in which contributions are invested by PERA on an individual’s behalf; retirement benefits are guaranteed for the individual’s lifetime; and individuals qualify for survivor and disability benefits. Retirement benefits are calculated using a formula comprised of the individual’s highest average salary, age at retirement, and years of service. DB plan benefits are funded by member, employer, state appropriations (the direct distribution), and earnings on investments. The investment decisions associated with the DB Plan are the responsibility of PERA, which invests the trust funds in stocks issued by domestic and international companies, corporate bonds, U.S. Treasury and other governmental securities, mortgages, real estate property, and other investment vehicles. DB plan benefits are eligible for annual cost-of-living adjustments, known as annual increases.

**Defined Contribution (DC) Plan.** In PERA’s DC plan—which is available to the state and local government employees only—individuals direct their investments to a variety of fund options and retirement benefits are contingent upon the success of these investments. This plan is comparable to a 401(k). The retirement benefit from the DC Plan is based solely on the amount contributed to the participant’s account by the employee and employer, and any income, expenses, and gains and losses incurred during the term of employment. Unlike DB plans, which specify the level of retirement income, DC plans specify the level of contributions. The investment risks associated with a DC plan are the responsibility of the employee, allowing for the possibility of higher volatility in investment performance from year-to-year. PERA allows members eligible for the DC plan a one-time option to switch plans between 13 and 72 months of participation.

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PERA's defined benefit plan is a traditional pension where retirement benefits are guaranteed for an individual's lifetime. Its defined contribution plan is comparable to a 401(k).

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[PERAPlus 401\(k\) and 457 plans](#). Members whose employers offer PERA's 401(k) and 457 retirement savings plans may enroll at any time. Both plans offer both a pre-tax and Roth contribution option. In 2023, the total annual contribution limit for each plan is \$22,500.

[PERACare health benefits](#). A health benefit program is available to members retiring from the DB plan, as well as members of the DC plan who purchase a lifetime annuity. PERACare includes health care, dental, and vision plans.

[PERA life insurance](#). PERA offers decreasing-term group life insurance where premiums are fixed, and the death benefit amounts decrease with age.

## Retirement Eligibility

The retirement benefit paid to a PERA member depends on the member's date of hire, years of service credit, and age at retirement. It is calculated using a percentage of the member's highest average salary over a period of time, including a base salary year. For employees hired on or after January 1, 2020, Table 3 shows the number of service years required for full service retirement. Table 4 shows the number of service years required for reduced service retirement. For more information about the PERA retirement benefit, visit [PERA's Retirees site](#) or see [PERA's Benefit Estimate Assumptions](#).

**Table 3**  
**Full Service Retirement Eligibility for New Hires**

<b>Division</b>	<b>Years of Service Required to Retire at Any Age</b>	<b>Years of Service Required to Retire at a Specific Retirement Age</b>	<b>Years of Service Required to Retire at Age 65</b>
All Divisions	35 years	Age 64, 30 years	5 years
State Troopers		Age 55, 25 years	

*Source: Section 24-51-602, C.R.S., for employees hired after January 1, 2020.*

**Table 4**  
**Reduced Service Retirement Eligibility for New Hires**

	<b>Age Requirement</b>	<b>Service Credit Requirement</b>
All Divisions	55 years old	25 years
	60 years old	5 years
State Troopers	55 years old	20 years

*Source: Section 24-51-604, C.R.S., for employees hired after January 1, 2020.*

## Contribution Rates

### Employer and Member Contributions

In calendar year 2022, PERA received approximately \$2.2 billion in employer contributions and approximately \$1.4 billion in member contributions. Employer and member contribution rates are set in statute. Employer contributions include the statutory rate as well as the Amortization Equalization Disbursement (AED), an additional employer contribution to PERA established in 2006, and a Supplemental Amortization Equalization Disbursement (SAED), an additional employer contribution from foregone member salary increases established in 2008. State and local government division employers also pay a DC supplement, which is designed to supplement funding to the DB trusts when an employee chooses the DC plan. In addition, the state makes an annual direct distribution to PERA. These contributions are subject to an automatic adjustment provision (AAP), as discussed further below. Fiscal year 2023-24 contribution rates are shown in Table 5.

**Table 5  
Employer and Member Contribution Rates**

	State	Safety Officers	School/ DPS	Local	Local Officers	Judicial
<b>Employer</b>						
<b>CY 2023</b>	10.40%	13.10%	10.40%	10.00%	13.10%	13.91%
+ AED	5.00%	5.00%	4.50%	2.20%	2.20%	5.00%
+ SAED	5.00%	5.00%	5.50%	1.50%	1.50%	5.00%
+ AAP	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
+ DC Supp.	0.17%	0.17%	-	0.06%	0.06%	-
<b>Total</b>	<b>21.57%</b>	<b>24.27%</b>	<b>21.40%</b>	<b>14.76%</b>	<b>17.86%</b>	<b>24.91%</b>
<b>Member<sup>1</sup></b>						
<b>FY 2022-23</b>	10.50%	12.50%	10.50%	8.50%	12.50%	10.50%
+ AAP	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>Total</b>	<b>11.00%</b>	<b>13.00%</b>	<b>11.00%</b>	<b>9.00%</b>	<b>13.00%</b>	<b>11.00%</b>

Sources: Section 24-51-401, C.R.S.; <https://www.copera.org/employers/employer-contribution-rates>; <https://www.copera.org/member-contribution-rates>; and [What is the Automatic Adjustment Provision](#).

<sup>1</sup> The increased employee contribution amount passed in SB 18-200 is credited to a member's account regardless of DB or DC plan election.

### Direct Distribution

The state is required to annually distribute \$225.0 million, subject to the automatic adjustment provision, to PERA on July 1 of each year and must continue to do so until the unfunded liabilities of the state, judicial, school, and Denver Public Schools divisional trusts are paid. PERA credits these funds proportionally to the relevant divisional trusts based on the reported payroll for each participating division for the prior plan year ending December 31. The direct distribution is paid primarily from the General Fund, but may also come from cash funds, reappropriated funds, and federal funds. Every year PERA must determine the unfunded liability status of each division by September 1, and notify the Governor's Office of State Planning and Budgeting and the Joint Budget Committee when a division's unfunded liability has been paid and the direct distribution is no longer required.

## Automatic Adjustment Provision

PERA announces the progress toward its funding goal each June, along with any automatic adjustments to contributions or annual increases, which take effect the following July. As of June 2023, PERA's Annual Comprehensive Financial Report indicates that PERA is on schedule for full funding, which means member and employer contributions, as well as the annual benefit increase paid to most eligible retirees, will remain unchanged in 2024.

Adjustments are triggered when the blended total contribution amount is less than 98 percent or more than 120 percent of the blended total actuarially required contribution, using the following definitions:

- **Blended total contribution amount** is the weighted average of the total amounts paid by employers and members to PERA by all divisions, not including the portions of employer contributions remitted to the health care trust fund and the COLA reserve.
- **Blended total required contribution** is the weighted average of the total reported actuarially determined contribution rates and member contribution rates for PERA's trusts.
- **Weighted average** means the most recent valuation of the proportion of unfunded actuarial accrued liability attributable to each division.

The items subject to adjustment include the employer and member contribution rates, the annual increase rate cap for retirees, and, under certain circumstances, the direct distribution payment from the state, as shown in Table 6.

**Table 6**  
**PERA's Automatic Adjustment Provision**

***When the blended total contribution amount is less than 98% of the blended total actuarially required contribution:***

Annual Increase Rate	reduced up to 0.25%; not to be reduced to less than 0.5% total
Employer Contribution Rate	increased up to 0.5%; not to exceed statutory contribution rates plus 2% total
Member Contribution Rate	increased up to 0.5%; not to exceed statutory contribution rates plus 2% total
Direct Distribution	increased by up to \$20 million; not to exceed \$225 million in a fiscal year

***When the blended total contribution amount is greater than 120% of the blended total actuarially required contribution:***

Annual Increase Rate	increased up to 0.25%; not to exceed 2% total
Employer Contribution Rate	reduced up to 0.5%; not to be less than statutory contribution rates
Member Contribution Rate	reduced up to 0.5%; not to be less than statutory contribution rates
Direct Distribution	reduced by up to \$20 million in a fiscal year

*Source: Section 24-51-413, C.R.S.*

## Benefit Payments

In 2022, PERA paid benefits totaling \$5.2 billion to over 135,000 retired public employees and their survivors. Table 7 details the average annual benefits for retirees by division and number and amount paid to beneficiaries in 2022.

**Table 7**  
**PERA Beneficiaries<sup>1</sup>**  
 As of December 31, 2022

Division	Total Beneficiaries	Total Benefits	Average Benefit
<b>State</b>	43,754	\$1,789,929,039	\$40,909
<b>School</b>	74,939	\$2,757,596,990	\$36,798
<b>Local Government</b>	8,808	\$339,368,612	\$38,530
<b>Judicial</b>	444	\$33,901,570	\$76,355
<b>Denver Public</b>	7,248	\$284,486,202	\$39,250
<b>Totals</b>	<b>135,193</b>	<b>\$5,205,282,413</b>	<b>\$38,503</b>

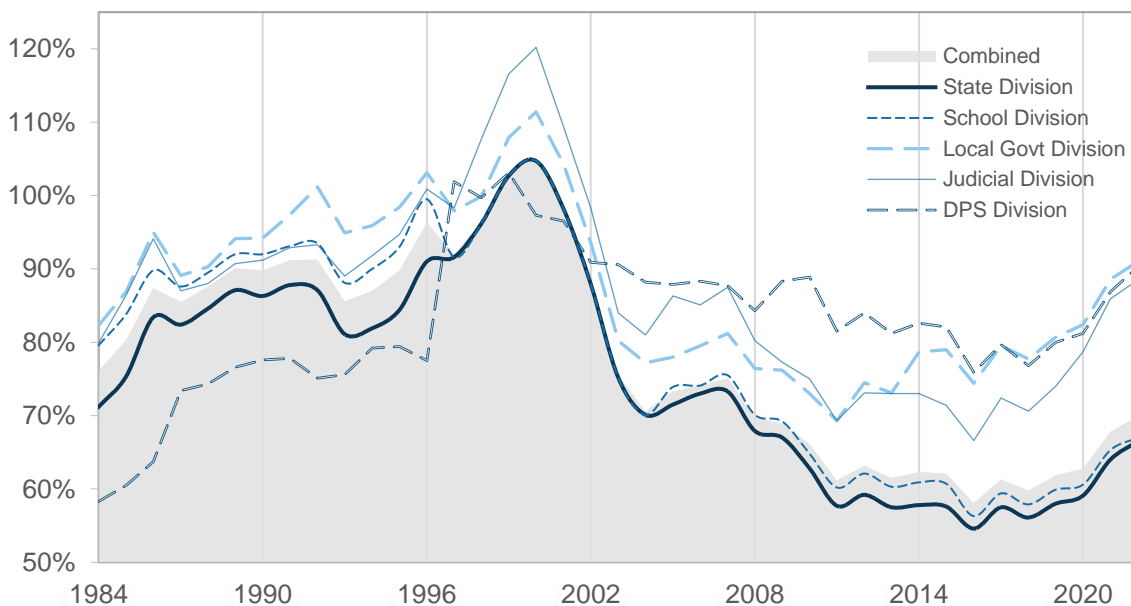
<sup>1</sup> Includes survivor beneficiaries.

**Annual increases.** Retirees' and survivor's benefits are also adjusted for annual increases each July, also referred to as cost-of-living adjustments. Annual increases are subject to change with the automatic adjustment provision. The standard annual increase is 1 percent.

## Funded Status

Over the past two decades, the General Assembly has enacted legislation to address fiscal opportunities and challenges related to PERA, as well as to respond to recessionary periods, longer life expectancies, and revised assumptions that decreased PERA's assumed rate of return. Figure 1 shows the funded status of each PERA division over the past 38 years, illustrating the decrease since the early 2000s, and increases since the passage of Senate Bill 18-200 in 2018.

**Figure 1**  
**Funded Status by PERA Division**  
 1984 to 2022



Compiled by Legislative Council Staff.



**Amortization periods to achieve full funding.** The overall goal of a pension system is to ensure that, with contributions, investments, and interest earnings, there is sufficient revenue to pay for accrued (current) and projected plan liabilities. Governmental Accounting Standards Board (GASB) standards and state law provide that a maximum amortization period of 30 years is considered actuarially sound. Using the 2022 actuarial value of assets, the overall plan funded ratio is currently 69.9 percent, up from 67.8 percent in 2021 and from 62.8 percent in 2020. Table 8 shows the estimated amortization periods to achieve full funding in each of PERA's trusts, as well as each division's funded ratio.

**Table 8**  
**Projected Amortization Periods**

Division	Projected Amortization Period	Funded Ratio
State	20 years	66.5%
School	24 years	67.0%
Local Government	9 years	91.0%
Judicial	6 years	88.5%
Denver Public Schools	7 years	90.3%

*Source: PERA 2022 Annual Comprehensive Financial Report.*

**Actuarial valuations.** Periodic analyses are required by statute and general actuarial standards to assess the adequacy of the fixed funding to pay for the Hybrid DB Plan. The PERA board is responsible for the actuarial methods and assumptions used in actuarial valuations for the plan. The board retains an external actuary to perform annual actuarial valuations and projections, as well as periodic experience studies to review the actuarial assumptions and actual experience. Actuarial assumptions include economic assumptions (e.g., investment rate of return, inflation, member payroll increase), non-economic assumptions (e.g., growth in membership, withdrawal rates, pre- and post-retirement mortality rates, disability rates, retirement rates), and annual increase assumptions. Using the DB plan's schedule of benefits, member data, and actuarial assumptions, the external actuary estimates the cost of benefits to be paid. Actuarial valuations, audits, and other reports are available on PERA's [Financial Reports and Studies](#) site.

## Investments

Pursuant to state law, the PERA Board of Trustees has complete control and authority to invest PERA's funds, with some stipulations as outlined in the Investment Section of the ACFR.<sup>1</sup> PERA's [Investment Stewardship Report](#) outlines its investment philosophy. PERA also maintains a site of [Investment FAQs](#). Table 9 shows PERA's investments by asset class, and details whether investments are managed internally or externally. As of December 31, 2022, PERA has \$55.9 billion invested for its defined benefit plan, down from \$66.1 billion in 2021, due to a net rate of return of -13.4 percent in 2022.

<sup>1</sup> Section 24-51-206, C.R.S. and [https://www.copera.org/files/ff845b8ac/2022\\_ACFR.pdf#page=129](https://www.copera.org/files/ff845b8ac/2022_ACFR.pdf#page=129)



**Table 9**  
**PERA's DB Plan Investments by Asset Class**  
As of December 31, 2022  
*Dollars in millions*

Asset Class	Internally Managed		Externally Managed		Total Invested
	Amount	Percent	Amount	Percent	
Global Equity	\$22,135,056	75%	\$7,382,047	25%	<b>\$29,517,103</b>
Fixed Income	\$10,822,329	100%	-	-	<b>\$10,822,329</b>
Private Equity	-	-	\$5,161,194	100%	<b>\$5,161,194</b>
Real Estate	-	-	\$6,652,817	100%	<b>\$6,652,817</b>
Alternatives	-	-	\$3,513,781	100%	<b>\$3,513,781</b>
Cash/Short-Term Investments	-	-	\$194,238	100%	<b>\$194,238</b>
<b>Total</b>	<b>\$32,957,385</b>	<b>59%</b>	<b>\$22,904,077</b>	<b>41%</b>	<b>\$55,861,462</b>

*Source: PERA 2022 Annual Comprehensive Financial Report.*

**Rate of return.** Table 10 shows PERA's investment returns since 2014. For actuarial purposes, the PERA board currently assumes a 7.25 percent rate of return.

**Table 10**  
**PERA's Rate of Return**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Rate <sup>1</sup>	(13.5%)	16.1%	17.1%	20.4%	3.3%	18.1%	7.3%	1.6%	5.8%

*1 Annual money-weighted rate of return, net of investment expenses.*

## Governance

PERA's Board of Trustees serve as the administrator and fiduciary of PERA. Trustees are legally obligated under Colorado law to act solely in the interests of PERA beneficiaries to provide pension benefits and to defray expenses of pension administration. The board is required to adopt and promulgate rules for the administration of PERA and to specify the factors to be used in actuarial determinations or calculations.

**Membership.** The 16 trustees serve four-year terms, as shown in Table 11. Of the membership, 12 trustees are elected to represent PERA's divisions; 3 are appointed by the Governor and confirmed by the Senate; 1 is a non-voting member representing the Denver Public Schools division; and 1 is the State Treasurer or their appointee. Trustees elect a chairperson and any other officers necessary for the board to carry out its duties. Additional information about the PERA Board of Trustees, including current membership, is available on the [Board of Trustees page](#) of PERA's website.

**Table 11**  
**Composition of PERA's Board of Trustees**

Trustees	Representing	Type of Appointment
1	State Treasurer	Ex-officio
3	State Division	Elected
4	School Division	Elected
1	Local Government Division	Elected
1	Judicial Division	Elected
2	Retirees	Elected by division groupings
3	Pension Expertise	Governor-appointed, Senate consent
1	DPS Division	Elected, non-voting

*Source: Section 24-51-203, C.R.S.*

**Oversight authority.** The PERA Board of Trustees' authorities and responsibilities include, but are not limited to, the following, as established in Sections 24-51-204 through 206, C.R.S.:

- investing PERA funds;
- determining membership status within the five divisions; exemptions from membership; eligibility for benefits, life insurance, health care, the voluntary investment program, the defined contribution plan, and the deferred compensation plan; and service credit and salary to be used in benefit calculations;
- promulgating rules for the administration of PERA and to specify the factors to be used in actuarial determinations or calculations;
- submitting an annual actuarial valuation report to the Legislative Audit Committee, Joint Finance Committee, and Joint Budget Committee, with recommendations concerning liabilities that have accrued; and
- performing an annual sensitivity analysis to determine when, from an actuarial perspective, model assumptions are meeting targets and achieving sustainability.

## Legislative Oversight

### Pension Review Commission

**Membership.** The Pension Review Commission consists of ten legislators, five from each house. The President of the Senate and the Speaker of the House each appoint three members, and the minority leaders of each house each appoint two members. In even-numbered years, the chair is appointed by the President of the Senate and the vice-chair is appointed by the Speaker of the House, and vice versa in odd-numbered years.

**Oversight authority.** The commission oversees both PERA and police officers' and firefighters' pensions. State law directs the commission to study, review, and propose legislation related to the following subjects including, but not limited to:

- normal retirement age and payment of benefits prior to normal retirement age;
- service requirements for eligibility;

- rate of accrual of benefits;
- disability and survivors' benefits;
- vesting of benefits;
- employee and employer contributions;
- post-retirement increases;
- administration;
- coordination of benefits with other programs;
- the volunteer firefighter pension system; and
- state laws related to each pension system.

Information on the commission's recent work is available on the [Pension Review Commission](#) page of the General Assembly's website.

## Pension Review Subcommittee

The Pension Review Subcommittee, created under Senate Bill 18-200, is required to study PERA and make legislative recommendations to the Pension Review Commission regarding several issues.

**Membership.** The subcommittee consists of four legislative and ten public members. Its four legislators are also members of the Pension Review Commission, appointed by the Speaker of the House, the President of the Senate, and the House and Senate Minority Leaders. Its ten public members must have experience or knowledge of investment management, corporate or public finance, compensation and benefit systems, economics, accounting, pension administration, or actuarial analysis. The Speaker of the House, the President of the Senate, and the House and Senate Minority Leaders each appoint two public members, and the Governor and the State Treasurer each appoint one public member. Like the commission, the chair is designated by the President of the Senate in even-numbered years and the Speaker of the House in odd-numbered years, with the vice-chair being chosen by the other house. The chair and vice-chair must be chosen from the legislative members of the subcommittee.

**Subcommittee oversight, responsibilities, and reporting.** The Pension Review Subcommittee must focus on the financial health of PERA. Specifically, the subcommittee is responsible for:

- making recommendations to the commission regarding PERA;
- determining the necessity of continuing the annual direct distribution of \$225 million in state funding to PERA;
- suggesting enhancements to PERA's analysis tools and determining whether PERA's model assumptions are meeting targets and achieving sustainability;
- reviewing the annual actuarial valuation of PERA and making comments as necessary;
- making recommendations to PERA's board regarding assumptions, funding policy, reporting practices, or other operational policy;
- reviewing semi-annually the overall financial health of PERA—including benefit levels, funding sources, and its overall financial viability based on both the assumptions of the board and the requirements of the Governmental Accounting Standards Board—and requesting that PERA adjust its assumptions as appropriate;
- reviewing annually the calculated normal costs that will cover current pension benefits and the share of contributions going to cover PERA's unfunded liability;

- reviewing semi-annually the planned reduction of PERA's unfunded liability, providing an annual report to the General Assembly regarding whether or not PERA is on track to achieve full funding by 2048, and making recommendations to rectify the shortfall as needed;
- providing an annual written report to Colorado citizens on whether PERA is on track to achieve full funding by 2048, and, if not, a report of the corrective actions recommended by the subcommittee or PERA to the legislature to rectify the shortfall;
- after full funding is achieved, making recommendations to the commission, the Joint Budget Committee, and the General Assembly during each legislative session regarding changes to the plan to maintain full funding;
- ensuring PERA's board is administering the association as mandated and making recommendations for the board's structure as warranted; and
- every three years, commissioning an independent review of the economic and investment assumptions used to model PERA's financial situation using experts other than those already working on behalf of the association.

**Meeting requirements for subcommittee members.** Each subcommittee member is required to attend certain meetings each year, as follows:

- at least one PERA board meeting per year;
- the Legislative Audit Committee meeting to review PERA's annual actuarial valuation; and
- the Joint Finance Committee SMART Act hearing regarding PERA.

Information on the subcommittee's recent work is available on the [Pension Review Subcommittee](#) page of the General Assembly's website.

**Appendix A**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2023</b>	<b>SB 23-016</b> Greenhouse Gas Emission Reduction Measures	<ul style="list-style-type: none"> <li>The bill required PERA to include a description of climate-related investment risks, impacts, and strategies to be included as part of its annual Investment Stewardship Report.</li> </ul>
	<b>SB 23-056</b> Compensatory Direct Distribution to PERA	<ul style="list-style-type: none"> <li>The bill required the state to make an additional payment to PERA in the amount of the balance of the PERA Payment Cash Fund, plus \$10 million in General Fund to recompense PERA for interest earnings on the repealed July 1, 2020, direct distribution payment, in addition to the partial recompensation provided in previous legislation. The bill also repeals the PERA Payment Cash Fund on July 1, 2023.</li> </ul>
	<b>SB 23-163</b> Colorado Parks and Wildlife Officers Classified as State Troopers	<ul style="list-style-type: none"> <li>The bill modified the definition of State Trooper (referred to as Safety Officers by PERA) to include wildlife officers and parks and recreation officers hired on or after January 1, 2011, by Colorado Parks and Wildlife in the Department of Natural Resources. It applies the State Trooper contribution rate and benefits to eligible employees and their employers effective July 1, 2023.</li> </ul>
<b>2022</b>	<b>HB 22-1029</b> Compensatory Direct Distribution to PERA	<ul style="list-style-type: none"> <li>The bill paid \$380.0 million to PERA from the state's PERA Payment Cash Fund to make up for the suspended direct distribution payment of \$225.0 million in July 2020 pursuant to House Bill 20-1379, plus \$155.0 million to reduce two future direct distributions to PERA by amounts that will depend on how much interest accrues on the \$155.0 million.</li> </ul>
	<b>HB 22-1057</b> PERA Employment After Teacher Retirement	<ul style="list-style-type: none"> <li>The bill temporarily waived the limit of days retired teachers can work without a reduction in PERA benefits for those who are hired as substitute teachers in any school district or charter school through July 1, 2025. School districts that hire retired teachers as substitute teachers are required to pay all current employer contributions and disbursements for each rehired retiree, and the rehired retiree must pay the applicable member contribution rate. The member contribution is not credited to a member account and the period of service is not considered an additional benefit accrual.</li> </ul>
	<b>HB 22-1101</b> PERA Service Retiree Employment in Rural Schools	<ul style="list-style-type: none"> <li>The bill made permanent the Rural School District Critical Shortage program created by House Bill 17-1176 and extended by House Bill 20-1127 that allows PERA service retirees to work full-time without any reduction in their retirement benefits for a rural school district that has a critical shortage of qualified individuals. The program is currently scheduled to repeal on July 1, 2023. The bill also added school nurses and paraprofessionals to those who are eligible for program participation, and Boards of Cooperative Educational Services and charter schools as eligible entities.</li> </ul>
	<b>SB 22-214</b> General Fund Transfer to PERA Payment Cash Fund	<ul style="list-style-type: none"> <li>The bill required the State Treasurer to transfer \$198.5 million from the General Fund to the Public Employees' Retirement Association (PERA) Payment Cash Fund on July 1, 2022.</li> </ul>
<b>2021</b>	<b>HB 21-1136</b> Judicial Division Retirees Temporary Judicial Duties Compensation	<ul style="list-style-type: none"> <li>The bill added additional contract periods of 10, 20 and 30 days per year that retired judges may perform temporary judicial duties after retirement and receive a benefit increase equal to a percentage of the current monthly salary of judges serving in the same position held by the retiree at the time of retirement. It also removed the requirement that a judge enter into such an agreement before retirement, or within five years after retirement, and added certain conditions that would make those retired judges ineligible to enter in to an agreement if met.</li> </ul>
	<b>SB 21-228</b> PERA Cash Fund	<ul style="list-style-type: none"> <li>Created the PERA Payment Cash Fund in the State Treasury and appropriated \$380 million to the fund. The state treasurer is required to pay the General Fund portion of the direct distribution payment due to PERA on July 1, 2022, from the fund and, subject to annual appropriation, money in the fund may be used by the state for any employer contribution or disbursement to PERA.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2020</b>	<b>HB 20-1127</b> Extend PERA Retiree Work After Retirement Limit	<ul style="list-style-type: none"> <li>• This bill allowed Boards of Cooperative Services (BOCES) to hire PERA retirees to work in certain roles where there is a critical shortage of qualified providers without reductions to their PERA retirement benefits.</li> <li>• The bill modified the current PERA working after retirement provisions for certain retirees hired by a BOCES if:               <ul style="list-style-type: none"> <li>○ the BOCES hires a retiree to provide services in two or more rural school districts</li> <li>○ the BOCES hires the service retiree to provide special services to students, and</li> <li>○ the BOCES determines that there is a critical shortage of special service providers and that the retiree has specific experience, skills, or qualifications that would benefit the districts that the BOCES serves.</li> </ul> </li> <li>• A PERA retiree may not work under these modified rules for more than five consecutive years. All BOCES combined may hire no more than 40 people over five years.</li> </ul>
	<b>HB 20-1379</b> Suspend Direct Distribution to PERA FY 2020-21	<ul style="list-style-type: none"> <li>• The bill suspended the direct distribution to PERA for FY 2020-21.</li> </ul>
	<b>HB 20-1394</b> PERA Judicial Division Contribution Rate Modification	<ul style="list-style-type: none"> <li>• The bill decreased the employer contribution rate for the Judicial Division by 5 percent for FY 2020-21 and FY 2021-22, and increased the division's member contribution rate by 5 percent over the same period. These rates did not apply to judges employed by the Denver County Court.</li> </ul>
	<b>SB 20-057</b> Fire Prevention and Control Employee Benefits	<ul style="list-style-type: none"> <li>• This bill reclassified wildfire firefighters employed by the State as "Safety Officers," adjusting their contribution rates and retirement benefits to match other Safety Officers (i.e., State Troopers, CBI Agents, certain corrections officers, and certain county sheriffs, undersheriffs, deputy sheriffs). These changes applied only to service credit earned after the bill goes into effect.</li> </ul>
<b>2019</b>	<b>HB 19-1217</b> PERA Local Govt. Div. Member Contribution Rate	<ul style="list-style-type: none"> <li>• The bill eliminated the scheduled 2 percent increase in the member contribution rate for the Local Government Division that was included in SB 18-200.</li> </ul>
<b>2018</b>	<b>SB 18-200</b> Modifications To PERA To Eliminate Unfunded Liability	CURRENT MEMBERS
		<ul style="list-style-type: none"> <li>• Increase the member contribution rate by an additional 2 percent of pay (phased-in beginning July 1, 2019) totaling 10 percent for most members by July 1, 2021.</li> <li>• Require a three-year wait before receiving the first annual increase.</li> <li>• Set the annual increase cap at 1.5 percent.</li> <li>• Redefine PERA-includable salary to include sick leave payout.</li> <li>• Increase to five years the Highest Average Salary (HAS) calculation for non-vested members (for those with fewer than five years of service credit as of January 1, 2020); increase to three-year HAS for Judicial Division members who do not have five years of service credit as of January 1, 2020.</li> </ul>
		CURRENT RETIREES
		<ul style="list-style-type: none"> <li>• Set the annual increase cap at 1.5 percent.</li> <li>• Suspend the annual increase for two years (effective for 2018 and 2019).</li> <li>• Increase the working retiree contribution rate (for retirees working for PERA employers) by an additional 2 percent of pay (phased-in beginning July 1, 2019) totaling 10 percent for most retirees by July 1, 2021.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

Year	Legislation	Description
2018 (Cont.)	SB 18-200 (cont.) Modifications To PERA To Eliminate Unfunded Liability	<p><b>EMPLOYERS</b></p> <ul style="list-style-type: none"> <li>• Increase the employer contribution rate by an additional 0.25 percent except for Local Government Division employers, effective July 1, 2019.</li> <li>• Require contributions on deductions made to cafeteria or qualified transportation plans for new members hired on or after July 1, 2019.</li> <li>• Redefine PERA-includable salary to include sick leave payout for all current and future members.</li> </ul> <p><b>FUTURE MEMBERS (STARTING MEMBERSHIP JANUARY 1, 2020, OR AS INDICATED)</b></p> <ul style="list-style-type: none"> <li>• Increase eligibility requirements (age and service) for full service retirement benefits to age 64 with 30 years of service; age 55 and 25 years of service for a reduced service retirement. (For State Troopers, full service retirement eligibility will increase to age 55 with 25 years of service and age 55 with 20 years of service for reduced service retirement eligibility.)</li> <li>• Increase the number of years used in the HAS calculation to five years; increase to three-year HAS for Judicial Division members.</li> <li>• Set the annual increase cap at 1.5 percent.</li> <li>• Require a three-year wait before receiving the first annual increase.</li> <li>• Increase the member and working retiree contribution rates incrementally by an additional 2 percent of pay for new hires, totaling 10 percent for most members as of July 1, 2021.</li> <li>• Redefine PERA-includable salary to include sick leave payout.</li> <li>• Require contributions on deductions made to cafeteria or qualified transportation plans (applies to new PERA members hired on or after July 1, 2019).</li> <li>• Expand Defined Contribution (DC) Choice to employees hired in the Local Government Division on or after January 1, 2019, and to classified college and university employees hired on or after January 1, 2019.</li> </ul> <p><b>STATE DIRECT DISTRIBUTION</b></p> <ul style="list-style-type: none"> <li>• Receive an annual direct distribution from the State budget of \$225 million to the trust funds of the State, School, Denver Public Schools, and Judicial Divisions, starting July 1, 2018.</li> </ul> <p><b>OTHER PROVISIONS</b></p> <ul style="list-style-type: none"> <li>• Automatic Adjustment Provision—Makes incremental changes to four factors to keep PERA on-track to reach its funding goal: member and employer contribution rates, the State direct distribution, and the annual increase. The amount of the adjustments to each of these factors is not fixed and will depend on the funding needs. If the fund is behind schedule, the member and employer contribution rates can increase by no more than 0.5 percent and the annual increase can be reduced by no more than 0.25 percent in a single year. If the fund is ahead of schedule, member and employer contribution rates can be decreased by up to 0.5 percent, the annual increase can be raised by up to 0.25 percent in one year and the State direct distribution can be decreased by up to \$20 million. In total and over multiple years, changes from the automatic adjustment provision to member and employer contribution rates will not exceed an additional 2 percent or fall below 2018 levels, the annual increase will not fall below 0.5 percent or exceed 2 percent, and the State direct distribution will not exceed \$225 million.</li> <li>• Legislative Oversight—Expands the existing Police Officers' and Firefighters' Pension Reform Commission to include oversight of PERA and creates a pension review subcommittee exclusively focused on PERA. The 14-member subcommittee will include four legislators appointed from the Commission and 10 appointed external experts from relevant industries.</li> <li>• Safety Officer Rate and Benefit—Apply the State Trooper contribution rate and benefits to certain other safety officers, including sheriff deputies and corrections officers hired on or after January 1, 2020.</li> </ul>



**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

Year	Legislation	Description
2017	<b>HB 17-1176</b> PERA Retirees Employed by Rural School Districts	<ul style="list-style-type: none"> <li>Allowed PERA retirees to work as teachers, bus drivers, or food service workers without limitation in rural school district that declares a critical shortage and continues to pay all contributions.</li> <li>PERA must deliver an actuarial cost analysis of the impacts of the legislation by December 1, 2020.</li> </ul>
	<b>HB 17-1265</b> PERA Judicial Division Total Employer Contribution	<ul style="list-style-type: none"> <li>Incrementally increased AED and SAED rates in the Judicial Division to 5.00 percent.</li> </ul>
2016	<b>HB 16-1284</b> Divestment From Companies with Prohibitions Against Israel	<ul style="list-style-type: none"> <li>Required PERA to divest from all companies that have economic prohibitions against Israel</li> </ul>
2015	<b>HB 15-1391</b> PERA and DPS 5 Year True Up	<ul style="list-style-type: none"> <li>Reduced DPS Division employer contribution rate from 13.75 percent to 10.15 percent, pursuant to the five-year true-up provision in the DPS Merger legislation, SB 09-282.</li> </ul>
	<b>SB 15-097</b> Supplemental Needs Trust For Certain PERA Benefits	<ul style="list-style-type: none"> <li>Allowed the trust to be designated as a co-beneficiary or survivor, so that a disabled dependent may receive PERA benefits after death of a retiree or member and retain other governmental needs-based benefits.</li> </ul>
2014	<b>SB 14-214</b> PERA Studies Conducted by Actuarial Firm	<ul style="list-style-type: none"> <li>Provided for three separate studies on PERA issues to be conducted by independent firms not selected by PERA.</li> <li>Actuarial firm contracted by State Department of Personnel concluded the State's total retirement compensation package is on par with the market median considering DC, DB, Social Security and retiree health benefits.</li> <li>Plan design study contracted by State Auditor's Office compared cost and effectiveness of PERA Hybrid DB Plan to alternative plans and found that PERA design "is more efficient and uses dollars more effectively than the other types of plans in use today."</li> <li>Sensitivity study contracted by State Auditor's Office found PERA is sustainable and developed an early warning mechanism for when further adjustments may need to be made.</li> </ul>
2013	<b>HB 13-1299</b> Changes To The SMART Government Act Of 2010	<ul style="list-style-type: none"> <li>Specified that PERA will meet the SMART Act requirement by submitting its annual actuarial valuation and annual comprehensive financial report to the JBC and the Joint House and Senate Finance Committees.</li> </ul>
2012	-	-
2011	<b>SB 11-076</b> PERA Contribution Rates	<ul style="list-style-type: none"> <li>Continued the 2.5 percent reduction in the employer contribution by State Division and Judicial Division employers (with a corresponding 2.5 percent increase in the employee contribution). Also continued the rate "swap" enacted in 2010 by SB 10-146 for FY 2011-12 only.</li> </ul>
2010	<b>HB 10-1181</b> DPA Operations	<ul style="list-style-type: none"> <li>This bill concerning the operation of the Department of Personnel and Administration included a provision that the Attorney General shall be the legal advisor to the PERA Board upon request of the board, with the board having authority to select and retain legal counsel at its discretion.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2010 (Cont.)</b>	<b>HB 10-1425</b> DPS Post Retirement Employment Limit	<ul style="list-style-type: none"> <li>Exempted PERA retirees from the 110-day working after retirement limit if they were working as hourly employees for the Denver Public Schools before January 1, 2010, and continue to be in those same positions. Hourly employees working for DPS were not included in this exemption passed with the 2009 PERA and DPSRS merger legislation.</li> </ul>
	<b>SB 10-001</b> Eliminate PERA's Unfunded Liability	<ul style="list-style-type: none"> <li>Increased over time the Amortization Equalization Disbursement (AED) paid by PERA employers and the Supplemental Amortization Equalization Disbursement (SAED) funded by forgone employee compensation increases for the State, School and DPS Divisions.</li> <li>Maintained the AED and SAED for the Judicial and Local Government Divisions at 2010 levels.</li> <li>Set the early retirement reduction factors for a reduced service retirement benefit at an actuarially determined amount for members not eligible to retire as of January 1, 2011.</li> <li>Changed the annual salary increase limit used in the Highest Average Salary (HAS) calculation from 15 percent to 8 percent for members who began membership prior to January 1, 2007 and were not eligible to retire on January 1, 2011.</li> <li>Prospectively modified the conditions for receiving a match on employer contributions when a member withdraws a PERA account. Members who withdraw their account on or after January 1, 2011, must have five years of service credit to receive the 50 percent match. Any contributions remitted prior to January 1, 2011 will receive the 50 percent match notwithstanding this new law.</li> <li>Increased the age and service requirements for full service retirement eligibility for members with less than five years of service credit on January 1, 2011 and members who began membership on or after January 1, 2011.</li> <li>Changed the amount of the Cost of Living Adjustment (COLA), how the COLA amount will be determined annually, when the COLA will be paid to retirees, and who is eligible to receive a COLA.</li> <li>Prevents the recalculation of a service retirement for retirees who suspend their benefit on or after January 1, 2011, and establishes how a second benefit would be earned and paid.</li> <li>Required retirees who return to work for a PERA-covered employer to make nonrefundable contributions at the same rate as all members working for that employer.</li> <li>Added days to the 110-day limit on working after retirement for a limited number of retirees in school districts and higher education institutions.</li> </ul>
	<b>SB 10-003</b> Higher Education Flexibility	<ul style="list-style-type: none"> <li>Expanded the 140-day limit for higher education institutions (passed in Senate Bill 10-001) that have more than one principal campus. Under SB 10-003, each campus of a higher education institution may designate up to 10 PERA retirees to work up to 140 days per year at the campus without a reduction in PERA benefits.</li> </ul>
	<b>SB 10-146</b> PERA Contribution Rates	<ul style="list-style-type: none"> <li>Changed PERA contribution rates for FY 2010-11: <ul style="list-style-type: none"> <li>In the State Division, (excluding State Troopers), the member contribution is increased from 8.00 percent to 10.50 percent. The employer contribution rate is decreased from 10.15 percent to 7.65 percent.</li> </ul> </li> <li>For State Troopers, the member contribution rate is increased from 10.00 percent to 12.50 percent. The employer contribution rate is decreased from 12.85 percent to 10.35 percent. In the Judicial Division, the member contribution rate is increased from 8.00 percent to 10.50 percent. The employer contribution rate is decreased from 13.66 percent to 11.16 percent.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2009</b>	<b>SB 09-056</b> Trinidad State Nursing Home	<ul style="list-style-type: none"> <li>• Added to the exclusion from membership employees of previously affiliated long-term care facilities or health care facilities if such employees are hired subsequent to the sale, lease, or transfer of the facility.</li> <li>• In addition to the existing public hospital employees who may continue membership upon transfer of title, employees of the Trinidad State Nursing Home may continue membership with PERA upon the Nursing Home transferring ownership to a nongovernmental entity, provided the PERA Trustees determine such continued membership would not adversely affect PERA's qualified governmental plan status.</li> </ul>
	<b>SB 09-066</b> Consolidate State Plans Under PERA	<ul style="list-style-type: none"> <li>• Merged the State DC Plan with the PERA DC Plan and transferred the administration of the State of Colorado 457 Plan to PERA effective July 1, 2009, as was recommended by the Legislative Audit Committee.</li> <li>• Eligible new state employees hired on or after July 1, 2009, are allowed to choose the PERA DB Plan or the PERA DC Plan.</li> </ul>
	<b>SB 09-157</b> Retirement Plan Eligibility for CU Employees	<ul style="list-style-type: none"> <li>• Allowed certain new University of Colorado employees who have a PERA member contribution account to make an irrevocable choice between continuing their PERA membership or joining the University's DC Plan. New employees who do not actively make a choice default to the PERA DB Plan.</li> </ul>
	<b>SB 09-282</b> DPS Merger Into PERA	<ul style="list-style-type: none"> <li>• Merged the Denver Public Schools Retirement System into PERA effective January 1, 2010.</li> <li>• Added the DPS Division as a separate division within PERA, and appointed a nonvoting ex-officio Board member from the DPS Division to serve on the PERA board.</li> <li>• Set the DPS Division's payroll contribution rates to equal: <ul style="list-style-type: none"> <li>○ Employer: 13.75% from 1/1/10-12/31/12, and 14.15% from 1/1/13 and thereafter, but reduced by district's payments to pay off pension certificates of participation (PCOPs) issued in 1997 and 2008.</li> <li>○ Member: 8%.</li> </ul> </li> <li>• Required DPS Division employers to pay the AED and SAED.</li> <li>• Beginning January 1, 2015, and every fifth year thereafter, a true-up will be calculated to determine whether DPS employer contribution rate must be adjusted to assure the equalization of the DPS Division's ratio of unfunded actuarial accrued liability (UAAL) over payroll to the PERA School Division's ratio of UAAL over the payroll at the end of <ul style="list-style-type: none"> <li>• the 30 year period.</li> </ul> </li> <li>• Created a separate DPS health care trust fund and allowed DPS retirees to participate in PERACare.</li> <li>• Other provisions covered portability issues regarding members moving between the DPS Division and other PERA Divisions.</li> </ul>
<b>2008</b>	<b>HB 08-1403</b> DPS Merger Authorization	<ul style="list-style-type: none"> <li>• Modified law that authorized Denver Public Schools, the Denver Public Schools Retirement System, and PERA to enter into an agreement to merge into PERA.</li> </ul>
<b>2007</b>	<b>HB 07-1184</b> Sudan Divestment	<ul style="list-style-type: none"> <li>• Required divestment of certain investments related to Sudan by PERA and other public funds.</li> </ul>
	<b>HB 07-1377</b> Higher Education Retirement	<ul style="list-style-type: none"> <li>• Repealed SB 06-235's provision that would have expanded DB and DC retirement plan choice to all new employees hired by higher education institutions.</li> <li>• Allowed eligible new employees at community colleges the choice of participating in the PERA DB Plan or the PERA DC Plan, effective January 1, 2008.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

Year	Legislation	Description
2006	<b>SB 06-235</b> Public Employees' Retirement Benefit Plans	<ul style="list-style-type: none"> <li>• Required all PERA employers pay a Supplemental Amortization Equalization Disbursement (SAED) that equals 0.5% of covered salary beginning 1/1/08. The SAED would increase by an additional 0.5% of covered salary a year until it reached a total of 3.0% in 2013. The SAED is noted in the statute as being funded from foregone compensation increases from employees.</li> <li>• For new members hired effective 1/1/07: <ul style="list-style-type: none"> <li>○ Unreduced retirement changed to the Rule of 85 (age plus service totals 85) and at least age 55, instead of the Rule of 80 if at least age 55.</li> </ul> </li> <li>• New COLA will equal the lower of 3% or the actual CPI, if retired for one year and attain age 60 or meet the Rule of 85. COLA will not be automatic and will be limited to PERA's available funds.</li> <li>• Eliminated the State Auditor's seat on the PERA Board of Trustees effective January 1, 2007.</li> <li>• Substituted three member-elected trustees with three Governor appointed, Senate confirmed trustees to the PERA Board of Trustees effective July 1, 2007.</li> <li>• Expanded DB and DC retirement plan choice to all new employees of higher education institutions hired effective 1/1/08. These employees would have the choice of the PERA DB Plan, PERA DC Plan, and the State DC Plan, in addition to the higher education institution's Optional Retirement DC Plan (if offered).</li> <li>• Reduced PERA's statutorily prescribed maximum amortization period from 40 years to 30 years.</li> <li>• Required the General Assembly to contract for an independent actuarial study before future PERA benefit increases may occur.</li> <li>• Mandated that purchases of service credit be at full actuarial cost.</li> </ul>
2005	<b>HB 05-1231</b> State Employee DC Plans	<ul style="list-style-type: none"> <li>• Made technical changes to SB 04-257.</li> </ul>
	<b>SB 05-073</b> Employment After PERA Retirement	<ul style="list-style-type: none"> <li>• Closed loopholes used to circumvent the 110-day calendar post-retirement employment limit by PERA retirees for a PERA employer.</li> <li>• Required PERA employers send tax-related forms and data to PERA.</li> <li>• Applied the AED on salaries earned by PERA retirees who work for PERA employers.</li> </ul>
	<b>SB 05-093</b> Attachment of Pension Benefits	<ul style="list-style-type: none"> <li>• Expanded the ability to attach a public pension participant's benefits to include restitution for theft or embezzlement of public property, and in the event of a judgment for a willful and intentional violation of fiduciary duties where the offender or a related party received direct financial gain.</li> </ul>
	<b>SB 05-171</b> DPS Merger Authorization	<ul style="list-style-type: none"> <li>• Authorized the merger of the Denver Public Schools Retirement System into PERA on an actuarially neutral basis and under specified conditions.</li> </ul>
2004	<b>SB 04-090</b> Confidential Investment Information	<ul style="list-style-type: none"> <li>• Clarified confidentiality of information on PERA's private equity, private debt, and timber investments.</li> </ul>
	<b>SB 04-094</b> Health Savings Accounts	<ul style="list-style-type: none"> <li>• Clarified that any amounts deducted from PERA members' pay for contributions to a Health Savings Account (HSA) or any retirement health savings account, would be subject to PERA contributions.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2004</b> <b>(Cont.)</b>	<b>SB 04-132</b> Modify Benefit Plans for PERA Members	<ul style="list-style-type: none"> <li>• Terminated MatchMaker employer contributions on payroll periods ending June 1, 2004, or later, due to PERA's underfunded status.</li> <li>• Reduced interest rate credited on PERA member contributions to 5.0% maximum per year, on July 1, 2004.</li> <li>• Reallocated 0.08% PERA employer payroll contribution rate from PERA Health Care Trust Fund to pension trust funds.</li> <li>• New members hired effective July 1, 2005, eligible for early retirement (not unreduced retirement) at age 50 with 30 years of service, and the COLA would equal the lesser of 3% annually, or the actual CPI change.</li> </ul>
	<b>SB 04-257</b> Modify Public Employee Retirement Plans	<ul style="list-style-type: none"> <li>• Gave eligible new state government employees hired on or after January 1, 2006, the choice of retirement coverage under the State's DC Plan, a new PERA DC Plan, or the PERA DB Plan. New classified state employees hired in public higher education institutions would continue to be covered by the PERA DB Plan on a mandatory basis.</li> <li>• Eligible new state employees who have prior PERA or State DC Plan accounts: <ul style="list-style-type: none"> <li>○ Must have a 12 month break from PERA-covered employment before they can elect the PERA DB Plan, the PERA DC Plan, or the State DC Plan.</li> <li>○ With less than 12 month break from PERA-covered employment, employees continue to be covered by the Plan in which they last participated (PERA DB Plan, PERA DC Plan, or the State DC Plan).</li> </ul> </li> <li>• Eligible new state employees have 60 days from their first day of employment to elect the PERA DB Plan, the PERA DC Plan, or the State DC Plan, and are covered by the PERA DB Plan until an election is made.</li> <li>• Eligible new state employees who do not make an election are covered by (default to) the PERA DB Plan.</li> <li>• PERA state employer payroll contribution rate (10.15%) is allocated to the Plan elected by the new hire (PERA DB Plan, PERA DC Plan, or the State DC Plan).</li> <li>• In addition to existing PERA employer payroll contribution rates effective through December 31, 2005 (10.15% for State and School Division employers, 10.0% for Local Government Division employers, 12.85% for State Trooper employers, and 13.66% for Judicial Division employers), all PERA employers must pay an Amortization Equalization Disbursement (AED) that equals 0.5% of payroll effective January 1, 2006: <ul style="list-style-type: none"> <li>○ AED increases by 0.5% of payroll in 2007 calendar year.</li> <li>○ AED increases by 0.4% of payroll each calendar year thereafter.</li> <li>○ AED 3% maximum payroll rate is reached in 2012 for all PERA employers.</li> </ul> </li> <li>• Required PERA employer contributions on salaries paid to PERA retirees effective July 1, 2005.</li> <li>• Changed the due date for PERA contributions to five business days after the payroll date (from the 10th of the month after the month that the employee is paid).</li> <li>• Effective January 1, 2006, separated the State and School Division into two divisions, and renamed the Municipal Division as the Local Government Division.</li> <li>• In 2013, the school employer statutory contribution rate increases permanently by 0.4% of payroll since the actuarial normal cost of PERA benefits is 0.4% of payroll higher in the School category than in the State category. In 2013, the School employer payroll rate will be 10.55% (10.15% plus 0.40%) excluding AED. <ul style="list-style-type: none"> <li>○ If the amortization period falls to 40 years or less in any PERA Division, the AED will be decreased permanently in that Division to maintain the amortization period.</li> </ul> </li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

Year	Legislation	Description
2003	<b>HB 03-1327</b> School District Critical Shortage	<ul style="list-style-type: none"> <li>Extended program through June 30, 2005, allowing school districts to declare a critical shortage of non-licensed employees and hire PERA retirees to work full-time in non-licensed positions with no reduction in their PERA retirement benefits.</li> </ul>
	<b>SB 03-098</b> PERA Benefit Provisions	<ul style="list-style-type: none"> <li>Set a maximum of 10 years for the total amount of PERA non-covered service credit that could be purchased.</li> <li>Employees of new PERA-affiliated employers would be allowed to buy service for the total years worked under that employer.</li> <li>Required a portion of member's cost (1.1% of HAS) to purchase PERA non-covered service credit to be transferred to the PERA Health Care Trust Fund (when the member retired) for each month purchased including interest to the date of the transfer.</li> </ul>
	<b>SB 03-250</b> DPS Merger Authorization	<ul style="list-style-type: none"> <li>Allowed merger of the Denver Public Schools Retirement System (DPSRS) into PERA on January 1, 2005, if all conditions were met.</li> </ul>
	<b>SB 03-233</b> Employees of a District Attorney	<ul style="list-style-type: none"> <li>Boards of county commissioners were allowed to permit deputy DAs and other DA employees to join the PERA DB Plan or the State DC Plan under certain conditions.</li> </ul>
	<b>SB 03-277</b> Furloughs	<ul style="list-style-type: none"> <li>Allowed a PERA member and their employer furloughed from July 1, 2002, to June 30, 2004, to purchase service for service lost under furlough.</li> </ul>
2002	<b>SB 02-106</b> Conformance with Federal Law	<ul style="list-style-type: none"> <li>Conformed PERA statutes to changes in federal "Economic Growth and Tax Relief Reconciliation Act of 2001" law. Allowed direct rollovers from IRS 457 and 403(b) plans to purchase PERA non-covered service credit.</li> </ul>
	<b>SB 02-145</b> School District Critical Shortage	<ul style="list-style-type: none"> <li>Allowed schools to declare a critical shortage for the next three years, and hire retired teachers and retired principals for unlimited periods with no reduction in the retiree's PERA benefit. The school employer would be required to pay PERA employer contributions on salary earned by all retirees in their respective positions.</li> </ul>
2001	<b>HB 01-1057</b> Retiree Participation in 401(k)	<ul style="list-style-type: none"> <li>Permitted PERA retirees working for a PERA-affiliated employer to contribute voluntarily to the PERA 401(k) Plan from salary earned (no MatchMaker employer dollars would be applied).</li> </ul>
	<b>SB 01-149</b> Study of DB and DC Plans	<ul style="list-style-type: none"> <li>Allowed district attorneys to join PERA's DB or DC plan.</li> <li>Required the State Auditor's Office to submit a "Comprehensive Study of DC and DC Retirement Plan Designs for PERA members" to the Legislative Audit Committee by December 1, 2001.</li> </ul>
2000	<b>HB 00-1222</b> School District Critical Shortage	<ul style="list-style-type: none"> <li>Allowed school districts to declare a critical shortage of non-licensed employees, and hire PERA retirees who would be exempted from PERA's 110-day calendar year post-retirement employment limit.</li> </ul>
	<b>HB 00-1458</b> Modifications for PERA Benefits	<ul style="list-style-type: none"> <li>Allowed unreduced retirement under the Rule of 80 (age plus service totals 80) and at least age 55, effective June 1, 2000.</li> <li>Allowed state classified employees hired before July 1, 1988, with over 360 hours of sick leave to convert 15% of their excess leave hours to salary for PERA contributions and benefit purposes. Other PERA employers were allowed the same conversion approach for employees with over 45 days of excess sick leave. Sick leave conversion provision ended on July 1, 2005.</li> <li>Moved date of 1% reduction in employer payroll contribution rate forward from January 1, 2001, to July 1, 2000, since PERA had reached full funding, to 10.4% for the State and School Division, and to 14.0% of payroll for the Judicial Division.</li> <li>Established an additional minimum 0.25% employer payroll contribution rate cut.</li> </ul>



**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>2000 (Cont.)</b>	<b>HB 00-1458 (Cont.)</b> Modifications for PERA Benefits	<ul style="list-style-type: none"> <li>• 20% of any PERA overfunding amortized over 10 years would be allocated for further employer payroll contribution rate cuts.</li> <li>• 30% of PERA overfunding amortized over 10 years would be allocated to the Health Care Trust Fund for retiree health care premium subsidy increases.</li> <li>• Established 3.5% compounded annual automatic COLA effective March 2001. Prior to this date, the annual COLA equaled the lower of the actual inflation rate or annual 3.5% cumulative increases since retirement.</li> </ul>
<b>1999</b>	<b>HB 99-1080</b> Purchase of Service Credit	<ul style="list-style-type: none"> <li>• Conformed PERA law to federal law on purchases of “non-qualified” service credit (generally refers to service for prior private sector employment), applicable to new PERA members hired 1/1/99 and later.</li> </ul>
	<b>SB 99-090</b> PERA Benefits	<ul style="list-style-type: none"> <li>• Increased contribution refund match from:               <ul style="list-style-type: none"> <li>○ 25% to 50% for members under age 65 or not eligible to retire; and</li> <li>○ 50% to 100% for members age 65 or eligible to retire.</li> </ul> </li> <li>• Employer matching contributions (“MatchMaker”) provided on members’ voluntary contributions to 401(k), 403(b), 457, and 401(a) DC Plans when PERA is 100% (fully) funded, or 1/1/01 if later. Maximum matching contribution amount set by the PERA Board annually would be designed to amortize PERA’s funding surplus over a 10 year period.</li> <li>• Permanent 1% employer payroll contribution rate cut for state, school, and judicial employers authorized when PERA is fully funded in the State and School Division, and in the Judicial Division.</li> <li>• Municipal employer payroll contribution rate cut authorized when Municipal Division is fully funded.</li> <li>• Employer contribution allocated to retiree health care fund was increased from 0.8% to 1.1% of payroll, and employer contribution allocated to pension trust funds was reduced by 0.3% of payroll on July 1, 1999.</li> <li>• Increased maximum PERA monthly retiree health care premium subsidy effective 7/1/00 for retirees under age 65 (and not eligible for Medicare) to \$230 with 20 or more years of service credit.</li> <li>• Allowed PERA to offer “PERACare” Health Care Program to affiliated employers on a voluntary basis to their active members.</li> <li>• Reduced State Trooper member contribution rate from 11.5% to 10.0% of salary, effective 7/1/99.</li> </ul>
<b>1998</b>	<b>HB 98-1143</b> Health Coverage for Children	<ul style="list-style-type: none"> <li>• Allowed PERA benefit recipients to cover their children under PERACare until age 19, or until age 24 if child is a full time student and financially dependent on parent.</li> </ul>
	<b>HB 98-1191</b> <b>Public Employee DC Plans</b>	<ul style="list-style-type: none"> <li>• Allowed elected state officials, non-classified state employees in the Governor’s Office, and House and Senate employees to elect new State of Colorado Public Officials’ and Employees’ Defined Contribution Plan effective 1/1/99, (State DC Plan), instead of PERA’s Defined Benefit (DB) Plan.</li> <li>• Allowed unreduced retirement at age 50 with 30 years of service.</li> <li>• Decreased early retirement benefit reduction from 4% to 3% per year for members retiring with 20-29 years of service between age 55 and age 59.</li> </ul>
	<b>HB 98-1242</b> Reduction in PERA Contribution	<ul style="list-style-type: none"> <li>• State and School Division employer payroll contribution rate was reduced from 11.5% to 11.4%.</li> </ul>
	<b>SB 98-114</b> Division of PERA in Domestic Relations Cases	<ul style="list-style-type: none"> <li>• Additional methods adopted to divide benefits paid from public DB Plans in case of divorce.</li> </ul>



**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>1997</b>	<b>HB 97-1082</b> PERA Benefit Provisions	<ul style="list-style-type: none"> <li>• Increased retirement formula from 1.5% to 2.5% per year of HAS on 20-40 years' service, with 100% HAS maximum benefit. Benefits were recalculated for current benefit recipients on a prospective basis.</li> <li>• Two-tier disability program (short term disability and disability retirement) effective 1/1/99, to include short-term income, retraining, and rehabilitation benefits to partially or temporarily disabled members.</li> <li>• One year HAS adopted for Judicial Division's future retiring judges.</li> <li>• Combined the State Division's and the School Division's trust funds, and reduced the State and School Division employer contribution rate by 0.1% to 11.5% of payroll.</li> </ul>
	<b>HB 97-1114</b> PERA Miscellaneous Provisions	<ul style="list-style-type: none"> <li>• Reduced PERA's maximum amortization period to 40 years from 60 years.</li> <li>• Established optional Long Term Care Insurance Program for members and retirees.</li> <li>• Changes made to conform to federal law's changes, and minor changes made to survivor benefits.</li> <li>• Clarified that PERA benefits were subject to federal tax liens.</li> </ul>
<b>1996</b>	<b>SB 96-204</b> Domestic Relations Orders	<ul style="list-style-type: none"> <li>• Required public employee retirement plans to divide a retirement benefit and pay a portion to an alternate payee (ex-spouse) if a written agreement was properly completed and approved by a court.</li> </ul>
<b>1995</b>	<b>HB 95-1048</b> Hybrid Plan	<ul style="list-style-type: none"> <li>• Interest rate credited on PERA member contribution accounts would equal 6.8% (80% of PERA's 8.5% actuarial investment assumption rate), retroactive to employee's PERA membership date.</li> <li>• Refunds to PERA members who terminated covered employment before retirement would include a matching amount on member contributions and interest: <ul style="list-style-type: none"> <li>○ 25% matching amount to PERA members not eligible to retire;</li> <li>○ 50% matching amount to members eligible to retire or age 65.</li> </ul> </li> <li>• Money purchase benefit, based on contributions, interest, and a matching amount, would automatically be paid to a retiring member if the benefit amount would be higher than the DB Plan benefit amount.</li> </ul>
	<b>HB 95-1281</b> PERA Refund Erroneous Member Contributions	<ul style="list-style-type: none"> <li>• Required PERA to pay interest in some cases when refunding member contributions made in error.</li> </ul>
	<b>SB 95-033</b> PERA Highest Average Salary	<ul style="list-style-type: none"> <li>• "Highest average salary" was changed from a calendar year basis, to the three highest 12 consecutive month periods.</li> <li>• Eliminated 80% highest average salary maximum benefit with 40 years of service credit.</li> <li>• Changed method of crediting service credit so that one month of service was credited if PERA-includable salary equaled 80 times the federal hourly minimum wage.</li> </ul>
	<b>SB 95-35</b> PERA Judicial Division Retirees	<ul style="list-style-type: none"> <li>• Increased maximum payment that retired judge may receive when performing temporary judicial duties.</li> </ul>
<b>1994</b>	-	-
<b>1993</b>	<b>HB 93-1235</b> Study of DPS Transferability	<ul style="list-style-type: none"> <li>• Required PERA and the Denver Public Schools Retirement System to study the feasibility of a mechanism for transferring service credit between the two retirement systems.</li> </ul>

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>1993</b> <b>(Cont.)</b>	<b>HB 93-1324</b> Early Retirement and COLA Changes	<ul style="list-style-type: none"> <li>• Early retirement allowed at age 50 with 25 years of service.</li> <li>• Changed annual COLA to 3.5% maximum, compounded annually, based on the CPI, and folded the PERA CLSF into the PERA pension trust funds.</li> <li>• Indexed benefits from employment termination until benefit begins, for vested inactive members with 25 or more years of service credit.</li> </ul>
	<b>HB 93-1328</b> Student Employees Retirement	<ul style="list-style-type: none"> <li>• Established a separate retirement plan for student employees working at colleges and universities who must be covered under a retirement plan by federal law; exempted these student employees from PERA.</li> </ul>
<b>1992</b>	<b>HB 92-1092</b> Unclaimed PERA Moneys	<ul style="list-style-type: none"> <li>• Allowed inactive, non-vested PERA member accounts to be transferred to the Unclaimed Property Fund after five years following termination from PERA membership.</li> </ul>
	<b>HB 92-1205</b> PERA Benefit Provisions	<ul style="list-style-type: none"> <li>• Removed certain inequities from PERA benefit provisions to conform to changes in federal law.</li> </ul>
	<b>HB 92-1335</b> PERA Benefit Improvements	<ul style="list-style-type: none"> <li>• Raised annual cost of living adjustment from a 3 percent simple (non-compounded) increase on the base benefit to a maximum of 4 percent for retirees after 1992.</li> <li>• Increased retirement formula from 1.25 percent to 1.5 percent Highest Average Salary with 20 to 40 years of service with increase applied to current benefit recipients on a prospective basis.</li> <li>• Reduced the School Division employer contribution rate by 0.6 percent, to a total of 11.6 percent of payroll.</li> <li>• Temporarily reduced the State Division employer contribution rate by 1.0 percent of payroll in the current FY 1991-92.</li> </ul>
	<b>SB 92-115</b> Elected Municipal Officials Optional Membership	<ul style="list-style-type: none"> <li>• Authorized elected municipal officials to voluntarily exempt themselves from PERA membership, including retroactively exempted from membership beginning July 1, 1991.</li> </ul>
	<b>SB 92-127</b> DC Option for Higher Ed	<ul style="list-style-type: none"> <li>• Allowed higher education governing boards to establish defined contribution plans for faculty and administrators at any college of university under the board's jurisdiction.</li> </ul>
	<b>SB 92-150</b> Maximum Investment in Stocks	<ul style="list-style-type: none"> <li>• Increased maximum percentage of PERA funds that may be invested in corporate stocks, securities, or in investment trust shares from 50 percent to 65 percent of the then book value of the fund.</li> </ul>
	<b>1991</b>	<b>HB 91-1026</b> PERA Membership Requirements

**Appendix A (Cont.)**  
**PERA's Legislative History – 1991 through 2023**

<b>Year</b>	<b>Legislation</b>	<b>Description</b>
<b>1991 (Cont.)</b>	<b>HB 91-1233</b> Retirement Funds Exempt from Levy, Attachment, Execution, or Garnishment	<ul style="list-style-type: none"> <li>• Exempted retirement benefits from levy, attachment, execution, or garnishment, except that benefits are subject to the legal process to collect child support.</li> </ul>
	<b>HB 91S2-1031</b> PERA Interest Rate	<ul style="list-style-type: none"> <li>• Required that interest credited on PERA member contribution accounts be set annually by PERA Board of Trustees to be equal to the interest rate earned on a 90-day U.S. Treasury Bill at the end of the prior year. However, the interest rate may not be less than the Colorado prevailing passbook rate or more than PERA's actuarial investment assumption rate.</li> </ul>
	<b>SB 91-037</b> PERA Child Support Requirements	<ul style="list-style-type: none"> <li>• Clarified that PERA member contributions are subject to garnishment for child support arrears or debt payments if the membership has terminated and the member is not vested.</li> <li>• Allowed PERA to recover benefits paid that a benefit recipient was not eligible to receive.</li> </ul>
	<b>SB 91-225</b> University of Colorado Hospital Authority	<ul style="list-style-type: none"> <li>• Created the University of Colorado Hospital Authority with its own qualified retirement plan, and allowed existing hospital employees to elect to either remain as a state employee under PERA or to become a hospital employee under its retirement plan. Those who elected the latter could opt for vested inactive status in PERA or to credit their PERA contributions to the authority's plan.</li> <li>• Required the PERA board to make determinations related to reserve amounts in the State Division for these hospital employees, as well as to evaluate potential fund transfers between the PERA State Division trust and the hospital's qualified retirement plan.</li> </ul>

*Compiled by: Public Employees' Retirement Association; Legislative Council Staff.*