Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Memorandum

Updated October 15, 2026

TO: Interested Persons

FROM: Erin Reynolds, Deputy Fiscal Notes Manager

SUBJECT: Overview of the Colorado Public Employees' Retirement Association

Summary

Roughly one in ten Coloradans are members of the Colorado Public Employees' Retirement Association (PERA), which is a pension plan that substitutes Social Security for most participating public employees. PERA was established by the Colorado General Assembly in 1931, predating the federal Social Security Act of 1935 by four years. It is administered under Article 51 of Title 24 of the Colorado Revised Statutes.

This memorandum provides an overview of PERA with a focus on the state legislature's role in the pension system. PERA also has a wide variety of resources on its website for members, employers, and retirees. The primary data source for this document is PERA's most recent Annual Comprehensive Financial Report (ACFR).

PERA Divisions

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 (DPS) divisions. The assets of each of the five PERA divisions are held in separate trust funds. A list of affiliated employers is available on PERA's website.

State Division

Most state employees receive retirement benefits through PERA. Also included in the State Division are employees of the Judicial Department and independent judicial agencies.

The State Division also has a subdivision for state troopers, correctional officers, firefighters, and several other public safety-related positions, which PERA refers to as Safety Officers who generally pay higher contribution rates and have earlier retirement ages. Some benefits depend on the employee hire date.

Specifically, the Safety Officer subdivision includes:

- the Colorado State Patrol;
- the Colorado Bureau of Investigation;
- certain firefighters and employees of the Division of Fire Prevention and Control in the Department of Public Safety;
- corrections officers in the Departments of Corrections and Human Services; and
- wildlife and parks and recreation officers in the Department of Natural Resources.

School Division

The School Division is the largest division in PERA, containing school district employees in 177 of 178 school districts in the state, not including the Denver Public School District.

Local Government Division

The Local Government Division is comprised of county, municipality, and special district employers. Similar to the state, the Local Government Division has a subdivision of safety officers which includes:

- county sheriffs, undersheriffs, deputy sheriffs,
- detention officers; and
- coroners and deputy coroners.

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

The Denver Public Schools (DPS) Division is separate from the School Division within PERA because DPS's retirement system previously operated independently from PERA and then merged with PERA on January 1, 2010, under Senate Bill 09-082. Based on this history, the DPS Division has two unique features: a contribution offset to help it pay its debt from pension certificates of participation (PCOPs) issued in 1997 and 2008, and a required periodic "true-up" calculation.

PCOP offset

The PCOP offset redirects a portion of employer contributions to debt repayment that would otherwise go toward paying down the division's unfunded actuarial accrued liability (UAAL). The offset is expressed as a percentage of payroll and equals the assumed payment obligations for PCOPs, which were refinanced by DPS at a fixed effective annual interest rate of 8.50 percent. The offset will end once the DPS Division's funded status exceeds that of the School Division. DPS staff calculated the 2025 PCOP offset rate at 9.12 percent of employer contributions.

True-up calculation

State law requires that a "true-up" calculation be performed every five years. Its purpose is to determine the total employer contribution rate for the DPS Division that would equalize the ratio of UAAL to payroll in the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010. Both the 2020 and 2025 true-ups found that the total DPS Division employer rate needed to be reduced to achieve this equalization. As a result, House Bill 25-1105 lowered the DPS Division's base employer contribution rate by 3 percent, effective July 1, 2025.

Membership

PERA provides retirement and other benefits to employees in over 400 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. PERA membership totals are shown in Table 1 on the following page.

Table 1
PERA Membership

Division	Active Members	Inactive Vested Members	Retirees and Beneficiaries	Total by Division
State	55,422	9,962	45,900	111,284
School	134,040	25,096	81,982	241,118
Local Government	12,772	3,155	9,778	25,705
Judicial	353	30	489	872
Denver Public Schools	16,104	3,473	7,405	26,982
Total	**218,691**	**41,716**	**145,554**	**405,961**

Source: PERA's 2025 ACFR, p. 50 and p. 223.

Note: "Inactive Vested Members" are inactive members who are no longer employed by a PERA-affiliated employer, but who are eligible for future retirement benefits. There are an additional 326,208 inactive members ineligible to receive benefits.

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); a health benefit plan (PERACare); and a life insurance plan. Table 2 provides an overview of certain elements available in each plan, and plans are further detailed below.

Hybrid Defined Benefit (DB) Plan

PERA's Defined Benefit 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.

Defined Contribution (DC) Plan

In PERA's Defined Contribution plan—which is available to employees in the State and Local Government divisions, certain community colleges, state-classified colleges and universities, and district attorney offices—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.

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

Plan Feature	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 adjustment to retirement benefit	✔	
Access to survivor and disability benefits	✔	
Access to PERACare upon retirement	✔	✔ [1]
Access to life insurance	✔	✔
Access to PERAPlus 401(k) and 457 Plans	✔	✔
Investment advice available	✔ [2]	✔
Receive a percentage of employer contributions if account withdrawn	✔	✔
Direct fees		✔

Compiled by Legislative Council Staff.

[1] PERACare is available to DC plan members who purchase a lifetime annuity upon termination of PERA covered employment.

[2] Investment advice available to all members of the voluntary PERAPlus programs.

PERAPlus 401(k) and 457 Plans

Members whose employers offer the PERAPlus 401(k) and 457 retirement savings plans may enroll at any time. Both plans offer both a pre-tax and Roth contribution option. In 2026, the total annual contribution limit for each plan is $24,500.

PERACare Health Benefits Plan

A health benefit program, PERACare, 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 Plan

PERA offers decreasing term life insurance, where premiums are fixed and the death benefit amounts decrease with age.

PERA and Social Security

Most PERA members do not contribute to Social Security while they are working for a PERA employer. Prior to the passage of the Social Security Fairness Act in 2025, Social Security benefits for PERA members from other employment or through a spouse were typically reduced under the Government Pension Offset and the Windfall Elimination Provision. However, these

potential benefit reductions were eliminated through the passage of that federal act for benefits earned from 2024 and later. See the PERA and Social Security page of PERA's website for more information.

Retirement Benefits

Calculation

The PERA DB Plan pays lifetime retirement income based on several factors: highest average salary, hire date, service credit, and retirement age. The monthly benefit is calculated as based on the following formula:

Monthly Benefit = Highest Average Salary × 2.5 percent × Years of Service.

- **Highest Average Salary.** Highest average salary is calculated as a monthly average of a member's highest-earning years—12-month periods, not necessarily consecutive or final years. The highest average salary for members vested as of January 1, 2020, bases the calculation on three years. For those vested after, the calculation is based on five years. Rules differ for the Denver Public Schools and Judicial divisions.
- **Service Credit.** Service credit is earned monthly while working for and contributing to a PERA employer. Members are able to purchase additional service credit to retire earlier or boost their benefit.
- **Hire Date.** Because of legislative reforms enacted throughout the 2000s, there are several "Highest Average Salary Tables" that indicate when a member is eligible to retire based on the changing benefits that resulted from these reforms.
- **Age.** Combined with service credit, a member's retirement age determines when they are eligible for retirement and the level of benefit eligibility.

For more information, see How Your PERA Benefit is Calculated on PERA's website. Other resources include PERA's Retirees site, PERA's Benefit Estimate Assumptions, and the PERA Benefit Calculators.

Current Retirement Eligibility

For members vested on or after January 1, 2020, Table 3A shows the number of service years required for full service retirement and Table 3B shows the number of service years required for reduced service retirement.

Table 3A
Years of Service Required for Full Service Retirement

Division	Any Age	At a Specific Age	At Age 65
All Divisions	35 years	Age 64, 30 years	5 years
Safety Officers	35 years	Age 55, 25 years	5 years

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

Table 3B
Reduced Service Retirement Eligibility

Division	Age	Service Credit Requirement
All Divisions	At 55 years old	25 years
All Divisions	At 60 years old	5 years
Safety Officers	At 55 years old	20 years

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

Annual Increases

Retirees' and survivor's benefits are also adjusted for annual increases each July. When the annual increase begins applying to a retiree's benefits depends on their PERA membership date. Annual increases are also subject to change via the Automatic Adjustment Provision (AAP), which is described more below.

Benefits and Beneficiaries

In 2025, PERA paid benefits totaling over $5.6 billion to over 145,000 retired public employees and their survivors. Table 4 details the number of beneficiaries, total benefits paid, and average annual benefit by division.

Table 4
Number of PERA Beneficiaries and Amount of Benefits Paid
Calendar Year 2025

Division	Total Beneficiaries	Total Benefits Paid	Average Annual Benefit
State	44,805	$1,879,817,150	$41,952
School	80,486	$3,016,385,248	$37,476
Local Government	9,566	$376,994,393	$39,408
Judicial	477	$38,645,534	$81,012
Denver Public Schools	7,263	$289,981,940	$39,924
Total	**142,597**	**$5,601,824,265**	**$39,288**

Source: PERA's 2025 ACFR, p. 223.

Contributions

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 pension's trust.

Employer and Member Contributions

In calendar year 2025, PERA received approximately $4.7 billion in retirement contributions, including $2.9 billion from employers and $1.8 billion from members. Employer and member contribution rates are set in statute, and are subject to the AAP that is discussed later in this memorandum. 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. Agencies that offer the DC plan 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, which is also subject to the AAP. Employer and member contribution rates for the 2026 calendar year are shown in Table 5A, while total 2025 contributions by PERA division are shown in Table 5B.

Table 5A
2026 Contribution Rates by PERA Division
as a percent of member salary

Division	Employer Base Rate	+ AED	+ SAED	+ AP	+ DC Supp	Employer Total	+ Member Total	Division Total
State	10.40	5.00	5.00	1.00	0.25	21.65	11.00	**32.65**
-Safety Ofc.	13.10	5.00	5.00	1.00	0.25	24.35	13.00	**37.35**
School	10.40	4.50	5.50	1.00	NA	21.40	11.00	**32.40**
Local Gov.	10.00	2.70	2.00	1.00	0.10	15.80	9.00	**24.80**
-Safety Ofc.	13.10	2.70	2.00	1.00	0.10	18.90	13.00	**31.90**
Judicial	13.91	5.00	5.00	1.00	NA	24.91	11.00	**35.91**
DPS	7.40	4.50	5.50	1.00	NA	18.40	11.00	**29.40**

Sources: Section 24-51-401, C.R.S.; Employer Contribution Rates; Member Contribution Rates.

Table 5B
2025 Contributions and Other Amounts by Division and Health Care Trust Fund

Division	2025 Contribution Total
State	$1,515,580,000
School	$2,510,777,000
Local Government	$240,792,000
Judicial	$30,133,000
Denver Public Schools	$224,572,000
Health Care Trust Fund	$136,221,000
DPS Health Care Trust Fund	$6,463,000
Total	**$4,664,538,000**

Sources: Section 24-51-401, C.R.S.; PERA's 2025 ACFR, p. 34.

Includes all contributions, including employer, non-employer, and member contributions, purchased service credit, employer disaffiliation payments, and other amounts.

Direct Distribution

Since 2018, the state has been required to distribute $225 million annually to PERA on July 1, continuing until the unfunded liabilities of the State, Judicial, School, and Denver Public Schools divisional trusts are paid off. The direct distribution is subject to the AAP. Each year, PERA must determine the unfunded liability status of each division by September 1 and notify the relevant agencies once a division's liability is paid off and no longer requires the distribution—this is not expected to occur in the near-term—see the Funded Status section below for more detail. The distribution is paid primarily from the General Fund, though it can also draw from cash funds, reappropriated funds, and federal funds.

The distribution amount and terms have been modified repeatedly since 2018—see Appendix A for a full list of bills that have impacted the distribution. As part of COVID-19 budget cuts, the legislature cancelled the July 2020 direct distribution. Subsequently, several bills were passed between 2021 and 2023 to adjust the way the direct distribution is paid and to "shore-up" the missed amount.

In 2025, the legislature adopted two bills that substantively change the direct distribution and its allocation. Senate Bill 25-310 made a one-time payment of $500 million General Fund to PERA, and reduces the direct distribution beginning in July 2027 by $35 million per year, until the state transfers a total of $350 million from the General Fund to the Peace Officer Training and Support Fund to fund implementation of Proposition 130. House Bill 25-1105 excludes the Denver Public Schools Division Trust from receiving an allocation from the direct distribution from July 2025 through June 2030. As a result, in 2025, $81.7 million was allocated to the State Division Trust,

$141.9 million was allocated to the School Division Trust, and $1.3 million was allocated to the Judicial Division Trust, with no funding to the DPS Division.

Going forward, House Bill 26-1400 allows PERA to allocate the direct distribution among the relevant divisions in order to maximize the blended total contribution rate and avoid triggering the AAP, to the extent possible.

Automatic Adjustment Provision

The AAP is designed to trigger adjustments to the employer and member contribution rates, the annual increase rate for retirees, and, under certain conditions, the direct distribution payment from the state. 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 annual increase 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.

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

- the annual increase rate for retirees is reduced by up to 0.25 percent, with the annual increase being reduced to no lower than 0.50 percent in total;
- the employer and member contribution rates are both increased by up to 0.50 percent, with the contribution rates not to exceed the statutory contribution rates plus 2.00 percent in total; and
- the direct distribution is increased by up to $20 million, with the total distribution not to exceed $225 million in a fiscal year.

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

- the annual increase rate for retirees is increased up to 0.25 percent, with the annual increase not to exceed 2 percent in total;

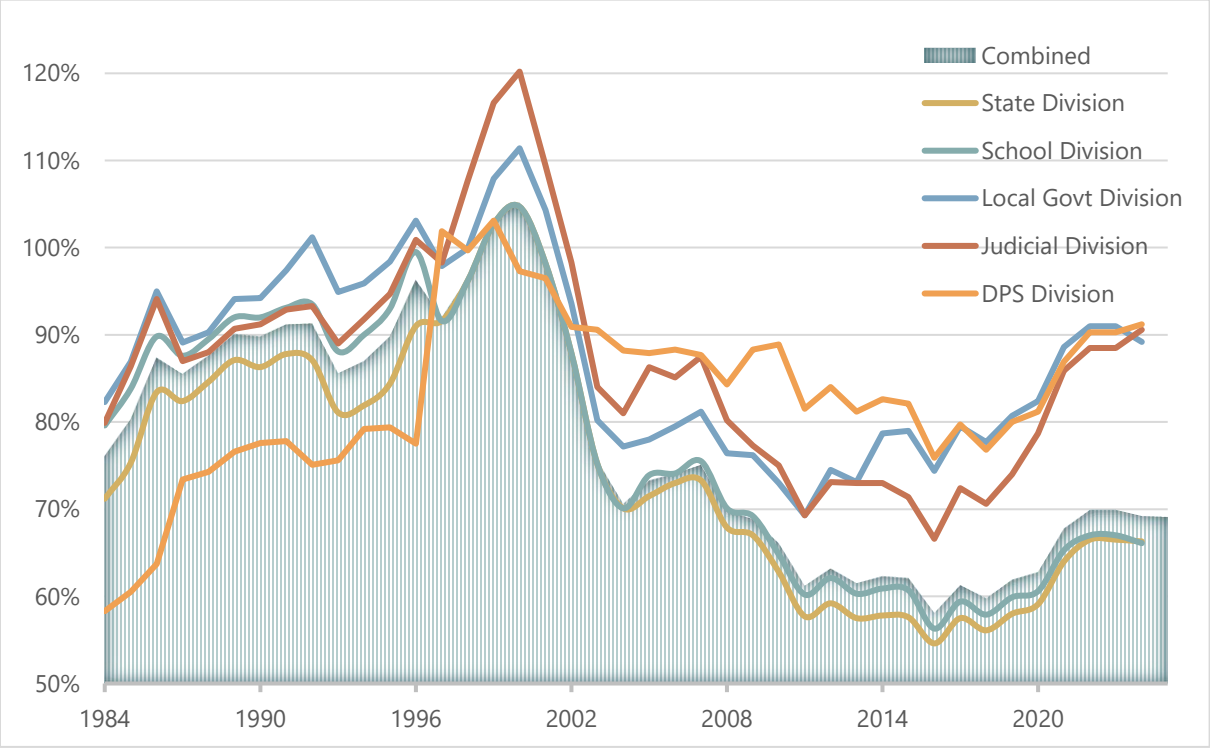
- the employer and member contribution rates are both reduced by up to 0.5 percent, with the contribution rates decreasing to no lower than the statutory contribution rates;
- the direct distribution is reduced by up to $20 million in a fiscal year.

PERA announces the progress toward its funding goal each June, which triggers any AAP adjustments for the following July. PERA announced in June 2026 that no adjustment is triggered for July 1, 2027, based on the December 31, 2025, actuarial valuation. Visit PERA's website for more information on the AAP.

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 since 1984.

Figure 1
Funded Status by PERA Division
1984 to 2025



Compiled by Legislative Council Staff.

Full Funding Projection

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 2025 actuarial value of assets, the overall plan funded ratio is currently 69.1 percent. Table 6 shows the estimated amortization periods to achieve full funding in each of PERA's trusts, as well as each division's funded ratio.

Table 6
Projected Full Funding Date and Funded Ratio by Division

Division	Projected Years to Reach Full Funding	Funded Ratio
State	18 years	66.3%
School	22 years	66.1%
Local Government	4 years	88.2%
Judicial	2 years	90.3%
Denver Public Schools	5 years	89.3%
All Division Trust Funds		**69.1%**

Source: PERA's 2025 ACFR, p. 37 and p.175. DPS Division's calculation factors declining PCOP offset rate.

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 of Trustees 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. PERA's Investment Stewardship Report outlines its investment philosophy. Table 7 shows PERA's investments by asset class, and details whether investments are managed internally or externally. As of December 31, 2025, PERA has $75.1 billion invested for its defined benefit plan.

Table 7
PERA's Asset Management
as of December 31, 2025
Dollars in thousands

Asset Class	Internally Managed Amount	Internally Managed Percent	Externally Managed Amount	Externally Managed Percent	Total
Global Equity	$30,802,298	73.6%	$11,053,378	26.4%	$41,855,676
Fixed Income	$15,729,291	100.0%	$0	0%	$15,759,291
Private Equity	$0	$0	$5,602,279	100.0%	$5,602,279
Real Estate	$0	$0	$6,788,184	100.0%	$6,788,184
Alternatives	$0	$0	$4,548,765	100.0%	$4,548,765
Cash & Equiv.	$0	$0	$578,420	100.0%	$578,420
Total	**$46,561,589**	**62.0%**	**$28,571,026**	**38.0%**	**$75,132,615**

Source: PERA's 2025 ACFR, p. 129.

Rate of Return

Table 8 shows PERA's investment returns since 2015. The PERA Board of Trustees uses an Actuarial Experience Review, and other input from its investment and actuarial consultants, to set a rate of return for actuarial purposes. The board currently uses 7.25 percent as its long-term expected rate of return applicable to all five Division Trust Funds and the two Health Care Trust Funds.

Table 8
PERA's Historic Rate of Return

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate	1.6%	7.3%	18.1%	3.3%	20.4%	17.1%	16.1%	-13.5%	13.4%	10.8%	14.1%

Source: PERA's 2025 ACFR, p. 100. Rate reflects the annual time-weighted rate of return, net of fees.

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. The board delegates its day-to-day responsibilities to the executive director of PERA and their staff.

Board of Trustees Oversight Authority

The PERA Board of Trustees' authorities and responsibilities[1] include, but are not limited to, the following:

- 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.

Board of Trustees Composition

PERA's Board of Trustees consists of 16 members, as detailed in Table 9. Of these members, three are appointed by the Governor and confirmed by the Senate; four are elected by School Division members; three are elected by State Division members; one is elected by Local Government Division members; one is elected by Judicial Division members; one is elected by DPS Division members; two are elected by PERA retirees; and the State Treasurer serves as an ex officio, voting member.

[1] Sections 24-51-204 through 206, C.R.S.

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 and Leadership page of PERA's website.

Effective for terms beginning 2025, trustees are limited to two consecutive four-year terms. A former trustee who has served two consecutive terms may become eligible for reelection or reappointment after a break of at least one full term. A vacancy appointment that has served at least one-half of a term is considered to have served a full term.

Table 9
PERA's Board of Trustees Composition

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

Source: Section 24-51-203, C.R.S. With the passage of SB 26-151, all members are voting members.

Legislative Oversight

Office of the State Auditor and Legislative Audit Committee

The Office of the State Auditor performs an annual independent audit to review PERA's financial statements and evaluate its compliance with financial reporting requirements. The Legislative Audit Committee typically hears this report in August of each year.

Joint Finance Committee

As part of its State Measurement for Accountable, Responsive, and Transparent Government Act (SMART Act) hearing, the Joint Finance Committee receives an overview from PERA on its financial report, policy initiatives, and legislative agenda.

Joint Budget Committee

Because employer contributions to PERA are a major component of the state's compensation policies, and the direct distribution needs to be factored into the budget each year, the Joint Budget Committee includes a briefing and hearing with PERA as part of the annual budget process.

Pension Review Commission – Suspended in 2025 and 2026

The Pension Review Commission studies issues relating to PERA and police officers' and firefighters' pensions in the state, which are primarily managed by the Fire and Police Pension Association (FPPA). During the legislation interim, the commission may develop and propose legislation on these topics for introduction during the following session of the General Assembly.

Specifically, the law directs the commission to study, review, and propose legislation related to the following subjects including, but not limited to:

- normal retirement age
- service requirements for eligibility
- disability and survivor benefits
- vesting of benefits
- post-retirement increases
- creation of a consolidated statewide system
- the volunteer firefighter pension system
- benefit payments prior to normal retirement age
- rate of accrual of benefits
- employee and employer contributions
- creation of an administration board
- coordination of benefits with other programs
- state laws related to each pension system

There are ten members on the Pension Review Commission, five Senators and five Representatives. 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 odd years, the chair is appointed by the Speaker of the House and the vice chair is appointed by the President of the Senate, and vice versa in even years.

Pension Review Subcommittee – Suspended in 2025 and 2026

The Pension Review Subcommittee is required to focus on the financial health of PERA and make legislative recommendations to the Pension Review Commission. It must also oversee an independent review of PERA every three years and create an annual report to Coloradans on the funded status of PERA.

The subcommittee consists of 14 members: 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.

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.

Appendix A
PERA Legislative History
since 1995

Year	Bill Number and Title	Bill Description
2026	**HB 26-1026** Expanding Plan Options for PERA	• Allows members to purchase service credit for periods of unemployment as well as employment, subject to certain conditions. • Requires PERA's voluntary investment program to offer both tax-deferred and Roth voluntary contribution options, and requires that all PERA employers offer these voluntary plans to employees.
2026	**HB 26-1027** BOCES Definition & Executive Director	• Adds BOCES executive directors to the list of individuals who may be re-employed without changing their PERA retirement benefits under the Critical Shortage Retiree Program.
2026	**HB 26-1146** Allow Approved Facility Schools Participate in PERA	• Allows facility schools to affiliate with PERA's Local Government Division. Facility schools are public schools that are administered by private or nonprofit entities to provide educational services to students with physical, behavioral, mental health, or special education needs.
2026	**HB 26-1331** Modify 2026 Interim Committees	• Suspends meetings of the Pension Review Commission and Subcommittee for the 2026 interim.
2026	**HB 26-1400** Adjust PERA's Allocations to Trust Funds	• Authorizes PERA to allocate the direct distribution among the State, School, and Judicial Division trusts in a way that maximizes the blended total contribution rate in order to avoid triggering the Automatic Adjustment Provision, to the extent possible beginning July 1, 2026. • Changes the amount of PERA employer contributions that are allocated to the Health Care Trust Fund from 1.02 percent of member salaries to 0.52 percent of member salaries, and reallocates the remaining 0.50 percent to the State, School, Local Government, and Judicial Division trusts.
2026	**SB 26-023** School Finance Act	• The primary purpose of this bill is to establish public school funding for the 2026-2027 budget. It also adds vice principals, assistant principals, and assistant superintendents to the list of positions eligible to work after retirement without limits under the "critical shortage" designation.
2026	**SB 26-151** Modify PERA Allowed Affiliation Board of Trustees	• Modifies the PERA Board of Trustees by replacing the current ex-officio, elected, and non-voting board member representing the DPS Division with an elected and voting member representing the DPS Division. • Affiliates DSST Public Schools with the DPS Division of PERA, and allows DSST employees to purchase service credit.

Year	Bill Number and Title	Bill Description
2025	**HB 25-1105** PERA True-up of DPS Division Employer Contribution	• Reduces the employer contribution rate for the DPS Division by 3%, from 10.4% to 7.4% of the member's salary. The member contribution rate is unchanged. • Reduces the amount of employer contributions credited to the DPS Division Health Care Trust Fund by 0.82%, from 1.02% to 0.2%. • Creates mechanisms specific to the DPS Division to avoid impacting other division's trust funds from July 1, 2025, to June 30, 2030, including removing the DPS Division from direct distribution funding and removing the DPS Division from the AAP calculation.
2025	**SB 25-028** PERA Risk-Reduction Measures	• Codifies the requirement that the PERA board to conduct an actuarial experience study and a periodic actuarial audit every four years, starting in 2024 and 2026, respectively, and requires the Pension Review Subcommittee to conduct its independent review of PERA within three months of the release of the periodic actuarial audit.
2025	**SB 25-147** Modify Board Management PERA	• Designates PERA as a local public body under open meetings laws. • Requires the board to regularly update the PERA website with upcoming public meetings and the process for public participation, and post archival meeting records and the board's contact information. • Establishes term limits for trustees. • Requires the posting of financial information regarding employee compensation and salary schedules, third-party contracts, and executive travel expenses, as well as PERA's annual budget, audited financial statements, and actual expenditures. • Clarifies that while the board may delegate any of its responsibilities to the executive director of PERA, it retains final authority and responsibility for the management of PERA.
2025	**SB 25-199** Suspend Legislative Interim Activities	• Suspends meetings of the Pension Review Commission and Subcommittee for the 2025 interim.

Year	Bill Number and Title	Bill Description
2025	**SB 25-310** Proposition 130 Implementation	• Requires the state to issue $500 million from the General Fund to PERA by October 2025. While this amount remains in PERA, it is accounted as a portion of the General Fund reserve. • Reduces the direct distribution to PERA by $35 million beginning July 2027—to $190 million per year—until the state has transferred a total of $350 million from the General Fund to the Peace Officer Training and Support Fund to implement Proposition 130, which requires state funding for local law enforcement. • The reduction in the direct distribution to PERA may be adjusted based on investment returns in a manner specified by the bill, but cannot fall below $15 million. • Beginning July 1, 2025, if the allocation of the direct distribution would trigger a downward automatic adjustment, PERA may allocate funds to affected divisional trusts in an actuarial manner that would avoid the trigger.
2024	**HB 24-1044** Additional PERA Service Retirees for School	• Modifies the critical shortage program to allow school districts, state colleges, and universities to hire up to 10 retirees whenever they identify a need for additional instructors. • Additionally, school districts may exceed the 10 retiree cap by 1 retiree for every 1,000 students above 10,000 students. • Retirees hired by school districts under this provision may not work more than six consecutive years.
2024	**HB 24-1427** PERA Study Conducted by an Actuarial Firm	• Requires the State Auditor to contract for an actuarial study of PERA's financials in order to study the effectiveness of the hybrid defined benefit plan compared to alternative plans offered by public and private providers. A report on study findings is due August 15, 2025.
2024	**SB 24-099** PERA Employment after Retirement for Rural Schools	• Modifies the critical shortage program to add superintendents and principals to the list of eligible retirees for post-retirement work in a school district with a critical shortage. • Requires a two-year waiting period before retirees may be hired to fill a critical shortage position.
2024	**SB 24-169** State Firefighter PERA Job Classification	• Reclassifies certain employees of the Department of Public Safety's Division of Fire Prevention and Control as "safety officers" effective July 1, 2025. • The change in status applies to retirement credits earned after the effective date.
2024	**SB 24-186** County Coroner and Deputy Coroner PERA Eligibility	• Reclassifies coroners and deputy coroners who were elected, reelected, or appointed on or after January 1, 2021, as "safety officers" effective January 1, 2025. • The change in status applies to retirement credits earned after the effective date.
2023	**SB 23-016** Greenhouse Gas Emission Reduction Measures	• Requires PERA to include a description of climate-related investment risks, impacts, and strategies to be included as part of its annual Investment Stewardship Report.

Year	Bill Number and Title	Bill Description
2023	**SB 23-056** Compensatory Direct Distribution to PERA	• Requires 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. • Repeals the PERA Payment Cash Fund on July 1, 2023.
2023	**SB 23-163** Colorado Parks and Wildlife Officers Classified as State Troopers	• Reclassifies 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 as "safety officers" effective July 1, 2023. • The change in status applies to retirement credits earned after the effective date.
2022	**HB 22-1029** Compensatory Direct Distribution to PERA	• Issues $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.
2022	**HB 22-1057** PERA Employment After Teacher Retirement	• Temporarily waives 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.
2022	**HB 22-1101** PERA Service Retiree Employment in Rural Schools	• Makes 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.
2022	**SB 22-214** General Fund Transfer to PERA Payment Cash Fund	• Requires the State Treasurer to transfer $198.5 million from the General Fund to the PERA Payment Cash Fund on July 1, 2022.

Year	Bill Number and Title	Bill Description
2021	**HB 21-1136** Judicial Division Retirees Temporary Judicial Duties Compensation	• Adds 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. • Removes requirement that a judge enter into such an agreement before retirement, or within five years after retirement, and adds certain conditions that would make those retired judges ineligible to enter in to an agreement if met.
2021	**SB 21-228** PERA Cash Fund	• Creates the PERA Payment Cash Fund in the State Treasury and appropriates $380 million to the fund. • Requires the State Treasurer 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.
2020	**HB 20-1127** Extend PERA Retiree Work After Retirement Limit	• Allows 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. • Modifies working after retirement provisions for certain retirees hired by a BOCES if: the BOCES hires a retiree to provide services in two or more rural school districts; the BOCES hires the service retiree to provide special services to students; and 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. • 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.
2020	**HB 20-1379** Suspend Direct Distribution	• Suspends the direct distribution to PERA for FY 2020-21 that would have occurred July 1, 2020.
2020	**HB 20-1394** PERA Judicial Division Contribution Rate Modification	• Decreases the employer contribution rate for the Judicial Division by 5% for FY 2020-21 and FY 2021-22, and increases the member contribution rate by 5% over the same period. • These rates do not apply to judges employed by the Denver County Court.
2020	**SB 20-057** Fire Prevention and Control Employee Benefits	• Reclassifies wildfire firefighters employed by the state as "safety officers." • Applies only to service credit earned after the bill goes into effect.
2019	**HB 19-1217** PERA Local Govt. Div. Member Contribution Rate	• Eliminates the scheduled 2% increase in the Local Government Division member contribution rate that was included in SB 18-200.

Year	Bill Number and Title	Bill Description
2018	**SB 18-200** Modifications To PERA To Eliminate Unfunded Liability	ACTIVE MEMBERS • Increases the member contribution rate by an additional 2% of pay phased-in from 2019 to 2021. • Requires a three-year wait before receiving the first annual increase on retirement benefits. RETIREES • Sets the annual increase cap at 1.5%, and suspends it for two years (2018 and 2019). • Increases the working retiree contribution rate for retirees working for PERA employers by an additional 2% of pay phased-in from 2019 to 2021. EMPLOYERS • Increases employer contribution rate by 0.25%, except for Local Government Division employers, effective July 1, 2019. • Redefines PERA-includable salary to include sick leave payout for all current and future members. • Employers that offer the DC plan must pay the DC supplement. MEMBERS STARTING AFTER 2019 • Increases eligibility requirements for full service retirement benefits to age 64 with 30 years of service; or age 55 with 25 years of service for safety officers, and for reduced service retirement benefits to age 55 and 25 years of service, or age 55 with 20 years of service for safety officers. • Increases the HAS calculation to five years for all divisions except for Judicial, which is increased to three years. • 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. STATE DIRECT DISTRIBUTION • Creates 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. AUTOMATIC ADJUSTMENT PROVISION • Creates the automatic adjustment provision to adjust contribution rates, annual increases, and state's direct distribution automatically when certain funded levels occur. 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. SAFETY OFFICERS • Reclassifies sheriff deputies and corrections officers hired on or after January 1, 2020, as "safety officers."

Year	Bill Number and Title	Bill Description
2017	**HB 17-1176** PERA Retirees Employed by Rural School Districts	• Allows PERA retirees to work as teachers, bus drivers, or food service workers without limitation in rural school districts that declare a critical employee shortage, and requires working retirees to pay all contributions.
2017	**HB 17-1265** PERA Judicial Division Total Employer Contribution	• Incrementally increases AED and SAED rates in the Judicial Division to 5.00%.
2016	**HB 16-1284** Divestment from Companies with Prohibitions Against Israel	• Requires PERA to divest from all companies that have economic prohibitions against Israel.
2015	**HB 15-1391** PERA and DPS 5-Year True-Up	• Reduces DPS Division employer contribution rate from 13.75% to 10.15%, pursuant to the five-year true up provision in the DPS Merger legislation, SB 09-282.
2015	**SB 15-097** Supplemental Needs Trust for Certain PERA Benefits	• Allows the PERA trusts 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.
2014	**SB 14-214** PERA Studies Conducted by Actuarial Firm	• Provides for three separate studies on PERA issues to be conducted by independent firms not selected by PERAL a comparison of PERA to private sector retirement plans; a cost-benefit analysis on the DB plan; and a sensitivity analysis.
2013	**HB 13-1299** Changes To The SMART Government Act Of 2010	• Specifies 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.
2012	-	-
2011	**SB 11-076** PERA Contribution Rates	• Continues the 2.5% reduction in the employer contribution by State Division and Judicial Division employers (with a corresponding 2.5% increase in the employee contribution). Also continues the rate "swap" enacted in 2010 by SB 10-146 for FY 2011-12 only.
2010	**HB 10-1181** DPA Operations	• Requires the Attorney General to be available as a legal advisor to the PERA Board upon request, with the board having authority to select and retain legal counsel at its discretion.

Year	Bill Number and Title	Bill Description
2010	**HB 10-1425** DPS Post Retirement Employment Limit	• Exempts 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.
2010	**SB 10-001** Eliminate PERA's Unfunded Liability	RETIREMENT ELIGIBILITY • Phases-in new retirement eligibility criteria for non-vested members as of January 2011, new hires between 2011 and 2017, and new hires after 2017 (a modified Rule of 85, Rule of 88, and Rule of 90, respectively). AMORTIZATION EQUALIZATION DISBURSEMENTS • Phases-in an AED and SAED increase so that both are 5.0% by 2017 for the State Division, and 4.5% and 5.5%, respectively for the School and DPS divisions. ANTI-SPIKING PROVISION • Changes the annual salary increase limit (spike cap) used in the HAS calculation from 15% to 8% for members non-vested as of January 1, 2011. ANNUAL INCREASE • Reduces the annual increase to 2.0%, with the ability to further adjust the AI in a negative investment year or based on PERA's funded status. WITHDRAWALS—EMPLOYER MATCH • Prospectively modifies 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% match. Any contributions remitted prior to January 1, 2011 will receive the 50% match notwithstanding this new law. WORKING AFTER RETIREMENT • Requires 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, and adds days to the 110-day limit on working after retirement for a limited number of retirees in school districts and higher education institutions.
2010	**SB 10-003** Higher Education Flexibility	• Expands the 140-day limit for higher education institutions (in SB 10-001) that have more than one principal campus. • 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.

Year	Bill Number and Title	Bill Description
2010	**SB 10-146** PERA Contribution Rates	• Increases State Division member contribution rate from 8.00% to 10.50%, and decreases the employer contribution rate from 10.15% to 7.65%. • Increases State Trooper ("safety officer") contribution rate from 10.00% to 12.50%, and decreases the employer contribution rate from 12.85% to 10.35%. • Increases Judicial Division member contribution rate from 8.00% to 10.50%, and decreases the employer contribution rate from 13.66% to 11.16%.
2009	**SB 09-056** Trinidad State Nursing Home	• 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 board determines such continued membership would not adversely affect PERA's qualified governmental plan status. • Adds 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.
2009	**SB 09-066** Consolidate State Plans Under PERA	• Merges the State DC plan with the PERA DC plan and transfers the administration of the State of Colorado 457 plan to PERA effective July 1, 2009. • Eligible new State Division employees hired on or after July 1, 2009, may to choose the PERA DB plan or the PERA DC plan.
2009	**SB 09-157** Retirement Plan Eligibility for CU Employees	• Allows 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.

Year	Bill Number and Title	Bill Description
2009	**SB 09-282** DPS Merger Into PERA	• Merges the Denver Public Schools Retirement System into PERA effective January 1, 2010. • Creates the DPS Division within PERA, and appoints a nonvoting ex-officio DPS member to serve on the PERA board. • Sets the DPS Division's payroll contribution rates to equal: • Employer: phases in to 14.15% in 2013, but reduced by district's payments to pay off pension certificates of participation (PCOPs) issued in 1997 and 2008. • Member: 8%. • Requires DPS Division employers to pay the AED and SAED. • Beginning January 1, 2015, and every fifth year thereafter, requires a true-up calculation 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 the 30-year period. • Creates a separate DPS health care trust fund and allowed DPS retirees to participate in PERACare. • Other provisions cover portability issues regarding members moving between the DPS Division and other PERA Divisions.
2008	**HB 08-1403** DPS Merger Authorization	• Authorizes DPS and PERA to enter into an agreement to merge the DPS retirement plan into PERA.
2007	**HB 07-1184** Sudan Divestment	• Requires divestment of certain investments related to Sudan by PERA and other public funds.
2007	**HB 07-1377** Higher Education Retirement	• Repeals a SB 06-235 provision that would have expanded DC plan choice to all new employees hired by higher education institutions. • Allows eligible new employees at community colleges the choice of participating in the PERA DB or DC plan effective January 1, 2008.

Year	Bill Number and Title	Bill Description
2006	**SB 06-235** Public Employees' Retirement Benefit Plans	SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT • Creates the SAED, and phases-in it in by 0.5% until it reaches 3.0% in 2013. • The SAED is paid by the employer, and funded from foregone compensation increases from employees. RETIREMENT ELIGIBILITY AND ANNUAL INCREASES • For new members hired effective January 1, 2007, unreduced retirement changes 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. • Annual increase 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. AI will not be automatic and will be limited to PERA's available funds. BOARD OF TRUSTEES • Eliminates the State Auditor's seat on the PERA Board of Trustees effective January 1, 2007. • Substitutes three member-elected trustees with three Governor appointed, Senate confirmed trustees to the PERA Board of Trustees effective July 1, 2007. DC PLAN ELIGIBILITY • Expands DB and DC retirement plan choice to all new employees of higher education institutions hired effective January 2008. 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). OTHER PLAN CHANGES • Reduces PERA's statutorily prescribed maximum amortization period from 40 years to 30 years. • Requires the General Assembly to contract for an independent actuarial study before future PERA benefit increases may occur. • Mandates that purchases of service credit be at full actuarial cost.
2005	**HB 05-1231** State Employee DC Plans	• Makes technical changes to SB 04-257.
2005	**SB 05-073** Employment After PERA Retirement	• Closes loopholes used to circumvent the 110-day calendar post-retirement employment limit by PERA retirees for a PERA employer, and requires PERA employers send tax-related forms and data to PERA. • Applies the AED on salaries earned by PERA retirees who work for PERA employers.
2005	**SB 05-093** Attachment of Pension Benefits	• Expands 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.

Year	Bill Number and Title	Bill Description
2005	**SB 05-171** DPS Merger Authorization	• Authorizes the merger of the DPS retirement system into PERA on an actuarially neutral basis and under specified conditions.
2004	**SB 04-090** Confidential Investment Information	• Clarifies confidentiality of information on PERA's private equity, private debt, and timber investments.
2004	**SB 04-094** Health Savings Accounts	• Clarifies 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.
2004	**SB 04-132** Modify Benefit Plans for PERA Members	• Terminates matchmaker employer contributions on payroll periods ending June 1, 2004, or later, due to PERA's underfunded status. • Reduces interest rate credited on PERA member contributions to 5.0% maximum per year, on July 1, 2004. • Reallocates 0.08% of the employer contribution rate from PERA Health Care Trust Fund to pension trust funds. • New members hired effective July 1, 2005, are eligible for early retirement (not unreduced retirement) at age 50 with 30 years of service, and the annual increase will equal the lesser of 3% annually, or the actual CPI change.
2004	**SB 04-257** Modify Public Employee Retirement Plans	DC PLAN • Creates DC plan option for state employees hired on or after January 1, 2006, with the exception of higher education institute employees. Employer contribution is allocated to the plan elected by the new hire. • Eligible new state employees have 60 days from their first day of employment to elect their plan. They are covered by the DB plan until an election is made, and default to the DB plan if an election is not made. AMORTIZATION EQUALIZATION DISBURSEMENT • Creates the AED, and phases-in it in by 0.5% and then 0.4% of payroll until it reaches 3.0% in 2012. • 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. DIVISIONS • Effective January 1, 2006, separates the State and School Division into two divisions, and renames the Municipal Division as the Local Government Division. • The School Division employer contribution rate is increased to match normal cost.
2003	**HB 03-1327** School District Critical Shortage	• Extends program through June 30, 2005, allowing school districts to declare a critical employee shortage and hire PERA retirees to work full-time in non-licensed positions with no reduction in their PERA retirement benefits.

Year	Bill Number and Title	Bill Description
2003	**SB 03-098** PERA Benefit Provisions	• Sets a 10-year maximum for the total amount of PERA purchasable service credit. • Employees of newly PERA-affiliated employers may buy service for the total years worked under that employer. • Requires a portion of member's cost 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.
2003	**SB 03-250** DPS Merger Authorization	• Allows merger of the Denver Public Schools Retirement System into PERA on January 1, 2005, if all conditions were met.
2002	**SB 02-106** Conformance with Federal Law	• Conforms PERA statutes to changes in federal "Economic Growth and Tax Relief Reconciliation Act of 2001" law. • Allows direct rollovers from IRS 457 and 403(b) plans to purchase PERA non-covered service credit.
2002	**SB 02-145** School District Critical Shortage	• Allows 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. • Schools are required to pay PERA employer contributions on salary earned by all retirees in their respective positions.
2001	**HB 01-1057** Retiree Participation in 401(k)	• Permits PERA retirees working for a PERA-affiliated employer to contribute voluntarily to the PERA 401(k) Plan from salary earned (no matchmaker employer dollars applied).
2001	**SB 01-149** Study of DB and DC Plans	• Allows district attorneys to join PERA's DB or DC plan. • Requires 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.
2000	**HB 00-1222** School District Critical Shortage	• Allows 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.

Year	Bill Number and Title	Bill Description
2000	**HB 00-1458** Modifications for PERA Benefits	• Allows unreduced retirement under the Rule of 80 (age plus service totals 80) and at least age 55, effective June 2000. • Allows state classified employees hired before July 1, 1988, with over 360 hours of sick leave to convert 15% of their leave hours to salary for PERA contributions and benefit purposes. Other PERA employers are allowed the same conversion approach for employees with over 45 days of sick leave. Sick leave conversion provision ends July 2005. • Moves date of 1% reduction in employer payroll contribution rate up 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. • Establishes an additional minimum 0.25% employer payroll contribution rate cut: 20% of any PERA overfunding amortized over 10 years is allocated for further employer payroll contribution rate cuts; and 30% of PERA overfunding amortized over 10 years is allocated to the Health Care Trust Fund for retiree health care premium subsidy increases. • Establishes 3.5% compounded annual increase 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.
1999	**HB 99-1080** Purchase of Service Credit	• Conforms 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 January 1999 and later.
1999	**SB 99-090** PERA Benefits	• Increases contribution refund match from 25% to 50% for members under age 65 or not eligible to retire; and 50% to 100% for members age 65 or eligible to retire. • 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 January 2001 if later. Maximum matching contribution amount set by the PERA Board annually must be designed to amortize PERA's funding surplus over a 10-year period. • Permanent 1% employer payroll contribution rate cut for State, School, and Judicial Division employers is authorized when PERA is fully funded. • Municipal employer payroll contribution rate cut authorized when Municipal Division (e.g.. Local Government Division) is fully funded. • Employer contribution allocated to retiree health care fund is increased from 0.8% to 1.1% of payroll, and employer contribution allocated to pension trust funds is reduced by 0.3% of payroll on July 1, 1999. • Increases maximum PERA monthly retiree health care premium subsidy effective July 2000 for retirees under age 65 (and not eligible for Medicare) to $230 with 20 or more years of service credit. • Allows PERA to offer "PERACare" Health Care Program to affiliated employers on a voluntary basis to their active members. • Reduces State Trooper ("safety officer") member contribution rate from 11.5% to 10.0% of salary, effective July 1999.

Year	Bill Number and Title	Bill Description
1998	**HB 98-1143** Health Coverage for Children	• Allows 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.
1998	**HB 98-1191** Public Employee DC Plans	• Allows 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 January 1999 (State DC Plan), instead of PERA's DB Plan. • Allows unreduced retirement at age 50 with 30 years of service. • Decreases early retirement benefit reduction from 4% to 3% per year for members retiring with 20 to 29 years of service between age 55 and age 59.
1998	**HB 98-1242** Reduction in PERA Contribution	• State and School Division employer payroll contribution rate is reduced from 11.5% to 11.4%.
1998	**SB 98-114** Division of PERA in Domestic Relations Cases	• Additional methods adopted to divide benefits paid from public DB Plans in case of divorce.
1997	**HB 97-1082** PERA Benefit Provisions	• Increases retirement formula from 1.5% to 2.5% per year of HAS on 20 to 40 years' service, with 100% HAS maximum benefit. Benefits were recalculated for current benefit recipients on a prospective basis. • Two-tier disability program (short-term disability and disability retirement) effective January 1999 to include short-term income, retraining, and rehabilitation benefits to partially or temporarily disabled members. • Adopts one-year HAS for Judicial Division's future retiring judges. • Combines the State Division's and the School Division's trust funds, and reduces the State and School Division employer contribution rate by 0.1% to 11.5% of payroll.
1997	**HB 97-1114** PERA Miscellaneous Provisions	• Reduces PERA's maximum amortization period to 40 years from 60 years. • Establishes optional Long Term Care Insurance Program for members and retirees. • Changes made to conform to federal law's changes, and minor changes made to survivor benefits. • Clarifies that PERA benefits were subject to federal tax liens.
1996	**SB 96-204** Domestic Relations Orders	• Requires 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.

Year	Bill Number and Title	Bill Description
1995	**HB 95-1048** Hybrid Plan	• Interest rate credited on PERA member contribution accounts equals 6.8% (80% of PERA's 8.5% actuarial investment assumption rate), retroactive to employee's PERA membership date. • Refunds to PERA members who terminated covered employment before retirement would include a matching amount on member contributions and interest: 25% matching amount to PERA members not eligible to retire; and 50% matching amount to members eligible to retire or age 65. • Money purchase benefit, based on contributions, interest, and a matching amount, is automatically paid to a retiring member if the benefit amount would be higher than the DB Plan benefit amount.
1995	**HB 95-1281** PERA Refund Erroneous Member Contributions	• Requires PERA to pay interest in some cases when refunding member contributions made in error.
1995	**SB 95-033** PERA Highest Average Salary	• HAS is changed from a calendar year basis, to the three highest 12 consecutive month periods. • Eliminates 80% HAS maximum benefit with 40 years of service credit. • Changes 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.
1995	**SB 95-035** PERA Judicial Division Retirees	• Increases maximum payment that retired judge may receive when performing temporary judicial duties.

Compiled by Legislative Council Staff.