



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:

$$\text{Monthly Benefit} = \text{Highest Average Salary} \times 2.5 \text{ percent} \times \text{Years of Service.}$$

- **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;



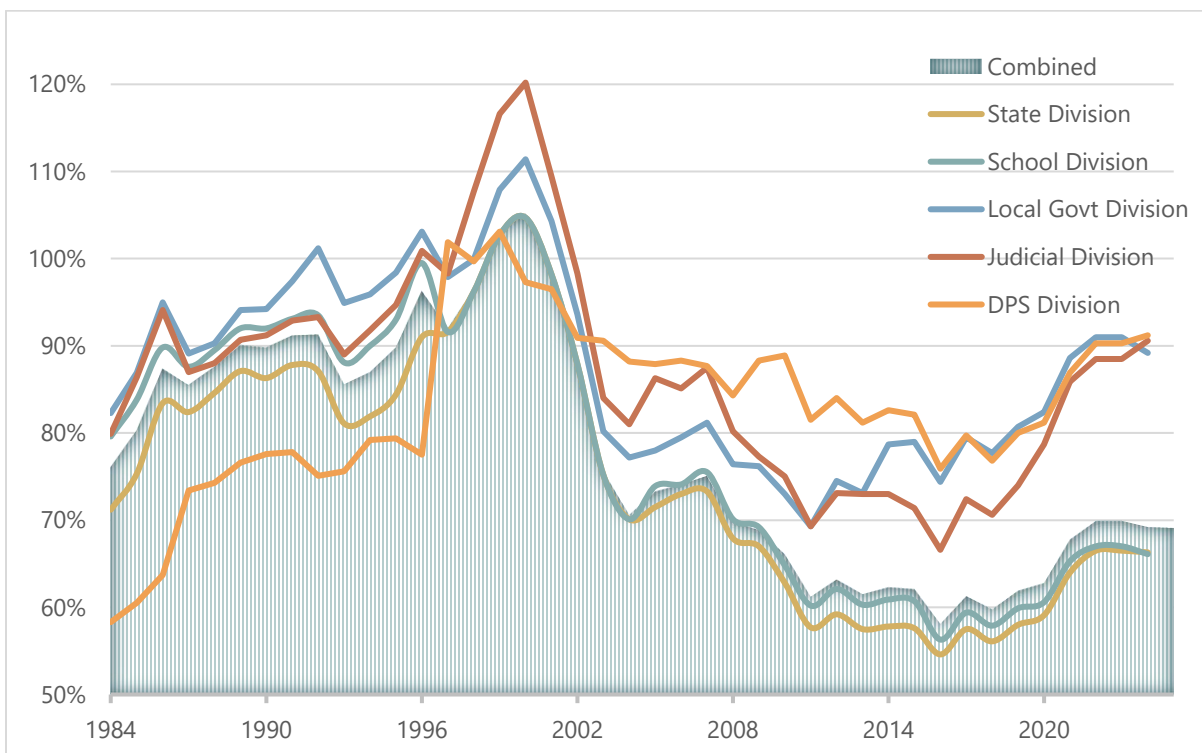
- the employer and member contribution rates are both reduced by up to 0.5 percent, with the contribution rates decreasing to no lower than the statutory contribution rates;
- the direct distribution is reduced by up to \$20 million in a fiscal year.

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 responsibilities¹ 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.