

Senate Bill 09-282: Denver Public Schools Retirement/PERA Merger

Status: This bill was signed by Governor Ritter on May 21, 2009.

This bill merges the Denver Public Schools Retirement System (DPSRS) into PERA, effective January 1, 2010. Many provisions in the bill introduced by Sen. Paula Sandoval (Denver) and Rep. Andy Kerr (Lakewood), are necessary to ensure that the DPS Division will be treated in a manner similar to other PERA divisions. Other provisions include:

- Adds the Denver Public Schools (DPS) Division as a separate division within PERA.
- Appoints a non-voting ex officio Board member from the DPS Division to serve on the PERA Board as of the signature date of the bill.
- Creates a separate health care trust fund for DPS and allows DPS retirees to participate in PERACare.
- Repeals the statutory provisions regarding previous merger attempts between PERA and DPSRS.
- Specifies that DPS charter schools participating in the DPS retirement system are included in the DPS Division.
- Sets contribution rates for the DPS Division as follows:
 - The employer contribution rate for DPS is set at 13.75 percent from January 1, 2010, through December 31, 2012, and at 14.15 percent from January 1, 2013 and thereafter.
 - The member contribution rate is set at 8 percent.
 - Beginning January 1, 2015, and every fifth year thereafter, a true-up will be calculated to determine whether the DPS employer rate must be adjusted to assure the equalization of the DPS Division's ratio of unfunded actuarial accrued liability over payroll to the PERA School Division's ratio of unfunded actuarial accrued liability over payroll at the end of the 30-year period.
 - Requires employers of the DPS Division to pay the AED and the SAED.
- Specifies that required contributions and disbursements, other than those dedicated to the health care trust fund and the annual increase reserve, are reduced annually by an amount equal to the obligations of DPS for ongoing payment obligations with regard to pension certificates of participation (PCOPS) issued in 1997 and 2008.
- Includes information on how purchasing service credit, interest, distributions, refunds, and cost-of-living increases will be calculated following the merger.
- Determines how benefits for members with accounts in both systems will be calculated and paid.
- Resolves portability issues regarding members moving between the DPS Division and other PERA Divisions.

This issue contains summaries of legislation from the 2009 session that impact Colorado PERA.



Senate Bill 09-56: Trinidad State Nursing Home

Status: SB 09-56 was signed by Governor Ritter on April 22.

This bill permits the Executive Director of the Colorado Department of Human Services to transfer the Trinidad State Nursing Home to a nonprofit corporation after a feasibility study and if certain conditions are met. An amendment was added in the House to ensure that PERA members working at the Trinidad State Nursing Home at the time of the transfer would continue earning PERA service credit following the transfer (subject to PERA Board approval). Employees hired after any transfer would not be covered by PERA. The same treatment would apply to any similar transfer, sale, or lease of any other state nursing home.

For more information about these bills or other legislation not noted, visit www.leg.state.co.us.

Senate Bill 09-66: Consolidation of State Defined Contribution Plans Under PERA

Status: This bill was signed by Governor Ritter on March 31.

Introduced by Sen. Lois Tochtrop (Thornton) and Rep. Dianne Primavera (Broomfield), Senate Bill 66 consolidates the State's defined contribution (DC) plans under PERA.

As recommended by the Legislative Audit Committee, the bill transfers the administration of the State of Colorado Public Officials' and Employees' Defined Contribution Plan (State DC plan) and the State of Colorado 457 Plan to PERA on July 1, 2009.

Under current law, certain members hired by the State on or after January 1, 2006, have the option of joining the PERA Defined Benefit (DB) Plan, the PERA DC Plan, or the State DC plan, administered by three providers: Great West, Hartford, and ICMA. New hires after the consolidation would choose between the PERA DB and PERA DC Plans.

When transferred to the PERA DC Plan, current participants in the State DC plan would keep their vesting schedule, which allows for immediate vesting in the employer portion of contributions. Going forward, all new DC Plan participants will be subject to the vesting schedule of the PERA DC Plan. Under the PERA DC Plan vesting schedule, employer contributions are vested over the initial five-year period.

Senate Bill 66 also allows certain public officials and elected employees who were eligible to participate in the State DC plan prior to January 1, 2006, to elect to change between the PERA DC Plan and PERA's DB Plan during the annual open enrollment period.

Administration of the State of Colorado 457 Plan would also be transferred to PERA on July 1, 2009. Great West, the current 457 Plan service provider, would continue to administer the 457 Plan under PERA's oversight.

Senate Bill 09-157: CU Retirement Plan Eligibility PERA

Status: SB 09-157 was signed by Governor Ritter on April 20.

Introduced by Sen. Paula Sandoval (Denver) and Rep. Dickey Lee Hullinghorst (Longmont), this bill applies to certain employees of the University of Colorado. It allows new employees who are members of PERA to choose to continue their PERA membership or join the University's DC plan. This choice would be irrevocable. New employees who do not actively make a choice and have PERA accounts would be placed in the PERA plan.