

## 2007 Legislative Wrap Up

Three bills were passed this legislative session that will impact PERA, and one of them directly affects some PERA-affiliated employers. The first bill, House Bill 07-1184 concerns PERA's investment program and divestment of holdings in "scrutinized companies" with active business operations in Sudan. Details on that legislation can be found in the *Legislative Update* at [www.copera.org/pera/about/legislation/2007legislation.stm](http://www.copera.org/pera/about/legislation/2007legislation.stm).

The second piece of legislation, House Bill 07-1377, was passed late in the legislative session and concerns the repeal of the expansion of retirement plan choice for new employees of institutions of higher education. You may remember that legislation passed in 2006 (SB 06-235) called for eligible new employees of Colorado's colleges and universities, including community colleges, to be able to

select to participate in the PERA Defined Benefit (DB) Plan, the PERA Defined Contribution (DC) Plan, or the State DC Plan. This retirement plan choice provision was slated to be effective on January 1, 2008. HB 07-1377 repeals the expansion of retirement plan choice to higher education, EXCEPT for the community colleges, where new employees hired on or after January 1, 2008, will be able to select the PERA DB or PERA DC Plan (also called PERAChoice).

HB 07-1377 was signed by Governor Ritter on June 1.

Finally, HB 07-1365 includes the Colorado Consortium for Earth and Space Science Education (Challenger Learning Center) as a PERA-affiliated employer. They had previously been covered by PERA under the Pikes Peak BOCES.

HB 07-1365 was signed by Governor Ritter on June 1.

## PERA Forms—They're Important!

The role employers play in PERA's processes cannot be understated. We rely on you to send us complete and accurate information so we'll be able to provide a high level of customer service to the PERA membership.

### Member Information Form

One of the most important forms we need to have in our files is the *Member Information Form*. Once PERA receives the *Member Information Form* from you, we are able to send a new member information kit to your new employee. We've heard from you that this form should be available to complete online, and PERA is currently testing the online form with selected employers.

### Terminating DC Employment/Refund and Rollover Requests

Employers also play an important role in the PERA refund and rollover process when an employee has been terminated. In order for PERA to process a refund or rollover request for the member, we must have certification from you that the employee has terminated PERA-covered employment. You can complete the *Termination Certification* form online in the secured Employer section of the PERA Web site and this will help streamline the PERA member account refund and rollover process.

### Leave of Absence

Another form that employers can complete and submit online is the *Leave of Absence Form*. Use this form if one of your employees will be on leave without pay, on leave without pay for health-related reasons, on paid sabbatical leave, on short-term disability leave, or on military leave. PERA needs to receive this form from you to maintain membership rights for the member, such as eligibility for disability and survivor benefits, and for the member to be able to continue payments on service credit purchases.

### Online Forms

PERA's Online Forms for Employers currently include the following:

- *Death Notification/Salary Report*
- *Final Six Months' Salary Report*
- *Termination Certification*
- *Leave of Absence Form*
- *Furlough Form* (print and send to PERA)
- *Member Information Form—Coming Soon*

Is there a PERA form for employers you would like to have online? Let your Employer Representative know!

## Payroll Postings After Retirement

An individual cannot be a member and a retiree during the same payroll posting period. If a PERA retiree returns to work for a PERA-affiliated employer, employer contributions and the AED must be paid on the rehired retiree's salary, but no member contributions should be made. Retirees may also suspend their retirement benefit (unless they return to work in an Optional Retirement Plan eligible position) and return to PERA membership. In this instance, the employer should be sending PERA the member and employers contributions on the suspended retiree's salary.

Your Employer Representative will contact you if PERA receives member contributions for a PERA retiree. (Keep in

mind the retiree may have retired from another PERA-affiliated employer, and the retiree that you hired as a "member" may not have notified you that they were receiving a PERA benefit.)

PERA is in the process of auditing postings for member contributions made for retirees. The employer will be contacted by a PERA Employer Representative if your contribution history needs to be adjusted, which may require you to return contributions and issue a corrected W-2 to the affected employee.

Use the Social Security number verification tool available in STARS under the Inquiry drop down menu to check the status of an employee.

### Using STARS to Enter Future Payroll Dates

The Secure Transfer and Reporting System or STARS has a feature that allows employers to enter future payroll dates. Employers are encouraged to enter their payroll dates for the upcoming (or remaining) fiscal year in STARS. That way, your PERA Employer Representative can notify you if you are approaching a deadline for submission of contribution information.

## Get Information From PERA

You've probably seen it, a flyer on the bulletin board at work or an e-mail advertising a seminar on planning for a PERA retirement. These solicitations often proclaim they will teach employees how to manage their PERA retirement account or how to maximize their PERA benefit.

PERA encourages members to meet with a trusted financial adviser who is aware of their unique financial situation, but we also ask you to be aware of financial advisers who want to sell your employees a product that would replace or enhance their PERA benefit.

The best source for information related to employees' PERA accounts is PERA. PERA representatives will speak to your employees at no charge and have no financial products to sell for a commission. While other vendors may claim to know about PERA, your best course of action is to call PERA. If you have a question about a vendor asking to speak to your employees, please contact your Field Education Representative.

You may also encourage employees to attend one of the official meetings sponsored by Colorado PERA that are held around the state to learn more about PERA. We are the experts on PERA benefits—and we charge no fees or commissions.

## Contribution Reporting Tips

One of the most frustrating aspects of reporting payrolls correctly is finding out there are mistakes after your payroll has been processed. One way to avoid this issue is to send (upload) PERA a pre-payroll file without contributions in advance of the actual payroll. This "trial run" helps to ensure that information is correct for all your employees prior to the actual posting. Any employees requiring a correction can be altered before the "real" contribution occurs. For more information regarding this tip, please call your Employer Representative.

### Contribution Reporting Dates

This is a reminder that Colorado state law contains a provision that the full amount of employer and employee contributions must be remitted and reported to Colorado PERA within five days of the date employees were paid. If PERA does not receive contributions and the Contribution Report in that time frame, PERA may assess interest on the late payment.

## Health Care and PERA's 401(k) Plan

Recent research by the Employee Benefit Research Institute shows that individuals age 55 who live to age 90 would need to have accumulated \$210,000 (by age 65) to pay for insurance to supplement Medicare and out-of-pocket medical expenses in retirement. It's no wonder that health care is one of the largest expenses many retirees face.

PERA members have the option to enroll in the PERACare Health Benefit Program at retirement. In 2007, a retiree who is under age 65 and not yet covered by Medicare, can pay a monthly health care premium in PERACare as low as \$273 or as high as \$1,795, depending on the type of coverage. A Medicare-eligible retiree could pay a monthly health care premium ranging from \$140 to \$838. Even with a subsidy from PERA, most of the financial burden for health care falls on the retiree. With health care costs continuing to rise each year, health care may consume an increasingly large portion of a retiree's budget.

One of the easiest ways to ensure that the cost of health care won't become an inconvenience is to set money aside now to pay for health care premiums in retirement. One way to save is by enrolling in PERA's 401(k)

Plan. Even a small investment in the 401(k) Plan can make a big difference over time. For example, the table below shows a \$200 monthly investment in a taxable account versus a 401(k) account.\*

### Health Care and Your PERA Retirement Benefit

Average monthly benefit for retirees retiring in 2005	\$2,748
Health care monthly premium*	330
Total monthly benefit	\$2,418
Percentage of benefit going toward health care	12%

\* For Pre-Medicare Benefit Recipient coverage in 2007 for Anthem PPO #1 after \$230 subsidy applied for retiree with 20+ years of service

	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Taxable account value	\$13,868	\$32,352	\$56,989	\$89,825	\$133,591	\$191,923
401(k) Plan account value	\$14,695	\$36,589	\$69,208	\$117,804	\$190,205	\$298,072

\* Assumes an 8 percent rate of return.

At retirement, participants in the PERA 401(k) Plan can get a monthly benefit check from the Plan that can be used to pay for health care premiums, a vacation, long term care, college tuition, or anything else they choose.

Enrolling in the PERA 401(k) Plan is simple. Employees should go online to [www.copera.org](http://www.copera.org) and click on "401(k) Plan Enrollment." You can also order an enrollment kits for your employees by calling the 401(k) Employer Phone line.

## 401(k) Know-How- What is a Distributable Event?

The Internal Revenue Service (IRS) has established guidelines under which 401(k) Plan participants can rollover or receive a refund of their 401(k) account. Distributions cannot be made until a "distributable event" occurs. A distributable event is an event that allows distribution of a participant's plan benefit and includes the following situations:

- The employee dies, becomes disabled, or otherwise has a severance from employment.
- The plan ends and no other defined contribution plan is established or continued.
- The employee reaches age 59½.

That means that an employer must certify to CitiStreet that a distributable event has happened. PERA 401(k) Plan participants may not rollover or refund their account unless one of the distributable events listed above has occurred.

Source: IRS Web site:  
[www.irs.gov/retirement/sponsor/article/0,,id=151924,00.html](http://www.irs.gov/retirement/sponsor/article/0,,id=151924,00.html)

## Changes at CitiStreet for 401(k)/DC Plan Payroll Contribution Reporting

There has been a change to the Colorado PERA 401(k) and DC Plan payroll contribution reporting process at CitiStreet. The following employees will be responsible for processing Colorado PERA payrolls:

- Cheryl Black
- Marshall Reynolds
- Lisa Costello

All Summary Sheets and e-mails should continue to be sent to the ID-COPERA e-mail address. You can also contact these payroll specialists at the Employer Phone line by dialing 1-866-323-7372.

## PERA Summer Meeting Schedule

Due to the timing of the mailing of the Member Report, Colorado PERA needs your assistance to notify members of upcoming meetings. An e-mail reminder to your employees about the meetings in your area would assist in publicizing these meetings. Colorado PERA meetings listed below are the best source of information about the pension plan. The meetings are lead by Colorado PERA Field Education Representatives and are free of charge and open to anyone at any point in their careers. Please encourage your employees to attend.

The entire list of meetings can be found on the PERA Web site at [www.copera.org](http://www.copera.org) (click on the Meetings and Appointments Scheduler link on the PERA home page).

### *Aurora*

All meetings are at the Fairfield Inn,  
13851 E. Harvard Ave.

**401 (k):** June 12, 7:30 p.m.

**BIM:** June 12, 5:00 p.m.

### *Castle Rock*

All meetings are at the Douglas County School District  
Board Room, 620 Wilcox St.

**401 (k):** June 13, 7:30 p.m.

**BIM:** June 13, 5:00 p.m.

**GW:** June 14, 4:30 p.m. (cutoff: June 13)

**PSC:** June 14, 6:30 p.m.

### *Colorado Springs*

All meetings are at the Clarion Hotel Downtown,  
314 West Bijou St.

**401 (k):** June 5, 7:30 p.m.

**BIM:** June 5, 5:00 p.m.

### *Cortez*

All meetings are at the Cortez Conference Center,  
2121 East Main

**BIM:** June 5, 6:30 p.m.

**GW:** June 5, 4:30 p.m. (cutoff: June 4)

### *Denver*

All meetings are at the Penn Center,  
1301 Pennsylvania St.

**401 (k):** June 9, 11:00 a.m.

**BIM:** June 4, 5:00 p.m.

June 9, 8:30 a.m.

### *Fort Collins*

All meetings are at the Lincoln Center,  
417 W. Magnolia St.

**BIM:** June 5, 6:30 p.m.

**GW:** June 5, 4:30 p.m. (cutoff: June 4)

### *Glenwood Springs*

All meetings are at the Ramada Inn, 124 W. 6th St.

**GW:** June 12, 4:30 p.m. (cutoff: June 11)

**PSC:** June 12, 6:30 p.m.

### *Grand Junction*

The following meetings are at the Holiday Inn,  
755 Horizon Dr.

**GW:** June 7, 4:30 p.m. (cutoff: June 6)

**PSC:** June 7, 6:30 p.m.

### *Greeley*

All meetings are at Island Grove Regional Park Events  
Center, Room A, 501 N. 14th Ave.

(Use southwest entrance into the Events Center)

**401 (k):** June 6, 7:30 p.m.

**BIM:** June 6, 5:00 p.m.

**GW:** June 7, 4:30 p.m. (cutoff: June 6)

**PSC:** June 7, 6:30 p.m.

### *Leadville*

All meetings are at the Lake County School District  
Board Room, 107 Spruce St.

**401 (k):** June 13, 7:30 p.m.

**BIM:** June 13, 5:00 p.m.

### *Montrose*

All meetings are at the Montrose Pavilion,  
1800 Pavilion Dr.

**BIM:** June 6, 6:30 p.m.

**GW:** June 6, 4:30 p.m. (cutoff: June 5)

### *Pagosa Springs*

All meetings are at Archuleta County Fairgrounds,  
Exhibit Hall 344 W. Hwy 84

**PCI:** June 6, 6:30 pm

**RPM:** June 6, 4:30 p.m.

### *Pueblo*

All meetings are at the Pueblo Marriott,  
110 West First St.

**BIM:** June 12, 6:30 p.m.

**GW:** June 12, 4:30 p.m. (cutoff: June 11)

**PCI:** June 13 6:30 p.m.

**RPM:** June 13, 4:30 p.m.

### *Steamboat Springs*

All meetings are at the Steamboat Pilot & Today,  
Community Room, 1901 Curve Plaza

**BIM:** June 18, 6:30 p.m.

**GW:** June 18, 4:30 p.m. (cutoff: June 15)

**PCI:** June 19, 6:30 p.m.

**RPM:** June 19, 4:30 p.m.

### *Westminster*

All meetings are at the Butterfly Pavilion, 6252 West  
104th Ave.

**BIM:** June 14 6:30 p.m.

**GW:** June 14, 4:30 p.m. (cutoff: June 13)

401 (k):	401 (k) Meeting
BIM:	Benefit Information
GW:	Group Workshop
PCI:	PERACare Information Meeting
PSC:	Purchasing Service Credit Workshop
RPM:	Retirement Process Meeting

## Colorado PERA Contact Information

Members should call Customer Service with questions about benefits or their accounts. The PERA Customer Service Center phone number is 303-832-9550 or 1-800-759-7372 and is open Monday through Thursday, 7:00 a.m. to 5:30 p.m., and Friday, 7:00 a.m. to 4:30 p.m.

### PERA Employer Representatives

Employers who have questions about their contribution report or STARS should call their Employer Representative in the Benefit Services Division (listed by employer number below).

<i>Employer Number/Agency</i>	<i>Employer Representatives</i>
401(k) and Defined Contribution	Jeffrey Cable 303-837-6217  Rose Montano 303-837-6238
Central Payroll, 54, 580	Annette Cote 303-837-6256
42, 75, 200-390	Chris Hoehle 303-863-3840
390-489	Rose Montano 303-837-6238
490-669, 700	Chad Hursh 303-837-6229
670-859	Jesse Murillo 303-863-3889
860-949 and State agencies that do not report through Central Payroll	Randy Spencer 303-837-6239
59, 90, 910, 915, 916, 920, 944, 950 -999	Angie Byrne Employer Relations Manager 303-863-3879

### PERA Field Education Representatives

Employers who wish to have a PERA Field Education Representative speak to their employees should call their Field Education contact (listed by employer number below).

<i>Employer Number</i>	<i>Field Education Representatives</i>
1-74	Gordon Steuck 303-863-3855
75-154	Thomas Shofner 303-837-6289
155-222	Kirsten Strausbaugh 303-863-3809
223-391	Nadine Grosjean 303-837-6215
392-499	Aimee Buchholz 303-863-3706
500-779	Shane Linart 303-863-3861
780-991	Rick Chase 303-863-3790  Dennis Gatlin Field Education Manager 303-863-3788

## Keep Your Secured Access to PERA's Web Pages Secure

Please notify your PERA Employer Representative if you terminate an employee with access (User ID and Password) to the secured Employer pages on PERA's Web site. Every employee to whom you give authorized access to PERA's Employer pages should have a unique user ID and password to ensure the integrity and security of the information you submit to PERA.

An employer may have an unlimited number of user IDs and passwords, but you should notify PERA when access needs to be denied for employees who no longer work for you or no longer require use of the site.

Contact your Employer Representative if you have an employee who needs access to the Employer pages. A new user ID and password can usually be generated in 24 hours or less.

### Take Another Look



PERA went through a bid process in 2006 and made significant changes to the PERACare program for PERA-affiliated employers' coverage for their employees. Anthem Blue Cross and Blue Shield was selected as the statewide health plan and determines premiums based on the demographics of the group of employees. This approach is similar to how your group would be rated in the market and is competitively priced. We have seen premium reductions for most employers. Kaiser Permanente is now available in Colorado Springs in addition to the Denver-metro area. CIGNA Dental and VSP are also part of our program and offer very competitive rates. One of the advantages of participating in PERACare is that PERA does most of the administration of your health benefits plan for you. If you haven't requested a quote for awhile, take a few minutes to take another look. Information is available on PERA's Web site at [www.copera.org/pera/peracare/employer/overview.stm](http://www.copera.org/pera/peracare/employer/overview.stm), or by contacting Julie Saad at 303-832-9550 ext. 6405 or [jsaad@copera.org](mailto:jsaad@copera.org).