

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0368.01 Nicole Myers

SENATE BILL 11-074

SENATE SPONSORSHIP

Lambert,

HOUSE SPONSORSHIP

Kerr J.,

Senate Committees
State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY FOR EMPLOYERS IN CERTAIN DIVISIONS
102 OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION TO
103 MAKE OPTIONAL MODIFICATIONS TO THE CONTRIBUTION RATES
104 TO THE ASSOCIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The employer and member contribution rates for the public employees' retirement association (PERA) are specified in statute. For

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

the calendar year beginning January 1, 2012, the bill allows employers in the school or local government division of PERA and the Denver public schools division of PERA only to decrease the employer contribution rate and increase the member contribution rate by an amount to be determined by the employer, so long as:

- ! The total of the employer and member contribution rates is not less than the total of the employer and member contribution rates currently required to be delivered to PERA on behalf of each employee of an employer; and
- ! The increase in the member contribution to PERA and the corresponding decrease in the employer contribution is not greater than 2.5%.

Any change to the employer and member contribution rates to PERA is required to occur through a vote of the governing body of the employer at an official meeting of the governing body. Any employer that votes to alter the employer and member contribution rates to PERA is required to provide annual notice to PERA regarding the percentage of the employer and member contributions.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 24-51-401 (1.7) (a), Colorado Revised Statutes, is
3 amended, and the said 24-51-401 (1.7) is further amended BY THE
4 ADDITION OF A NEW PARAGRAPH, to read:

5 **24-51-401. Employer and member contributions.**

6 (1.7) (a) Employers shall deliver a contribution report and the full
7 amount of employer contributions, member contributions, and working
8 retiree contributions to the association within five days after the date
9 members and retirees are paid. Except as provided in ~~paragraph (f)~~
10 PARAGRAPHS (f) AND (g) of this subsection (1.7), subsection (7) of this
11 section, and section 24-51-408.5, such contributions shall be based upon
12 the rates for the appropriate division as set forth in the following table
13 multiplied by the salary, as defined in section 24-51-101 (42), paid to
14 members and retirees for the payroll period:

15 **TABLE A**

1 **CONTRIBUTION RATES**

2	Division	Membership	Employer Rate	Member Rate
3	State	All Members	10.15%	8.0%
4		Except		
5		State Troopers	12.85%	10.0%
6	School	All Members	10.15%	8.0%
7	Local			
8	Government	All Members	10.0%	8.0%
9	Judicial	All Members	13.66%	8.0%
10	DPS	All Members	13.75%	8.0%

11 (g) (I) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2012,
12 AND FOR EACH CALENDAR YEAR THEREAFTER, EACH EMPLOYER IN THE
13 SCHOOL OR LOCAL GOVERNMENT DIVISION OF THE ASSOCIATION AND THE
14 DENVER PUBLIC SCHOOLS DIVISION OF THE ASSOCIATION MAY DESIGNATE
15 ALTERNATIVE EMPLOYER AND MEMBER CONTRIBUTION RATES TO THE
16 RATES SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (1.7) SO LONG AS:

17 (A) THE TOTAL OF THE EMPLOYER AND MEMBER CONTRIBUTIONS
18 MADE TO THE ASSOCIATION ON BEHALF OF EACH EMPLOYEE PURSUANT TO
19 THIS PARAGRAPH (g) EQUALS THE TOTAL OF THE EMPLOYER AND MEMBER
20 CONTRIBUTIONS THAT WOULD BE MADE PURSUANT TO PARAGRAPH (a) OF
21 THIS SUBSECTION (1.7); AND

22 (B) THE INCREASE IN THE MEMBER CONTRIBUTION DELIVERED TO
23 THE ASSOCIATION AND THE CORRESPONDING DECREASE IN THE EMPLOYER
24 CONTRIBUTION DELIVERED TO THE ASSOCIATION IS NOT GREATER THAN
25 TWO AND ONE-HALF PERCENT.

26 (II) THE DESIGNATION OF ALTERNATIVE EMPLOYER AND MEMBER
27 CONTRIBUTION RATES PURSUANT TO SUBPARAGRAPH (I) OF THIS

1 PARAGRAPH (g) SHALL BE MADE BY A VOTE OF THE GOVERNING BODY OF
2 THE EMPLOYER AT AN OFFICIAL MEETING OF THE GOVERNING BODY THAT
3 IS OPEN TO THE PUBLIC. THE GOVERNING BODY MAY VOTE TO ALTER THE
4 EMPLOYER AND MEMBER CONTRIBUTION RATES FOR ONE YEAR OR FOR
5 MULTIPLE YEARS.

6 (III) AN EMPLOYER THAT DESIGNATES ALTERNATIVE EMPLOYER
7 AND MEMBER CONTRIBUTION RATES FOR ANY CALENDAR YEAR PURSUANT
8 TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g), SHALL NOTIFY THE
9 ASSOCIATION ANNUALLY, IN A TIME AND MANNER TO BE DETERMINED BY
10 THE ASSOCIATION, OF THE EMPLOYER AND MEMBER CONTRIBUTION RATES
11 FOR THE APPLICABLE CALENDAR YEAR. AN EMPLOYER IS REQUIRED TO
12 PROVIDE SUCH ANNUAL NOTICE TO THE ASSOCIATION EVEN IF THE
13 EMPLOYER DESIGNATES ALTERNATIVE EMPLOYER AND MEMBER
14 CONTRIBUTION RATES FOR MULTIPLE YEARS PURSUANT TO SUBPARAGRAPH
15 (II) OF THIS PARAGRAPH (g). THE ASSOCIATION MAY REQUIRE AN
16 EMPLOYER TO SUBMIT ANY ADDITIONAL INFORMATION OR
17 DOCUMENTATION ALONG WITH THE NOTICE REQUIRED PURSUANT TO THIS
18 SUBPARAGRAPH (III) THAT IS REASONABLY REQUIRED FOR THE
19 IMPLEMENTATION AND ADMINISTRATION OF THIS PARAGRAPH (g).

20 **SECTION 2. Act subject to petition - effective date.** This act
21 shall take effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part shall not take effect
27 unless approved by the people at the general election to be held in

1 November 2012 and shall take effect on the date of the official
2 declaration of the vote thereon by the governor.