

A bill affecting PERA was introduced early in the 2009 Legislative session.



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

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

As recommended by the Legislative Audit Committee, the bill would transfer the administration of the State of Colorado Public Officials' plan and the State DC plans 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, ICMA, and Hartford. 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 would 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.

You may view the bill online at www.leg.state.co.us/Clics/CLICS2009A/csl.nsf/fsbillcont3/29567F9E75BC9545872575370071DBC6?Open&file=066_01.pdf

Status: This bill was assigned to the Senate Finance Committee.

PERA's Position: No position.