



## Critical Shortage of Teachers Resolution

Senate Bill 02-145 allows school districts that have less than 4,500 students to declare a critical shortage of teachers and principals and to employ PERA retirees full-time as teachers or principals without a reduction in the retiree's PERA benefit. Districts must follow the steps in the law before declaring a critical shortage, advise PERA (the Employer Representative) when a critical shortage has been declared, and arrange to make employer contributions to PERA on **all** salary paid to **all** retirees in **any** teaching or principal position.

For a school district board of education to declare a critical shortage of teachers, it must:

- (1) Be a school district that has fewer than 4,500 students according to the Colorado Department of Education,
- (2) Not have offered an early retirement incentive or Experience and Longevity Plan during the current or either of the two previous calendar years,
- (3) Post the vacancy for the teaching/principal position for at least one month,
- (4) Solicit applications through local and widely-distributed newspapers **or** through teacher education programs,
- (5) Declare that there is an insufficient number of eligible applicants for teacher/principal positions, and
- (6) Pass a resolution declaring a critical shortage.

The resolution is effective for one year, and can be renewed annually to determine if criteria still exists. The entire critical shortage of teachers provision is repealed on July 1, 2005.

Once a school district declares the critical shortage, the 110-day limit is no longer in effect. Retirees may work as teachers and principals in the district with no reduction in PERA benefits. However, retirees who return to work for a PERA employer in any capacity during the first month of retirement will have a 5 percent reduction in benefit for each day worked in that month. In no case may the retiree return to work on the first business day of the first month of retirement.

The district has these responsibilities once it declares the critical shortage:

- (1) Notify PERA of the resolution. Please fax the resolution to your PERA Employer Representative at 303-863-3813.
- (2) Begin making employer contributions on salary paid to all PERA service retirees who are employed as teachers or principals as soon as the critical shortage begins (not when the retiree goes over the 110-day limit). PERA will provide guidance on reporting those contributions when it receives a resolution.
- (3) Allow these retirees to participate in the district's health plan while employed as a teacher or principal. (Any such retiree may elect instead to participate in the PERACare health benefits program, but he or she will not receive a PERA premium subsidy during employment covered by the critical shortage.)

Retirees do not pay PERA member contributions. They may contribute to the PERA 401(k) plan on a voluntary basis, but are ineligible to receive the MatchMaker.