

Employer Contribution Rates with AED

On January 1, 2007, employer contributions will increase by an additional 0.5 percent for the Amortization Equalization Disbursement (AED) contribution. The AED applies to all payroll periods that have an ending date on or after January 1, 2007. It does not apply to pay periods that have an ending date in 2006, even if the payment to your employees was made in 2007. The AED contribution will be automatically calculated when you complete the Summary Sheet when you submit your STARS report. The AED should be paid on all employees who work for a PERA-affiliated employer, regardless of whether or not they are currently covered by PERA. The AED should be paid on rehired PERA retirees. The AED applies to employees who were eligible to elect to become members of PERA on or after January 1, 2006, but who elect to join another plan like a DC plan. This includes the following:

- State employees and officials who began employment on or after January 1, 2006, and who elected to join the State DC Plan or the PERA DC Plan.
- PERA members with at least one year of service who moved to a position in higher education on or after January 1, 2006, and who elected to join an ORP.
- City managers and key management staff who elected on or after January 1, 2006, to be exempted from PERA membership under C.R.S. 24-51-308.
- Attorneys within a DA's office that affiliates with PERA, who are hired after affiliation and after January 1, 2006, and who elected not to become PERA members.

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 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.

The combined employer and AED rates for 2007 for each PERA Division are shown in the chart below:

	Employer Contribution	AED	Total Contribution from Employer
State Division (except Troopers)	10.15%	1.0%	11.15%
State Troopers	12.85%	1.0%	13.85%
School Division	10.15%	1.0%	11.15%
Local Government Division	10.00%	1.0%	11.00%
Judicial Division	13.66%	1.0%	14.66%

New GASB Statements—Will They Impact You?

You may have read about the governmental accounting rules that require public employers to disclose liabilities associated with "other postemployment benefits" (or OPEB) that are non-pension related. The Governmental Accounting Standards Board (GASB) has issued guidelines that become effective at the end of 2006, 2007, and 2008, depending on the size of the governmental entity.

Because PERA employers contribute to the Health Care Trust Fund (HCTF) in advance of their employees' retirements and their need for retiree health care, PERA has been voluntarily complying with GASB Statement No. 26 far in advance of the required disclosure date. Requirements of GASB Statement No. 26 are very similar to the final requirements of GASB Statement No. 43 for retiree health care plans. If a PERA-affiliated employer is not providing health care coverage to its retired employees, the employer has no health care OPEB liabilities to disclose—PERA has taken care of this aspect of the required financial reporting. (Sample pension plan disclosure statements are in the Employer Information Section of PERA's Web site.

Do you provide retiree health care coverage for your retired employees? Did you know that PERA offers a comprehensive health care benefits program called PERACare for all PERA retirees and their dependents? A little more than 1 percent (1.02) of the employer contribution is directed to the HCTF, a trust fund that was established in 1985. A subsidy paid from the HCTF is used to offset the cost of health care premiums for PERA retirees and their dependents. The HCTF has assets of over \$190 million and will be fully funded in approximately 30 years.

For more information on PERACare plans, designed for both pre-Medicare and Medicare-eligible retirees, contact PERA's Insurance Division.

Planning for the January 1, 2008, Supplemental AED (SAED)

Legislation signed into law in May 2006 requires employers to submit a Supplemental Amortization Equalization Disbursement (SAED) beginning with payrolls that have an ending date of January 1, 2008, or later. The SAED is to be paid on the total payroll for all employees who work for a PERA-affiliated employer, just like the AED that has been in place since January 1, 2006. The SAED contribution will be automatically calculated when you complete the Summary Sheet when you submit your STARS report. The SAED is to be funded by "foregone wage increases" for all employees.

State Division

PERA	Employer Contribution	AED	SAED	Total Deduction % for Year
Jan 2006	10.15%	.50	.00	10.65%
Jan 2007	10.65%	.50	.00	11.15%
Jan 2008	11.15%	.40	.50	12.05%
Jan 2009	12.05%	.40	.50	12.95%
Jan 2010	12.95%	.40	.50	13.85%
Jan 2011	13.85%	.40	.50	14.75%
Jan 2012	14.75%	.40	.50	15.65%
Jan 2013	15.65%	.00	.50	16.15%

School Division

PERA	Employer Contribution	AED	SAED	Total Deduction % for Year
Jan 2006	10.15%	.50	.00	10.65%
Jan 2007	10.65%	.50	.00	11.15%
Jan 2008	11.15%	.40	.50	12.05%
Jan 2009	12.05%	.40	.50	12.95%
Jan 2010	12.95%	.40	.50	13.85%
Jan 2011	13.85%	.40	.50	14.75%
Jan 2012	14.75%	.40	.50	15.65%
Jan 2013	16.05%*	.00	.50	16.55%

*2004 legislation provided for an additional 0.40 percent employer contribution in 2013

State Troopers

PERA	Employer Contribution	AED	SAED	Total Deduction % for Year
Jan 2006	12.85%	.50	.00	13.35%
Jan 2007	13.85%	.50	.00	13.85%
Jan 2008	13.85%	.40	.50	14.75%
Jan 2009	14.75%	.40	.50	15.65%
Jan 2010	15.65%	.40	.50	16.55%
Jan 2011	16.55%	.40	.50	17.45%
Jan 2012	17.45%	.40	.50	18.35%
Jan 2013	18.35%	.00	.50	18.85%

Local Government Division

PERA	Employer Contribution	AED	SAED	Total Deduction % for Year
Jan 2006	10.00%	.50	.00	10.50%
Jan 2007	10.50%	.50	.00	11.00%
Jan 2008	11.00%	.40	.50	11.90%
Jan 2009	11.90%	.40	.50	12.80%
Jan 2010	12.80%	.40	.50	13.70%
Jan 2011	13.70%	.40	.50	14.60%
Jan 2012	14.60%	.40	.50	15.50%
Jan 2013	15.50%	.00	.50	16.00%

Judicial Division

PERA	Employer Contribution	AED	SAED	Total Deduction % for Year
Jan 2006	13.66%	.50	.00	14.16%
Jan 2007	14.16%	.50	.00	14.66%
Jan 2008	14.66%	.40	.50	15.56%
Jan 2009	15.56%	.40	.50	16.46%
Jan 2010	16.46%	.40	.50	17.36%
Jan 2011	17.36%	.40	.50	18.26%
Jan 2012	18.26%	.40	.50	19.16%
Jan 2013	19.16%	.00	.50	19.66%

Rules Changes

The Colorado PERA Board of Trustees has approved the adoption of new administrative rules that will be effective January 1, 2007. Rules are used to provide a framework for guiding PERA staff in applying PERA law. The PERA staff would like to thank our employers for providing useful input regarding the adoption of these new rules. A summary of rules changes may be viewed at <http://www.copera.org/pdf/Misc/RulesSummary11-06.pdf>.

Does PERA have correct contact information for your agency?

Please notify PERA when a key employee has left their position. This ensures that PERA is contacting the correct person in your office.

Working After Retirement and Working with Independent Contractors

Going back to work after retirement is an option for many PERA retirees. However, if the work is for a PERA-affiliated employer, there are limitations. (If the work is for a non-PERA employer there are no restrictions.)

The primary limitation is the 110-day work limit. Under Colorado state law, a PERA retiree may work for a PERA-affiliated employer for up to 110 days in a calendar year. A day is defined as more than four hours of work in a day. If a retiree works four hours or less during a day, the limit is 720 hours per calendar year. If the work exceeds 110 days or 720 hours, PERA must reduce the retiree's benefit in a future month by 5 percent for each day in excess of the limit.

As a result of legislation enacted in 2006 (Senate Bill 06-235), PERA has additional rules to further define working after retirement for PERA retirees. The chart below is a summary of the PERA working after retirement rules effective January 1, 2007. For more information, please review PERA's *Working After Retirement* brochure, which can be found on the PERA Web site at www.copera.org.

If the PERA retiree is	Then
Working for a private company that is not performing services for a PERA employer (or working for a public employer not affiliated with PERA)	There are no limitations on the amount of time the retiree may work and the PERA benefit will not be affected (except for disability retirees)
Providing a product and not a service to a PERA employer	The retiree is not subject to the working after retirement limit of 110 days/720 hours and employer contributions are not due to PERA
Hired in an individual capacity as an employee by a PERA employer	The retiree is subject to the working after retirement limit of 110 days/720 hours and employer contributions will be paid to PERA on their earnings
Individually working for a PERA-affiliated employer as an independent contractor, as defined by the IRS	The retiree is not subject to the working after retirement limit of 110 days/720 hours, but employer contributions will be paid to PERA on their earnings
Hired by a PERA employer through a business the retiree owns or operates; the retiree provides services to the PERA employer as an employee of the PERA employer	The retiree is subject to the working after retirement limit of 110 days/720 hours; employer contributions are required if the retiree, as an individual, is providing services to the PERA employer
Hired by a PERA employer through a business the retiree owns or operates; the retiree provides services to the PERA employer as an independent contractor	The retiree is not subject to the working after retirement limit of 110 days/720 hours; employer contributions are required if the retiree, as an individual, is providing services to the PERA employer
The owner or operator of a company that is providing services to a PERA employer, but the retiree, as an individual, is not performing services to the PERA employer	The retiree is not subject to the working after retirement limit of 110 days/720 hours and employer contributions are not required to be paid to PERA
Working for a company owned or operated by an affiliated party (see definition) and is hired by a PERA employer to perform services for the PERA employer as an independent contractor	The retiree is not subject to the working after retirement limit of 110 days/720 hours but employer contributions will be paid to PERA on their earnings
Working for a company owned or operated by an affiliated party (see definition) that is hired by a PERA employer to perform services for the PERA employer as an employee	The retiree is subject to the working after retirement limit of 110 days/720 hours and employer contributions will be paid to PERA on their earnings
A PERA retiree serving as a state legislator	The work limit does not apply and employer contributions are not due to PERA

If the PERA retiree is	Then
A retired judge participating in the Senior Judge Program	The work limit does not apply and employer contributions are not due to PERA
A retired judge working outside the Senior Judge Program	The same rules apply as are applied to other retirees
Working in a position that has been temporarily vacated by an employee who has been called into active U.S. military duty	The work limit does not apply but employer contributions are due to PERA on their earnings
A PERA retiree who retired prior to June 3, 1994, and who is employed at a public college or university, and in a position covered by an Optional Retirement Plan	The work limit does not apply but employer contributions are due to PERA on their earnings
A PERA retiree who has been retired for less than one month and works in any capacity for any PERA-affiliated employer during the effective month of retirement	<ul style="list-style-type: none"> • The retiree may not work in any capacity (paid or volunteer) on the first business day of their effective month of retirement • PERA will reduce the retiree's benefit by 5 percent for each day or partial day worked during the effective month of retirement • Any time the retiree works during the effective month of retirement will count toward the 110-day limit
A PERA disability retiree under the disability program which went into effect January 1, 1999	Any work after retirement must be coordinated with the Disability Program Administrator and may prompt a re-evaluation of the retiree's disabling condition; if it is determined that the retiree is medically able to earn 75 percent of their predisability earnings, their disability retirement benefit may end
A PERA retiree who is a volunteer for a PERA employer	The work limit does not apply

Who is an Affiliated Party?

An affiliated party includes the following:

- Any person who is the named beneficiary or cobeneficiary on the PERA account of the retiree.
- Any person who is a relative of the retiree by blood or adoption (includes parents, siblings, half-siblings, children, and grandchildren).
- Any person who is a relative of the retiree by marriage (includes spouse, spouse's parents, stepparents, stepchildren, stepsiblings, and spouse's siblings).
- Any person or entity with whom the retiree has an agreement to share or profit from the performance of services for a PERA employer by the retiree other than the retiree's regular salary or compensation.

Reporting Work

Retirees working for PERA-affiliated employers must immediately report to PERA (at the end of their first month of retirement) any work performed during the month in which their retirement became effective. The retiree will need to complete and send to PERA the *Report of Work During the Effective Month of Retirement* (available on the PERA Web site or by calling PERA's Customer Service Center).

It is the retiree's responsibility to submit a *Post-Retirement Work Report* to PERA by March 31 for the previous calendar year. This report only needs to be filed if the retiree worked for a PERA-affiliated employer in any capacity more than 110 days or 720 hours during the calendar year.

Welcome New Affiliates!

Colorado PERA welcomes the following new employers (affiliation dates):

- North Carter Lake Water District (August 1, 2006)
- White River Conservation District (October 1, 2006)
- Town of Timnath (December 8, 2006)
- Wray Housing Authority (January 1, 2007)

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 Benefits Services Division (listed by employer number below).

<i>Employer Number/Agency</i>	<i>Employer Representatives</i>
Central Payroll, 54	Annette Cote 303-837-6256
401(k) and Defined Contribution	Jeffrey Cable 303-837-6217
900-999	Angie Byrne Employer Relations Manager 303-863-3879
171-290 and State agencies that do not report through Central Payroll	Chris Hoehle 303-863-3840
540-733	Chad Hursh 303-837-6229
300-533	Rose Montano 303-837-6238
740-899	Jesse Murillo 303-863-3889

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

New Online Forms for Employers Now Available

The *Leave of Absence Certification* and *Termination Certification* forms are now online in the Employer section of the PERA Web site at www.copera.org.

75th Anniversary Online Museum

To commemorate PERA's 75th Anniversary, we created a special online museum on PERA's Web site at www.copera.org to celebrate 75 years of protecting the promise of a secure retirement for our members. This historical retrospective takes a look at the people and events that have shaped PERA through the decades.



Personal.
Innovative.
Secure.

Special Thank You to Employers

Below is a list of affiliated employers who allowed the PERA Field Education staff the opportunity to speak at their locations in 2006. We think it's important that our members get information about PERA from PERA—thank you for the opportunity to educate your employees!

21st Century Charter School @ Colorado Springs
Academy at High Point
Academy School District #20
Adams 12 Five Star Schools
Adams County School District 14
Adams State College
Adams-Arapahoe School District 28J (Aurora Public Schools)
Aims Community College
Akron School District R-1
American Academy Charter School
Archuleta County School District 50 Jt
Arickaree School District R-2
Ault-Highland School District Re-9
Aurora Community College
Bellcreek Charter School
Bennett School District 29J
Bethune School District R-5
Boulder Valley School District RE2
Brighton School District 27J
Buena Vista School District R-31
Burlington School District Re-6J
Byers School District 32J
Cardinal Community Academy
Centennial Board of Cooperative Educational Services
Cherry Creek Academy Charter School
Cherry Creek School District 5
Cheyenne Mountain Charter Academy
City of Alamosa
City of Boulder
City of Colorado Springs
City of Lone Tree
City of Wray
CollegelInvest
Colorado Housing and Finance Authority
Colorado Library Consortium
Colorado Mountain College
Colorado PERA
Colorado Springs Charter Academy
Colorado Springs Public Utilities
Colorado Springs School District 11
Colorado State University
Colorado State University at Pueblo
CoverColorado
Deer Trail School District 26J
Delta School District 50(J)
Department of Agriculture
Department of Corrections
Department of Health Care Policy and Financing
Department of Human Services
Department of Labor and Employment
Department of Law
Department of Local Affairs
Department of Military and Veterans Affairs
Department of Natural Resources
Department of Personnel and Administration
Department of Public Health and Environment
Department of Public Safety
Department of State
Department of Transportation
Douglas County School District Re-1
Durango School District 9-R
Eagle School District Re-50
East Central Board of Cooperative Educational Services
East Grand School District 2
Eaton School District Re-2
Elizabeth School District C-1
Fire and Police Pension Association
Fort Lewis College
Fort Lupton School District Re-8
Fort Morgan School District Re-3
Fowler School District R4J
Front Range Community College
Garfield County School District 16
Georgetown Community School
Harrison School District 2
Holyoke School District Re-1J
Housing Authority of the County of Adams
Idalia School District RJ-3
Ignacio School District 11 Jt
Independence Academy
James Irwin Charter High School
James Madison Charter Academy
Jefferson County School District R-1
Johnstown-Milliken School District Re-5J
Judicial Department
Karval School District Re 23
Lake County School District R-1
Lamar Community College
Lewis-Palmer School District 38
Life Skills Center of Colorado Springs
Limon School District Re 4J
Littleton School District 6
Lotus School for Excellence
Meeker School District RE1
Mesa County Valley School District 51
Morgan Community College
Morgan County Quality Water District
Northeast Colorado Health Department
Northeastern Junior College
Norwood School District R-2J
Otero Junior College
Otis School District R-3
Park County School District Re-2
Park School District R-3
Pikes Peak Board of Cooperative Educational Services
Pinnacle Assurance
Platte Canyon School District 1
Platte Valley School District Re-3
Platte Valley School District Re-7
Poudre School District R-1
Pueblo City-County Health Department
Pueblo Library District
Pueblo Vocational Community College
Rampart Regional Library District
Red Rocks Community College
Rifle School District
Roaring Fork School District Re-1
Roosevelt-Edison Charter School
Ross Montessori School
San Miguel County Public Library
San Miguel Regional and Telluride Housing Authority
School for the Deaf and the Blind
Shivers Academy of Art, Science, and Technology
Silverton School District 1
St. Vrain School District RE1J
State Historical Society
Steamboat Springs School District Re 2
Summit School District Re 1
Telluride School District R-1
The Classical Academy
Town of Bayfield
Town of Estes Park
Town of Platteville
Trinidad State Junior College
University of Colorado
University of Northern Colorado
Valley School District Re-1
Walker Field Airport Authority
Western State College
Westminster School District 50
Widfield School District 3
Wiggins School District Re-50(J)
Windsor-Severance Library District
Woodland Park School District RE-2
Woodlin School District R-104
Wray School District RD-2