



# 2022 Legislation Impacting COLORADO PERA

During the 2022 legislative session, four bills were passed by the Colorado General Assembly and signed into law that impact Colorado PERA, and these are described below.

## HOUSE BILL 22-1029: COMPENSATORY DIRECT DISTRIBUTION TO PERA

**Status:** Signed into law.

The bill required a payment to PERA from the PERA Payment Cash Fund for \$380 million. This amount reflects the suspended direct distribution payment to PERA of \$225 million from July 1, 2020, plus \$155 million in order to reduce two future direct distributions. The future direct distribution payments will be reduced based on the interest that accrues from the initial \$380 million payment as follows:

- FY 2023-24 (July 1, 2023), the payment is reduced by an amount between \$155 million to \$190 million, resulting in a direct distribution payment amount between \$35 million to \$70 million; and
- FY 2024-25 (July 1, 2024), the payment is reduced by up to \$27.55 million, resulting in a direct distribution payment of no less than \$197.45 million, unless the actual rate of return is zero or less, in which case there may be no reduction.

**PERA's Position:** As fiduciaries, the PERA Board supports restoring the missed direct distribution.

## HOUSE BILL 22-1057: PERA EMPLOYMENT AFTER TEACHER RETIREMENT

**Status:** Signed into law.

Under current law, PERA retirees are limited in how many days they can work for a PERA employer after retirement without reducing their benefit. This bill temporarily waives those limits for qualified service retirees working as substitute teachers in any school district while there are critical substitute teacher shortages.

**PERA's Position:** Expanding working after retirement provisions to allow retirees to work without a reduction will increase PERA's liabilities. As fiduciaries, pursuant to its funding policy, the PERA Board opposes legislation that increases liabilities or reduces contributions until PERA is fully funded.

## HOUSE BILL 22-1087: SPECIAL DISTRICT DIRECTOR RETIREMENT BENEFITS

**Status:** Signed into law.

Special district board members are considered employees of the special district, and under current law their compensation is subject to PERA contributions as PERA members (if the special district is an employer affiliated with PERA). This bill would exclude special district board members who begin their service on or after July 1, 2022, from being eligible for membership in PERA for their service as directors.

**PERA's Position:** The PERA Board does not have a position on this bill as it has no actuarial impact on the fund.

## HOUSE BILL 22-1101: PERA SERVICE RETIREE EMPLOYMENT IN RURAL SCHOOLS

**Status:** Signed into law.

Under current law, retired teachers, bus drivers, or food service workers in rural districts of the School Division may be rehired and receive a salary without reduction in benefits under certain limitations. These provisions were scheduled to repeal on July 1, 2023, and this bill expanded them to include school nurses and paraprofessionals to those retirees eligible for full-time reemployment, as well as eliminated the scheduled repeal date, thus making the provisions permanent.

**PERA's Position:** Expanding working after retirement provisions to allow retirees to work without a reduction will increase PERA's liabilities. As fiduciaries, pursuant to its funding policy, the PERA Board opposes legislation that increases liabilities or reduces contributions until PERA is fully funded.

- ▶ For the most up-to-date information on legislation involving PERA, visit [www.peraontheissues.com](http://www.peraontheissues.com). Also, be sure to stay informed and involved by signing up for our action alerts at <https://www.coloradoretirementactioncenter.com/> and by following the Colorado Retirement Action Center on Facebook.