



Critical Shortage PROVISION SUMMARY

CRITICAL SHORTAGE PROVISION OVERVIEW

Under current law, Colorado PERA benefits are temporarily reduced when a PERA retiree works for a PERA employer more than 110 days/720 hours in a calendar year (or 140 days/916 hours if designated by a school district or institution of higher education).

The critical shortage provision allows rural school districts, or Boards of Cooperative Educational Services (BOCES) or charter schools located within rural school districts in Colorado to declare a critical shortage for certain positions. Once a critical shortage has been determined by the employer, they can then hire a PERA retiree (referred to as a “critical shortage retiree” in this fact sheet) to work in that position and be exempt from PERA working after retirement limits.

CRITICAL SHORTAGE EMPLOYER INFORMATION

To hire a retiree as a critical shortage retiree, employers must meet the following requirements:

- » Be defined as a rural or small rural school district by the Colorado Department of Education, or a charter school or BOCES within a rural school district.
- » Declare a critical shortage of qualified teachers, school bus drivers, school food services cooks, school nurses, or paraprofessionals.
- » Hire the critical shortage retiree only as a teacher, school bus driver, or school food services cook, school nurse, or paraprofessional and declare that the critical shortage retiree has specific experience, skills, or qualifications that would benefit the district.
- » Submit a *Designation of Retirees Working After Retirement in a Critical Shortage Position* form to PERA as soon as any critical shortage retiree is hired under the terms of the law. A list of critical shortage retirees must be provided to PERA at the start of each calendar year and must be updated as additional retirees are hired.
- » Make any designations of critical shortage retirees before or in the calendar year in which they are applicable. Any designations made after the applicable calendar year will not be recognized.

- » Notify PERA in writing when a retiree is no longer employed as a critical shortage retiree.
- » Remit the following contributions as required under current law:
 - Full employer contribution
 - Amortization Equalization Disbursement (AED)
 - Supplemental Amortization Equalization Disbursement (SAED)
 - Working retiree contribution
- » Provide information requested by PERA for the purpose of reporting to the Legislature.
- » Provide access to the employer’s health care benefits in compliance with the law.

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Contact PERA’s Benefits Compliance Team for additional information:

» Call: 303-863-3737

» Email: BSDCompliance@copera.org

CRITICAL SHORTAGE PROVISION SUMMARY

CRITICAL SHORTAGE RETIREE INFORMATION

To work after retirement for an eligible school district, BOCES, or charter school without a reduction in benefits, retirees must adhere to the following:

- » Do not work for any employer during the effective month of retirement, as under current law.
- » Work only as a teacher, school bus driver, school food services cook, school nurse, or paraprofessional.
- » Pay the working retiree contribution (retirees will not earn additional service credit or increase their Highest Average Salary).
- » Limit work to six consecutive years without a reduction in benefits, starting the year the retiree becomes a critical shortage retiree. After that six-year period, retirees may continue to work, but only for the applicable 110-day or 140-day limit.

Teachers who retired with a reduced service retirement benefit:

- » Must wait two years after retirement to return to work as a critical shortage retiree for the employer from which they retired.
- » Can immediately work without limit as a critical shortage retiree for another eligible critical shortage employer other than the one from which they retired.

Note: Critical shortage retirees are eligible to participate in their employers' health insurance programs or the PERACare program; however, no subsidy will be applied toward payment of PERACare premiums.