

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 13-0438.01 Gregg Fraser x4325

**SENATE BILL 13-055**

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**SENATE SPONSORSHIP**

**Lambert,**

**HOUSE SPONSORSHIP**

**Saine,**

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**Senate Committees**  
State, Veterans, & Military Affairs

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING METHODS TO INCREASE THE ACTUARIAL SOUNDNESS OF**  
102     **THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

For the public employees' retirement association (PERA), current law specifies that a maximum amortization period of 30 years is deemed actuarially sound. The bill specifies that this assumes a discount rate equal to the state's long-term debt interest rate.

The bill modifies the circumstances in which employer or member

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

contribution rates are adjusted, requiring the general assembly to adjust employer or member contribution rates as necessary to maintain each PERA division trust fund as actuarially sound.

The bill requires the PERA board to annually submit recommendations to the general assembly regarding methods to respond to decreases in asset values, to decrease amortization periods, and to ensure full funding. An annual public comprehensive financial report is also required.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 24-51-211 as  
3 follows:

4 **24-51-211. Amortization of liabilities.** (1) An amortization  
5 period for each of the state division, school division, local government  
6 division, judicial division, and Denver public schools division trust funds  
7 shall be calculated separately. A maximum amortization period of thirty  
8 years, ASSUMING A DISCOUNT RATE EQUAL TO THE STATE'S LONG-TERM  
9 DEBT INTEREST RATE, shall be deemed actuarially sound. ~~Upon~~  
10 ~~recommendation of the board, and with the advice of the actuary, the~~  
11 ~~employer or member contribution rates for the plan may be adjusted by~~  
12 ~~the general assembly when indicated by actuarial experience.~~ THE  
13 GENERAL ASSEMBLY SHALL HAVE THE AUTHORITY TO ADJUST EMPLOYER  
14 OR MEMBER CONTRIBUTION RATES AS NECESSARY TO MAINTAIN EACH  
15 DIVISION TRUST FUND AS ACTUARIALLY SOUND.

16 (2) On or before ~~November 1, 2009~~, NOVEMBER 1, 2013, AND  
17 EACH NOVEMBER 1 THEREAFTER, the board shall submit specific,  
18 comprehensive recommendations to the general assembly regarding  
19 possible methods to respond to the decrease in the value of the  
20 association's assets, including real estate, private equity, and other  
21 investments, to decrease the amortization period of each division of the

1 association, and to ensure that each division of the association will  
2 become and remain fully funded. ON OR BEFORE MAY 31 OF EACH YEAR  
3 FOLLOWING THE SUBMISSION OF THE RECOMMENDATIONS TO THE GENERAL  
4 ASSEMBLY, THE BOARD SHALL MAKE PUBLIC AN ANNUAL COMPREHENSIVE  
5 FINANCIAL REPORT.

6 **SECTION 2. Act subject to petition - effective date.** This act  
7 takes effect at 12:01 a.m. on the day following the expiration of the  
8 ninety-day period after final adjournment of the general assembly (August  
9 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a  
10 referendum petition is filed pursuant to section 1 (3) of article V of the  
11 state constitution against this act or an item, section, or part of this act  
12 within such period, then the act, item, section, or part will not take effect  
13 unless approved by the people at the general election to be held in  
14 November 2014 and, in such case, will take effect on the date of the  
15 official declaration of the vote thereon by the governor.