

**First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 17-1042.01 Nicole Myers x4326

**HOUSE BILL 17-1265**

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**HOUSE SPONSORSHIP**

**Becker K. and Norberg,**

**SENATE SPONSORSHIP**

**Priola and Kerr, Court, Gardner**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

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**A BILL FOR AN ACT**

101      **CONCERNING AN INCREASE IN THE TOTAL EMPLOYER CONTRIBUTION**  
102                    **FOR EMPLOYERS IN THE JUDICIAL DIVISION OF THE PUBLIC**  
103                    **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://leg.colorado.gov>.)*

In 2004 and 2006, the general assembly enacted legislation that required each employer in the public employees' retirement association (PERA) to make additional contributions to PERA. The additional employer contributions are the amortization equalization disbursement (AED) and a supplemental amortization equalization disbursement

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.*

SENATE  
2nd Reading Unamended  
May 2, 2017

HOUSE  
3rd Reading Unamended  
April 17, 2017

HOUSE  
2nd Reading Unamended  
April 13, 2017

(SAED). Although the SAED is an employer contribution, it is funded by money that would otherwise be available for employee salary increases. The AED and the SAED are to reduce PERA's unfunded liability and amortization period.

Both the AED and the SAED increase gradually over time for all PERA divisions. In 2010, the general assembly capped the AED and the SAED for the judicial division and the local government division at the 2010 levels, which for the AED is 2.20% of the employer's total payroll and for the SAED is 1.50% of the employer's total payroll.

For the calendar year beginning in 2019, for the judicial division only, the bill increases the AED to 3.40% of total payroll and requires the AED payment to increase by 0.4% of total payroll at the start of each of the following 4 calendar years through 2023. In addition, for the calendar year beginning in 2019, for the judicial division only, the bill increases the SAED to 3.40% of total payroll and requires the SAED payment to increase by 0.4% of total payroll at the start of each of the following 4 calendar years through 2023.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-51-411, **amend**  
3 (4), (7), and (9); and **add** (4.5) and (7.5) as follows:

4           **24-51-411. Amortization equalization disbursement.** (4) For  
5 employers in the local government division and the judicial division, the  
6 amortization equalization disbursement shall not exceed the 2010  
7 calendar year rates unless the rates are required to increase in accordance  
8 with ~~subsection (9)~~ SUBSECTION (4.5) OR (9) of this section.

9           (4.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2019, FOR  
10 THE EMPLOYERS IN THE JUDICIAL DIVISION, THE AMORTIZATION  
11 EQUALIZATION DISBURSEMENT PAYMENT SHALL BE THREE AND  
12 FOUR-TENTHS PERCENT OF THE EMPLOYER'S TOTAL PAYROLL. THE  
13 AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT FOR EMPLOYERS  
14 IN THE JUDICIAL DIVISION SHALL INCREASE BY FOUR-TENTHS OF ONE  
15 PERCENT OF TOTAL PAYROLL ON JANUARY 1, 2020, AND SHALL INCREASE  
16 BY FOUR-TENTHS OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF

1 EACH OF THE CALENDAR YEARS FOLLOWING 2020 THROUGH 2023. FOR  
2 PURPOSES OF THIS SECTION, THE EMPLOYER'S TOTAL PAYROLL SHALL BE  
3 CALCULATED BY APPLYING THE DEFINITION OF SALARY, AS DEFINED IN  
4 SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL EMPLOYEES WORKING  
5 FOR THE EMPLOYER WHO ARE MEMBERS OF THE ASSOCIATION, INCLUDING  
6 ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE  
7 BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).

8 (7) For employers in the local government division and the  
9 judicial division, the supplemental amortization equalization  
10 disbursement shall not exceed the 2010 calendar year rates unless the  
11 rates are required to increase in accordance with ~~subsection (9)~~  
12 SUBSECTION (7.5) OR (9) of this section.

13 (7.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2019, FOR  
14 THE EMPLOYERS IN THE JUDICIAL DIVISION, THE SUPPLEMENTAL  
15 AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT SHALL BE THREE  
16 AND FOUR-TENTHS PERCENT OF THE EMPLOYER'S TOTAL PAYROLL. THE  
17 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENT  
18 FOR EMPLOYERS IN THE JUDICIAL DIVISION SHALL INCREASE BY  
19 FOUR-TENTHS OF ONE PERCENT OF TOTAL PAYROLL ON JANUARY 1, 2020,  
20 AND SHALL INCREASE BY FOUR-TENTHS OF ONE PERCENT OF TOTAL  
21 PAYROLL AT THE START OF EACH OF THE CALENDAR YEARS FOLLOWING  
22 2020 THROUGH 2023. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S  
23 TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF  
24 SALARY, AS DEFINED IN SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL  
25 EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE  
26 ASSOCIATION, INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE  
27 EMPLOYMENT OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION

1 24-51-1101 (2).

2 (9) The amortization equalization disbursement and the  
3 supplemental amortization equalization disbursement payments by  
4 employers in the local government division ~~and judicial division~~ shall  
5 continue at the rate specified in subsections (4) and (7) of this section  
6 until adjusted pursuant to this subsection (9). THE AMORTIZATION  
7 EQUALIZATION DISBURSEMENT AND THE SUPPLEMENTAL AMORTIZATION  
8 EQUALIZATION DISBURSEMENT PAYMENTS BY EMPLOYERS IN THE JUDICIAL  
9 DIVISION SHALL CONTINUE AT THE RATES SPECIFIED IN SUBSECTIONS (4),  
10 (4.5), (7), AND (7.5) OF THIS SECTION UNTIL ADJUSTED PURSUANT TO THIS  
11 SUBSECTION (9). When the actuarial funded ratio of the local government  
12 division or judicial division of the association, based on the actuarial  
13 value of the assets, is at or above one hundred three percent as determined  
14 in the annual actuarial study of the association, the amount of the  
15 amortization equalization disbursement and supplemental amortization  
16 equalization disbursement shall be reduced for employers in that  
17 particular division by one-half of one percent each. If the actuarial funded  
18 ratio of the division based on the actuarial value of the assets reaches  
19 ninety percent and subsequently the actuarial funded ratio of the division  
20 is below ninety percent, the amortization equalization disbursement and  
21 supplemental amortization equalization disbursement shall be increased  
22 by one-half of one percent each; except that, at no time shall the  
23 amortization equalization disbursement or the supplemental amortization  
24 equalization disbursement exceed five percent each.

25 **SECTION 2. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly (August

1 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
2 referendum petition is filed pursuant to section 1 (3) of article V of the  
3 state constitution against this act or an item, section, or part of this act  
4 within such period, then the act, item, section, or part will not take effect  
5 unless approved by the people at the general election to be held in  
6 November 2018 and, in such case, will take effect on the date of the  
7 official declaration of the vote thereon by the governor.