



SENATE JOINT RESOLUTION 26-016

BY SENATOR(S) Lindstedt, Amabile, Baisley, Ball, Benavidez, Bridges, Bright, Carson, Catlin, Cutter, Daugherty, Exum, Frizell, Gonzales J., Hinrichsen, Jodeh, Kipp, Kirkmeyer, Kolker, Liston, Marchman, Mullica, Pelton B., Pelton R., Rich, Roberts, Rodriguez, Simpson, Snyder, Sullivan, Wallace, Weissman, Zamora Wilson, Coleman;
also REPRESENTATIVE(S) Stewart R., Bacon, Boesenecker, Brown, Camacho, Carter, Clifford, Duran, English, Espenoza, Garcia, Goldstein, Hamrick, Jackson, Joseph, Lindsay, Lukens, Marshall, McCormick, Nguyen, Phillips, Rutinel, Sirota, Slauch, Smith, Soper, Stewart K., Story, Titone, Valdez, Velasco, Willford, Zokaie, McCluskie.

CONCERNING THE IMPROVEMENT OF RETIREMENT READINESS AND FINANCIAL WELL-BEING.

WHEREAS, Colorado has one of the strongest retirement systems in the United States. The Colorado public employees' retirement association (PERA) provides retirement and other benefits to the public employees of more than 400 government agencies and public entities in Colorado; and

WHEREAS, PERA is a substitute for social security for most of these public employees, offering two plan options: The defined benefit (DB) plan and the defined contribution (DC) plan. Together, these plans serve approximately 226,000 active public employees; and

WHEREAS, PERA also offers voluntary savings plans, the PERAPlus 401(k) and 457 plans, to eligible public employees who elect to supplement their DB and DC retirement plans; and

WHEREAS, A recent study by the Colorado state auditor found that public employees who chose the PERA DB plan overwhelmingly cited the guarantee of lifetime income as the primary reason, and employees

who chose the PERA DC plan overwhelmingly cited portability as the primary reason; and

WHEREAS, Colorado institutions of higher education have long offered defined contribution plans with guaranteed lifetime income investment options for their participants. This was done to ensure these employees have plan portability with a guaranteed income option; and

WHEREAS, Evidence from program evaluations indicates that well-designed financial education in schools and workplaces can increase knowledge and change key behaviors to improve retirement security, especially when combined with structural reforms, such as automatic enrollment, employer match incentives, access to lifetime income options in default investments within retirement plans, and access to one-on-one counseling; and

WHEREAS, Colorado PERA continues to be an important driver of economic activity for the state's economy, providing over \$4 billion annually in retirement contributions to Colorado residents; and

WHEREAS, Retirement income serves as a reliable economic driver, generating multiplier effects as beneficiaries' expenditures circulate through local markets. This consistent spending pattern supports employment, sustains local businesses, and enhances statewide economic resilience and diversification; now, therefore,

Be It Resolved by the Senate of the Seventy-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) That the Colorado General Assembly recognizes the importance of retirement security for the people and economic viability of Colorado and encourages workers to seek out financial education to improve their retirement readiness and confidence so that they may retire with dignity; and

(2) That, to help public employees of PERA employers gain access to an adequate amount of lifetime income, the Colorado General Assembly should consider adding lifetime income options to the PERA DC plan and the voluntary savings plans to ensure public employees have access to guaranteed income in retirement similar to the PERA DB plan

design.

Be It Further Resolved, That copies of this Joint Resolution be sent to the members of the Senate Finance Committee, the House Finance Committee, the Senate Business, Labor, and Technology Committee, the House Business Affairs and Labor Committee, the Pension Review Commission, the Pension Review Subcommittee, and the Joint Budget Committee.

James Rashad Coleman Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
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OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
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