



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-028: PERA RISK-REDUCTION MEASURES

Prime Sponsors:

Sen. Kolker
Rep. Hamrick; Taggart

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0229

Version: Final Fiscal Note

Date: May 9, 2025

Fiscal note status: The final fiscal note reflects the enacted bill. The bill was recommended by the Pension Review Commission.

Summary Information

Overview. The bill requires the Public Employees’ Retirement Association (PERA) to conduct its actuarial experience study and periodical actuarial audit on a four-year schedule, and for the Pension Review Subcommittee to conduct its independent review within three months of the actuarial audit.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Statutory Public Entity

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires the Public Employees' Retirement Association's (PERA) Board of Trustees (the board) to conduct an actuarial experience study and a periodic actuarial audit every four years, starting in 2024 and 2026, respectively. The Pension Review Subcommittee must conduct its independent review of PERA within three months of the release of the periodic actuarial audit.

Background

Pursuant to its Governance Manual, PERA currently contracts with an actuary to conduct an actuarial experience study at least once every five years. These studies review the demographics of plan members and compare actuarial assumptions to the actual economic performance of PERA's investments. The board uses these studies when considering any adjustments to their actuarial assumptions. PERA's [2024 experience study](#) was just finalized.

Also pursuant to its Governance Manual, PERA conducts an actuarial audit at least once every five years. A periodic actuarial audit is a report that evaluates the accuracy of the actuarial experience study by having an external provider review the actuary's assumptions and replicate them. PERA's [last actuarial audit](#) was conducted in 2022.

This bill codifies the actuarial experience study and periodic actuarial audit into law, as well as a four-year timeline for these reports. This timeline is current practice.

Finally, the Pension Review Subcommittee is currently charged with commissioning an independent review.¹ The last review occurred in the 2024 interim and is available on the [Pension Review Subcommittee website](#).

State Expenditures

The Legislative Department will have a slight shift in workload and expenditures to support the Pension Review Subcommittee's commissioning of an independent review on the new timeline. No change in appropriations is required.

Statutory Public Entity

The bill codifies into law PERA's existing actual experience study and actuarial audit schedule, as well as associated timelines. This results in no fiscal impact for PERA.

¹ Section 24-51.1-101 (4)(h), C.R.S.

Effective Date

The bill was signed into law by the Governor on May 26, 2025, and takes effect on that date.

State and Local Government Contacts

Legislative Council Staff

State Auditor

Legislative Legal Services

Treasury

Public Employees' Retirement Association