



**Colorado
Legislative
Council
Staff**

SB17-113

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0808
Prime Sponsor(s): Sen. Neville T.
Rep. Everett

Date: February 1, 2017
Bill Status: Senate Finance
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: CAP EMPLOYER CONTRIBUTION RATES FOR PERA EMPLOYERS

Summary of Legislation

The bill places a cap on employers' total contribution rates to the Colorado Public Employees' Retirement Association (PERA). The cap for each division is equivalent to the 2018 calendar year rates under current law, as shown in Table 1. Table 1 also provides a breakdown of the employer contribution rate splits in 2018 under current law.

Table 1. PERA Employer Contribution Rates				
Contribution Rate Cap Under SB17-113		2018 Contribution Rate Split Under Current Law		
Division	Rate Cap	Contribution	AED	SAED
State	20.15%	10.15%	5.00%	5.00%
State Troopers	22.85%	12.85%	5.00%	5.00%
School	20.15%	10.15%	4.50%	5.50%
Denver Public Schools	20.15%	10.15%	4.50%	5.50%
Local Government	13.70%	10.00%	2.20%	1.50%
Judicial	17.36%	13.66%	2.20%	1.50%

Background

Employer contribution rates are set in state law and contributions are deposited into each division's pension trust fund (and, minimally, the PERACare Trust Fund). The Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED) are additional employer contributions to PERA, established in 2006 and 2008 respectively, that have built in gradual annual increases set to expire in 2018.

Assessment

Under current law, employer contributions are static and the AED and SAED will no longer increase after 2018. Senate Bill 17-113 codifies these caps. There is no change in state revenue or expenditures as a result of the bill. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

All State Agencies
PERA

Counties
School Districts

Municipalities
Special Districts