

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

ENGROSSED

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

LLS NO. 25-0648.01 Nicole Myers x4326

HOUSE BILL 25-1105

HOUSE SPONSORSHIP

Camacho and Bacon,

SENATE SPONSORSHIP

Gonzales J.,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN ADJUSTMENT TO THE TOTAL EMPLOYER**
102 **CONTRIBUTION RATE OF THE DENVER PUBLIC SCHOOL DIVISION**
103 **OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IN**
104 **CONNECTION WITH THE EQUALIZATION STATUS OF THE**
105 **ASSOCIATION'S DENVER PUBLIC SCHOOLS DIVISION WITH THE**
106 **ASSOCIATION'S SCHOOL DIVISION AS REQUIRED BY THE MERGER**
107 **OF THE DENVER PUBLIC SCHOOLS RETIREMENT SYSTEM WITH**
108 **THE ASSOCIATION.**

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
Amended 2nd Reading
April 7, 2025

<http://leg.colorado.gov>.)

In 2009, the general assembly enacted legislation to merge the Denver public schools retirement system into the public employees' retirement association (PERA), effective January 1, 2010. The merger legislation created a Denver public schools (DPS) division within PERA and set the employer and member contribution rates for that division. The merger legislation also required PERA to calculate a true-up beginning January 1, 2015, and every fifth year thereafter, to determine whether the DPS employer contribution rate must be adjusted to assure the equalization of the DPS division's ratio of unfunded actuarial accrued liability over payroll to the PERA school division's ratio of unfunded actuarial accrued liability over payroll at the end of the 30-year period that began on January 1, 2010 (equalization of the 2 divisions). If necessary, the PERA board is required to recommend that the general assembly adjust the DPS total employer contribution rate to assure the equalization of the 2 divisions.

In furtherance of the true-up for the equalization of the 2 divisions, beginning on July 1, 2025, the bill reduces the total employer contribution rate for the DPS division from 10.4% to 7.4% of salary. The bill does not alter the employer or member contribution rate for any other division of PERA.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-51-401, **add**
3 (1.7)(a)(V) as follows:

4 **24-51-401. Employer and member contributions.**
5 (1.7) (a) (V) EFFECTIVE JULY 1, 2025, SUBJECT TO SECTION 24-51-413,
6 THE EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON
7 THE RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE
8 FOLLOWING TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION
9 24-51-101 (42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL
10 PERIOD:

11 **TABLE E**

12 **CONTRIBUTION RATES**

13 **DIVISION MEMBERSHIP EMPLOYER RATE MEMBER RATE**

1	STATE	ALL MEMBERS	10.4%	10.0%
2		EXCEPT		
3		STATE TROOPERS	13.1%	12.0%
4	SCHOOL	ALL MEMBERS	10.4%	10.0%
5	LOCAL			
6	GOVERNMENT	ALL MEMBERS	10.0%	8.0%
7	JUDICIAL	ALL MEMBERS	13.91%	10.0%
8	DPS	ALL MEMBERS	7.4%	10.0%

9 **SECTION 2.** In Colorado Revised Statutes, 24-51-208, **amend**
10 (1) introductory portion and (1)(f.5) as follows:

11 **24-51-208. Allocation of moneys.** (1) The ~~moneys~~ MONEY of the
12 association shall be divided into several trust funds, including, but not
13 limited to:

14 (f.5) The Denver public schools division health care trust fund,
15 created pursuant to the provisions of section 24-51-1201 (2), which
16 consists of a portion of the employer contributions equal to ~~one and two~~
17 ~~one-hundredths~~ TWO-TENTHS OF ONE percent of member salaries; a
18 portion of the amount paid by members to purchase service credit relating
19 to noncovered employment as determined pursuant to section 24-51-505
20 (7); deductions of premium amounts from monthly benefits of
21 participating benefit recipients; premiums paid directly to the trust fund
22 by participating benefit recipients, members, and dependents; monthly
23 payments made by employers on behalf of participating benefit recipients,
24 members, and dependents; and interest; in addition to a proportional share
25 of investment income earned thereon;

26 **SECTION 3.** In Colorado Revised Statutes, 24-51-414, **amend**
27 (4) as follows:

1 **24-51-414. Direct distribution.** (4) (a) PRIOR TO JULY 1, 2030,
2 the association shall allocate the direct distribution to the trust funds of
3 each division of the association as it would an employer contribution, in
4 a manner that is proportionate to the annual payroll of each division as
5 reported to the association; except that the association shall not allocate
6 any portion of the direct distribution amount to the local government
7 division OR THE DENVER PUBLIC SCHOOLS DIVISION of the association.

8 (b) BEGINNING JULY 1, 2030, THE ASSOCIATION SHALL ALLOCATE
9 THE DIRECT DISTRIBUTION TO THE TRUST FUNDS OF EACH DIVISION OF THE
10 ASSOCIATION AS IT WOULD AN EMPLOYER CONTRIBUTION, IN A MANNER
11 THAT IS PROPORTIONATE TO THE ANNUAL PAYROLL OF EACH DIVISION AS
12 REPORTED TO THE ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL
13 NOT ALLOCATE ANY PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO
14 THE LOCAL GOVERNMENT DIVISION.

15 **SECTION 4.** In Colorado Revised Statutes, 24-51-413, **amend**
16 (1)(a), (1)(b), (2), (3)(b), and (6)(b) as follows:

17 **24-51-413. Contribution and annual increase amount changes**
18 **- definitions.** (1) As used in this section, unless the context otherwise
19 requires:

20 (a) "Blended total contribution amount" means the weighted
21 average of the total amounts paid by the employer and the member to the
22 association for ~~each of the five~~ THE STATE, SCHOOL, LOCAL GOVERNMENT,
23 AND JUDICIAL divisions pursuant to sections 24-51-401 (1.7) and
24 24-51-411, and the amount the association receives pursuant to section
25 24-51-414, but shall not include the portion of the employer contribution
26 remitted to the health care trust fund pursuant to section 24-51-208 (1)(f)
27 and (1)(f.5) and the portion of the employer contribution remitted to the

1 annual increase reserve.

2 (b) "Blended total required contribution" means the weighted
3 average of the total of the association's reported actuarially determined
4 contribution rates and member contribution rates of the five STATE,
5 SCHOOL, LOCAL GOVERNMENT, AND JUDICIAL division trust funds.

6 (2) Beginning July 1, 2019, and each July 1 thereafter, employer
7 contribution rates OF THE FIVE DIVISIONS, member contribution rates,
8 annual increase amounts, and the direct distribution amount shall remain
9 unchanged until such time as changes are required pursuant to this
10 section.

11 (3) When the blended total contribution amount is less than
12 ninety-eight percent of the blended total required contribution, the
13 following adjustment shall occur:

14 (b) The employer contribution rate will be increased by up to
15 one-half of one percent, but at no time will the employer contribution rate
16 be increased to exceed the employer contribution rates under section
17 ~~24-51-401 (1.7)(a)(H)~~ SECTION 24-51-401 (1.7)(a)(V), plus two percent;

18 (6) When the blended total contribution amount is greater than or
19 equal to one hundred twenty percent of the blended total required
20 contribution, the following adjustment shall occur:

21 (b) The employer contribution rate will be reduced by up to
22 one-half of one percent, but at no time will the employer contribution rate
23 be less than the employer contribution rates under section 24-51-401
24 (1.7)(a)(I) FOR THE STATE, SCHOOL, LOCAL GOVERNMENT, AND JUDICIAL
25 DIVISIONS AND THE EMPLOYER CONTRIBUTION RATES UNDER SECTION
26 24-51-401 (1.7)(a)(V) FOR THE DENVER PUBLIC SCHOOLS DIVISION;

27 **SECTION 5. Effective date.** This act takes effect July 1, 2025.

1 **SECTION 6. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.