

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
9/9/24

BILL 3

LLS NO. 25-0229.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Pension Review Commission

BILL TOPIC: PERA Risk-Reduction Measures

A BILL FOR AN ACT

101 CONCERNING A REQUIREMENT THAT THE PUBLIC EMPLOYEES'
102 RETIREMENT ASSOCIATION IMPLEMENT CERTAIN
103 RISK-REDUCTION MEASURES.

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/>.)

Pension Review Commission. Currently, the public employees' retirement association (PERA) board (board) conducts or causes to be conducted an actuarial experience study of PERA and a periodic actuarial audit of PERA. Both the actuarial experience study and the periodic actuarial audit, neither of which are referenced in current law, are

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

conducted approximately once every 5 years, but the timing of the actuarial experience study and the periodic actuarial audit is not aligned.

The bill requires the board to conduct or cause to be conducted the actuarial experience study in the 2025 calendar year and every 3 years thereafter, rather than every 5 years. In addition, the bill requires the board to conduct or cause to be conducted the periodic actuarial audit of PERA in the 2026 calendar year and every 3 years thereafter, rather than every 5 years, and ensure that each periodic actuarial audit takes into consideration the results and findings of the actuarial experience study that was conducted during the prior calendar year.

In addition, beginning in the 2027 calendar year, and every 3 years thereafter, the state auditor is required to commission an independent review of the periodic actuarial audit that the board conducted or caused to be conducted in the prior calendar year by experts other than those already working on behalf of PERA. The experts commissioned to conduct the independent review are required to analyze how the periodic actuarial audit was conducted and provide an independent interpretation of the results of the periodic actuarial audit, including whether the periodic actuarial audit appropriately considered the results of the most recent actuarial experience study that the board conducted or caused to be conducted.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-51-204, **add** (12)
3 and (13) as follows:

4 **24-51-204. Duties of the board.** (12) BEGINNING IN THE 2025
5 CALENDAR YEAR, AND EVERY THREE YEARS THEREAFTER, THE BOARD
6 SHALL CONDUCT OR CAUSE TO BE CONDUCTED AN ACTUARIAL EXPERIENCE
7 STUDY OF THE ASSOCIATION. IN ADDITION, BEGINNING IN THE 2026
8 CALENDAR YEAR, AND EVERY THREE YEARS THEREAFTER, THE BOARD
9 SHALL CONDUCT OR CAUSE TO BE CONDUCTED A PERIODIC ACTUARIAL
10 AUDIT OF THE ASSOCIATION. THE BOARD SHALL ENSURE THAT THE
11 PERIODIC ACTUARIAL AUDIT OF THE ASSOCIATION CONDUCTED IN THE 2026
12 CALENDAR YEAR AND EVERY THREE YEARS THEREAFTER PURSUANT TO
13 THIS SUBSECTION (12) TAKES INTO CONSIDERATION THE RESULTS AND

1 FINDINGS OF THE ACTUARIAL EXPERIENCE STUDY OF THE ASSOCIATION
2 THAT WAS CONDUCTED DURING THE PRIOR CALENDAR YEAR.

3 (13) BEGINNING IN THE 2027 CALENDAR YEAR, AND EVERY THREE
4 YEARS THEREAFTER, THE BOARD SHALL SUBMIT TO AND THE STATE
5 AUDITOR SHALL COMMISSION AN INDEPENDENT REVIEW OF THE PERIODIC
6 ACTUARIAL AUDIT THAT THE BOARD CONDUCTED OR CAUSED TO BE
7 CONDUCTED IN THE PRIOR CALENDAR YEAR PURSUANT TO SUBSECTION
8 (12) OF THIS SECTION. THE AUDITOR SHALL USE EXPERTS OTHER THAN
9 THOSE ALREADY WORKING ON BEHALF OF THE ASSOCIATION. THE EXPERTS
10 COMMISSIONED TO CONDUCT THE INDEPENDENT REVIEW SHALL ANALYZE
11 HOW THE PERIODIC ACTUARIAL AUDIT WAS CONDUCTED AND PROVIDE AN
12 INDEPENDENT INTERPRETATION OF THE RESULTS OF THE PERIODIC
13 ACTUARIAL AUDIT, INCLUDING WHETHER THE PERIODIC ACTUARIAL AUDIT
14 APPROPRIATELY CONSIDERED THE RESULTS OF THE MOST RECENT
15 ACTUARIAL EXPERIENCE STUDY OF THE ASSOCIATION THAT THE BOARD
16 CONDUCTED OR CAUSED TO BE CONDUCTED PURSUANT TO SUBSECTION
17 (12) OF THIS SECTION.

18 **SECTION 2. Safety clause.** The general assembly finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety or for appropriations for
21 the support and maintenance of the departments of the state and state
22 institutions.