

April 8, 2024

To: Colorado Finance Committee
Chair Representative Marc Snyder, Vice Chair Representative Junie Joseph, Representative Lisa Frizell,
Representative Lorena Garcia, Representative Anthony Hartsook, Representative Cathy Kipp,
Representative William Lindstedt, Representative Bob Marshall, Representative Matt Soper,
Representative Ron Weinberg, Representative Chris deGruy Kennedy
From: Dr. Irene Martinez Jordan, AARP Volunteer Advocate
Re: SB24-044 PERA Refundable Income Tax Credit

Dear Chair and Members of the Committee:

My name is Dr. Irene Martinez Jordan. I am an AARP Advocacy Volunteer, representing its 670,000 Colorado membership. I am a retired Denver Public Schools educator and am under the PERA Retirement Plan.

AARP Colorado promotes a Colorado where 50 and older have the financial resources and opportunities to match their longer life expectancy. We advocate for PERA, our state retirement system, to remain strong for all older Coloradans, as well as their children and grandchildren. We are dedicated to enhancing the quality of life for all as we age and protecting earned income benefits.

AARP Strongly Supports SB24-044 which would provide a \$700 refundable income tax credit to low-income PERA retirees for a temporary period.

There is a snowballing effect of [inflation on family budgets](#). The typical American household spent \$709 more this past July, than it did two years ago to buy the same goods and services. * Ninety percent of people age 50 and older who receive retirement benefits now or will in the future say they are worried that their retirement benefits may not keep up with inflation. **

Unquestionably, PERA recipients need some financial relief. For example, my friend Eleanor, a retired High School Executive Secretary was the secretary to the principal. Even though she was the highest paid of retired clerical staff and one of the most competent retired secretaries I know, she is still struggling financially in retirement. She has had to cut down to less than \$200 per month for groceries. Instead of buying 5 pounds of potatoes she buys two potatoes. She has cut down on the amount of meat she buys. Her paid entertainment is very limited. To make sure she can pay all her bills each month she subscribes to Budget Billing for utilities. She pays \$152 per month but must pay any difference at the end of the year, sometimes a big amount. This past year she had to pay an additional \$400. She's afraid it will be even higher this year. Occasionally, she needs financial help from her children. As stated, this is a person whose retirement payment is at the top of the retired clerical staff scale. Those who are paid less than she, struggle even more and greatly need this tax credit to help with basic needs such as food, utilities, and housing. Inflation greatly affects those in retirement from public service to our state. Please vote yes on SB-044.

Thank you for your time and your hard work for all the people of Colorado.

Dr. Irene Martinez Jordan
720-270-1688

*CNN Report By [Matt Egan](#), Moody's Analytics, Fri August 11, 2023.

https://www.cnn.com/2023/08/11/economy/inflation-rate-spending/index.html?utm_medium=email&utm_source=cnn_LinkedIn-Newsletter&trk=article-ssr-frontend-pulse_little-text-block

** AARP Survey

<https://www.aarp.org/pri/topics/work-finances-retirement/social-security/inflation-social-security-retirement-benefits/>

Hello, Mister Chair and members of the Committee,

My name is Carol Pace. I am a volunteer with AARP Colorado. AARP has over 670,000 members in Colorado and is focused on Coloradans age 50 and above, as well as their families. AARP supports SB24-044 which would provide a modicum of additional retirement support to low-income PERA retirees for a temporary period in time. AARP promotes financial security for older Coloradans through secure pension plans which would provide public workers with a secure retirement.

- To provide perspective, within the 5.8 million overall population in Colorado the Public Employees Retirement Association has 671,000 PERA active employees, retirees and families. PERA public workers include such professions as school teachers, CDOT road workers, snow plow drivers, corrections officers and health professionals. PERA reports that nearly one in ten Coloradans depends on PERA. A county-by-county PERA population is included in the attached references, within the 2022 Popular Annual Report from PERA.
- PERA was formed to provide public employees an opportunity to have a secure retirement through a specific defined benefit retirement plan, which employees have earned by their contributions, at the rate of approximately 8 to 12% of their salary, throughout their careers.
 - PERA retirees, with some exceptions, are not eligible to receive Social Security, they are dependent upon PERA retirement benefits
 - The average PERA retiree benefit in 2022 was \$3,238 per month or \$38,856 per year, according to the Annual Report.
- SB24-044 provides a refundable income tax credit of \$700 per year or just \$58.33 per month for PERA retirees who have pensions of \$38,000 or less per year. The refundable tax credit is available for those who are aware of it and file a state income tax return. The fiscal note states that the cost of this provision would therefore be dependent upon the number of eligible PERA retirees that actually file a return to claim the tax credit.

This is a modest but critical addition to public employee retirement benefits at a time when inflation in housing, healthcare, food, and transportation have all created vulnerabilities for low-income PERA retirees.

AARP urges the support by this committee for SB24-044.

Sincerely,
Carol Pace, AARP Volunteer Advocate

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1. PERA By The Numbers: A Closer Look at the 2022 Annual Report. <https://peraontheissues.com/pera-by-the-numbers-a-closer-look-at-the-2022-annual-report/#:~:text=Benefits%20paid,22.6%20years%20of%20service%20credit>
 2. 2022 Annual Comprehensive Financial Report, June 2023. https://www.copera.org/files/ff845b8ac/2022_ACFR.pdf
 3. 2022 Popular Comprehensive Financial Report, June 2023 <https://www.copera.org/files/efb61933b/5-21+PAFR+2023.pdf> User-friendly annual report, map shows PERA retirees by county.