



February 2024

To: Senate Finance Committee

Re: SB24-044— PERA Retiree Refundable Income Tax Credit

Dear Senate Finance Committee Members:

The American Association of University Women (AAUW) is one of the oldest women's organizations in the country, empowering women since 1881. The mission of AAUW is to advance equity for women and girls through advocacy, education and research.

AAUW recognizes that women make up a substantial percentage of Colorado's PERA membership and retirees. When the State withholds funds from PERA, as was done during the pandemic and in prior years, the future well-being of our teachers and other public servants may be put at risk. These folks served the state in good faith, but the state has not kept its side of the bargain.

Towns and cities across Colorado benefit from the spending of retirees who live there. Thus, it is to the entire state's benefit to provide some measure of relief to PERA retirees through the proposed income tax credit.

For these reasons, AAUW of Colorado strongly supports SB24-044 and requests an AYE vote in committee and throughout the process of becoming law.

Respectfully submitted,

A handwritten signature in blue ink that reads "Su Ryden".

Su Ryden
AAUW Colorado Public Policy Co-Director

16699 E. Kentucky Ave.
Aurora, CO 80017
303.898.5797
su@ryden.com

American Association of University Women--AAUW is a top-rated 501(c)3 charitable organization whose mission is to advance gender equity for women and girls through research, education, and advocacy.



CITY OF AURORA-POLICE
MONEY PURCHASE PENSION PLAN

7979 E. TUFTS AVENUE, SUITE 1700 DENVER, CO 80237 303-229-5900 WWW.APMPPP.ORG

February 6, 2024

Senators Kolker and Hansen
Representatives Hamrick and Kipp

Re: Senate Bill 24-044

Dear Senators and Representatives:

We are writing to you to request that eligibility for the income tax credit made available by Colorado Senate Bill 24-044 to Public Employees' Retirement Association (PERA) retirees be expanded to include all Colorado public pension plan retirees who are resident individuals meeting the age and gross income requirements.

Many Colorado public plan retirees who are not PERA retirees are on a fixed income and do not receive cost-of-living adjustments because they were not permitted to participate in Social Security. Those retirees devoted their lives to Colorado public service and deserve the same consideration for benefits from the general fund as PERA retirees. Thank you for considering our request.

Sincerely,

A handwritten signature in blue ink, appearing to read "BK", with a long horizontal flourish extending to the right.

Brian Kelly
Chairperson

Plan Administration Committees of Retirement Plan and Trust Agreement of the Police Department of the City of Aurora and Money Purchase Pension Plan and Trust Agreement of the Police Department of the City of Aurora

KIMBERLY ARCHULETTA
County Treasurer

TERRY HART
Appointed Representative

KATHY KOEN
Elected Representative

JUDY A. MARTINEZ
Appointed Representative

MARK MEARS
Elected Representative

JOEL THOMPSON
Plan Administrator

CINDY JONES
Retirement Benefits



**BOARD OF RETIREMENT
PUEBLO COUNTY, COLORADO**

February 6, 2024

Senators Kolker and Hansen
Representatives Hamrick and Kipp

Re: Senate Bill 24-044

Dear Senators and Representatives:

We are writing to you to request that eligibility for the income tax credit made available by SB 24-044 be expanded to include all Colorado public pension plan retirees who are resident individuals and meet the age and gross income requirements, and not just Public Employees' Retirement Association (PERA) retirees.

Many Colorado public plan retirees—not only PERA retirees—live on a fixed income. Pueblo County's retirees receive no cost-of-living adjustment ("COLA") from their plan, The Pension Plan for County Officers and Employees of Pueblo County, Colorado. Pueblo County's retirees devoted their working lives to serving Colorado, and have equally been adversely impacted by recent inflation. Accordingly, Pueblo County and PERA retirees should be considered together for the relief provided by SB 24-044.

Thank you for considering our request.

Sincerely,

Joel Thompson
Plan Administrator

The Pension Plan for County Officers and Employees of Pueblo County, Colorado

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 \$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

-
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.

February 3, 2024

To: Colorado Senate Committee of Finance
Senator Kyle Mullica, Chair; Senator Chris Kolker, Vice Chair; Senator Janet Buckner; Senator Chris Hansen; Senator Cleave Simpson; Senator, Jim Smallwood; Senator Kevin Van Winkle
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/>