

  
*Colorado Legislative Council Staff Fiscal Note*  
**FINAL**  
**FISCAL NOTE**

**Drafting Number:** LLS 12-0521  
**Prime Sponsor(s):** Sen. Harvey

**Date:** May 15, 2012  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Kerry White (303-866-3469)

**TITLE:** CONCERNING THE ELIGIBILITY OF A PERSON TO RECEIVE A RETIREMENT BENEFIT FROM THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION UPON REACHING THE SAME AGE REQUIRED TO RECEIVE A SOCIAL SECURITY RETIREMENT BENEFIT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was postponed indefinitely by the Senate Finance Committee on February 9, 2012.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>Statutory Public Entity Impact:</b> Reduction of \$388.3 million in 2043- See Statutory Public Entity Impact section.		

**Summary of Legislation**

This bill modifies eligibility for receiving a retirement benefit from the Public Employees Retirement Association (PERA). Under current law, a PERA member is eligible for retirement based on a combination of age and years of service credit. Depending on when a member was hired, the earliest age a person is eligible to receive a full PERA benefit is 50.

This bill requires that PERA members hired on or after January 1, 2013, meet the same age qualifications required to receive a federal Social Security benefit. Eligibility for Social Security is based solely on age. Currently there are 13 different age tiers for Social Security, ranging from 65 to 67 and depending on a person's year of birth.

**Statutory Public Entity Impact**

This bill generates savings to PERA in the long-term because it delays the timing in which retirement benefit payments are made. Based on an assumption that members hired in 2013 will not retire for 30 years, the savings to PERA divisions in 2043, expressed in today's dollars, are shown in Table 1.

<b>Division</b>	<b>Savings</b>
State Division	\$134.5 million
School Division	202.6 million
DPS Division	24.5 million
Local Government Division	25.8 million
Judicial Division	0.9 million
<b>TOTAL</b>	<b>\$388.3 million</b>

Additional savings will be realized for each of the Health Care Trust Funds, but these amounts are anticipated to be minimal and have not been estimated.

**Departments Contacted**

Public Employees' Retirement Association