

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

January 26, 2010
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB10-001 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 14, line 19, strike "SCHOOL, STATE," and
2 substitute "SCHOOL".

3 Page 14, line 22, strike "2017." and substitute "2015. FOR THE CALENDAR
4 YEAR 2016, FOR EMPLOYERS IN THE SCHOOL AND DENVER PUBLIC
5 SCHOOLS DIVISIONS, THE AMORTIZATION EQUALIZATION DISBURSEMENT
6 PAYMENT SHALL INCREASE BY THREE-TENTHS OF ONE PERCENT OF TOTAL
7 PAYROLL AT THE START OF THE 2016 CALENDAR YEAR."

8 Page 15, after line 3 insert:

9 "(3.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2013, FOR
10 EMPLOYERS IN THE STATE DIVISION, THE AMORTIZATION EQUALIZATION
11 DISBURSEMENT PAYMENT SHALL INCREASE BY FOUR-TENTHS OF ONE
12 PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE CALENDAR
13 YEARS THROUGH 2017. FOR PURPOSES OF THIS SECTION, THE EMPLOYER'S
14 TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE DEFINITION OF
15 SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE PAYROLL FOR ALL
16 EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE MEMBERS OF THE
17 ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO BECOME MEMBERS OF
18 THE ASSOCIATION ON OR AFTER JANUARY 1, 2006, INCLUDING ANY
19 AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT OF A RETIREE BY
20 AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2)."

1 Page 15, line 26, strike "SCHOOL, STATE" and substitute "SCHOOL".

2 Page 16, line 3, strike "2017." and substitute "2018.".

3 Page 16, after line 10 insert:

4 "(6.5) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2014, FOR
5 EMPLOYERS IN THE STATE DIVISION, THE SUPPLEMENTAL AMORTIZATION
6 EQUALIZATION DISBURSEMENT PAYMENT SHALL INCREASE BY ONE-HALF
7 OF ONE PERCENT OF TOTAL PAYROLL AT THE START OF EACH OF THE
8 CALENDAR YEARS THROUGH 2017. FOR PURPOSES OF THIS SECTION, THE
9 EMPLOYER'S TOTAL PAYROLL SHALL BE CALCULATED BY APPLYING THE
10 DEFINITION OF SALARY, PURSUANT TO SECTION 24-51-101 (42), TO THE
11 PAYROLL FOR ALL EMPLOYEES WORKING FOR THE EMPLOYER WHO ARE
12 MEMBERS OF THE ASSOCIATION, OR WHO WERE ELIGIBLE TO ELECT TO
13 BECOME MEMBERS OF THE ASSOCIATION ON OR AFTER JANUARY 1, 2006,
14 INCLUDING ANY AMOUNTS PAID IN CONNECTION WITH THE EMPLOYMENT
15 OF A RETIREE BY AN EMPLOYER PURSUANT TO SECTION 24-51-1101 (2).".

16 Page 16, line 19, strike "(3) AND" and substitute "(3), (3.5),".

17 Page 16, line 20, strike "(6)" and substitute "(6), AND (6.5)".

18 Page 17, strike lines 19 and 20 and substitute "EQUALIZATION
19 DISBURSEMENT FOR THE SCHOOL AND DENVER PUBLIC SCHOOLS DIVISIONS
20 EXCEED FOUR AND ONE-HALF PERCENT OR FOR THE STATE DIVISION
21 EXCEED FIVE PERCENT NOR SHALL THE SUPPLEMENTAL AMORTIZATION
22 EQUALIZATION DISBURSEMENT FOR THE SCHOOL AND DENVER PUBLIC
23 SCHOOLS DIVISIONS EXCEED FIVE AND ONE-HALF PERCENT EACH OR FOR
24 THE STATE DIVISION EXCEED FIVE PERCENT.".

25 Page 24, line 9, after "TABLE" insert "AND WHO ARE NOT ELIGIBLE FOR
26 SERVICE RETIREMENT BENEFITS PURSUANT TO SUBSECTION (1.8) OF THIS
27 SECTION".

28 Page 25, after line 1 insert:

29 "(1.8) (a) MEMBERS OF THE SCHOOL DIVISION OR DENVER PUBLIC
30 SCHOOLS DIVISION WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR
31 RETIREES ON DECEMBER 31, 2016, WHO HAVE MET THE AGE AND SERVICE
32 REQUIREMENTS STATED IN THE FOLLOWING TABLE SHALL, UPON WRITTEN
33 APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE

1 RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN
2 SECTION 24-51-603, PROVIDED, HOWEVER, THAT AT LEAST THE MOST
3 RECENT TEN YEARS OF SERVICE CREDIT USED IN MEETING THE
4 REQUIREMENTS OF THE TABLE BELOW MUST BE EARNED IN THE SCHOOL OR
5 DENVER PUBLIC SCHOOLS DIVISIONS IN ORDER FOR THE MEMBER TO BE
6 ELIGIBLE PURSUANT TO THIS PARAGRAPH (a):

7 **TABLE B.4**
8 **SERVICE RETIREMENT ELIGIBILITY**

| 9 AGE REQUIREMENT | SERVICE CREDIT REQUIREMENT |
|-------------------|----------------------------|
| 10 (YEARS) | (YEARS) |
| 11 ANY AGE | 35 |
| 12 58 | 30 |
| 13 65 | 5 |

14 (b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO
15 THIS SUBSECTION (1.8) AND WHO ARE FIFTY-EIGHT YEARS OF AGE OR
16 OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD,
17 RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT
18 FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION
19 PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF
20 SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE
21 NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY-EIGHT
22 YEARS OR MORE."

23 Page 33, line 9, strike "FOR" and substitute "SUBJECT TO THE PROVISIONS
24 OF SUBPARAGRAPH (IV) OF THIS PARAGRAPH (b), FOR".

25 Page 33, after line 16 insert:

26 "(IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER
27 JANUARY 1, 2017, THE RETIREE RETIRED FROM THE SCHOOL OR DENVER
28 PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT
29 BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST
30 RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR
31 DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE
32 RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT
33 YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT
34 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
35 ATTAINED THE AGE OF SIXTY."

1 Page 33, strike lines 26 and 27 and substitute "BENEFITS FOR THE YEAR
2 2010 SHALL BE THE LESSER OF TWO PERCENT OR THE AVERAGE OF THE
3 ANNUAL INCREASES DETERMINED FOR EACH MONTH,".

4 Page 34, line 1, strike "ACTUAL INCREASE,".

5 Page 34, line 4, strike "THE PERIOD OF JANUARY 2008 TO JANUARY 2009;"
6 and substitute "EACH OF THE MONTHS IN THE 2009 CALENDAR YEAR.".

7 Page 34, strike lines 5 through 10.

8 Page 34, line 11, strike "2012," and substitute "2011,".

9 Page 37, line 4, strike "the actual increase," and substitute "~~the actual~~
10 ~~increase~~ THE AVERAGE OF THE ANNUAL INCREASES DETERMINED FOR EACH
11 MONTH, TO THE NEAREST ONE-TENTH OF A PERCENT,".

12 Page 37, line 6, after "workers" insert "DURING THE CALENDAR YEAR
13 PRECEDING THE INCREASE IN THE BENEFIT".

14 Page 37, strike lines 8 through 12.

15 Page 37, line 13, strike "(b)" and substitute "(4.5)", and strike "2011," and
16 substitute "2010,".

17 Page 39, line 27, strike "NOTWITHSTANDING THE PROVISIONS OF THIS".

18 Page 40, strike lines 1 through 6.

19 Page 52, after line 7 insert:

20 "SECTION 30. 24-51-1729 (1) (a) (V), Colorado Revised
21 Statutes, is amended to read:

22 **24-51-1729. Benefits - deferred members.** (1) In the event the
23 employment of such member with the district terminates on or after July
24 1, 1962, the deferred retirement allowance, subject to the limitations set
25 forth in section 24-51-1731, shall be computed in the following manner
26 and paid under the following conditions:

27 (a) The amount of the deferred retirement allowance under option
28 A shall be determined in the same manner and subject to the same

1 conditions as is set forth in section 24-51-1715, if the member was a
2 contributing member or affiliate member at the time that employment
3 was terminated, with the following limitations:

4 (V) In making the calculation of the deferred retirement
5 allowance for one qualified for deferred benefits, the provisions of
6 section 24-51-1715 (1) (c) changing the reduction percentage from four
7 percent to six percent for certain retirements ~~and section 24-51-1732~~
8 ~~basing the annual retirement allowance adjustment on the lesser of three~~
9 ~~percent or the actual increase, as calculated by the United States~~
10 ~~department of labor, in the national consumer price index for urban wage~~
11 ~~earners and clerical workers during the calendar year preceding the~~
12 ~~increase, but in no case less than zero, shall not apply if the retiree~~
13 ~~terminated employment on or before June 30, 2005."~~

14 Renumber succeeding sections accordingly.

15 Page 57, line 5, strike "30, 33, and 34." and substitute "31, 34, and 35".

** *** ** *** **