

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0182.01 Gregg Fraser x4325

SENATE BILL 12-016

SENATE SPONSORSHIP

Lambert, Brophy, Cadman, Grantham, Harvey, King K., Lundberg, Neville

HOUSE SPONSORSHIP

DelGrosso, Gardner B., Joshi

Senate Committees

State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF EMPLOYERS IN THE LOCAL
102 GOVERNMENT DIVISION OF THE PUBLIC EMPLOYEES'
103 RETIREMENT ASSOCIATION TO MAKE OPTIONAL MODIFICATIONS
104 TO THE CONTRIBUTION RATES TO THE ASSOCIATION.

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://www.leg.state.co.us/billsummaries>.)

The employer and member contribution rates for the public employees' retirement association (PERA) are specified in statute. For the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

calendar year beginning January 1, 2013, the bill allows employers in the local government division of PERA only to decrease the employer contribution rate and increase the member contribution rate by an amount to be determined by the employer, so long as:

! The total of the employer and member contribution rates is not less than the total of the employer and member contribution rates currently required to be delivered to PERA on behalf of each employee of an employer; and

! The increase in the member contribution to PERA and the corresponding decrease in the employer contribution is not greater than 2.5%.

Any change to the employer and member contribution rates to PERA is required to occur through a vote of the governing body of the employer at an official meeting of the governing body. Any employer that votes to alter the employer and member contribution rates to PERA is required to provide annual notice to PERA regarding the percentage of the employer and member contributions.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-51-401, **amend**
3 (1.7) (a); and **add** (1.7) (g) as follows:

4 **24-51-401. Employer and member contributions.**

5 (1.7) (a) Employers shall deliver a contribution report and the full
6 amount of employer contributions, member contributions, and working
7 retiree contributions to the association within five days after the date
8 members and retirees are paid. Except as provided in ~~paragraph (f)~~
9 PARAGRAPHS (f) AND (g) of this subsection (1.7), subsection (7) of this
10 section, and section 24-51-408.5, such contributions shall be based upon
11 the rates for the appropriate division as set forth in the following table
12 multiplied by the salary, as defined in section 24-51-101 (42), paid to
13 members and retirees for the payroll period:

14 **TABLE A**

15 **CONTRIBUTION RATES**

16 **Division Membership Employer Rate Member Rate**

1	State	All Members	10.15%	8.0%
2		Except		
3		State Troopers	12.85%	10.0%
4	School	All Members	10.15%	8.0%
5	Local			
6	Government	All Members	10.0%	8.0%
7	Judicial	All Members	13.66%	8.0%
8	DPS	All Members	13.75%	8.0%

9 (g) (I) FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2013,
10 AND FOR EACH CALENDAR YEAR THEREAFTER, EACH EMPLOYER IN THE
11 LOCAL GOVERNMENT DIVISION OF THE ASSOCIATION MAY DESIGNATE
12 ALTERNATIVE EMPLOYER AND MEMBER CONTRIBUTION RATES TO THE
13 RATES SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (1.7), SO LONG
14 AS:

15 (A) THE TOTAL OF THE EMPLOYER AND MEMBER CONTRIBUTIONS
16 MADE TO THE ASSOCIATION ON BEHALF OF EACH EMPLOYEE PURSUANT TO
17 THIS PARAGRAPH (g) EQUALS THE TOTAL OF THE EMPLOYER AND MEMBER
18 CONTRIBUTIONS THAT WOULD BE MADE PURSUANT TO PARAGRAPH (a) OF
19 THIS SUBSECTION (1.7); AND

20 (B) THE INCREASE IN THE MEMBER CONTRIBUTION DELIVERED TO
21 THE ASSOCIATION AND THE CORRESPONDING DECREASE IN THE EMPLOYER
22 CONTRIBUTION DELIVERED TO THE ASSOCIATION IS NOT GREATER THAN
23 TWO AND ONE-HALF PERCENT.

24 (II) THE DESIGNATION OF ALTERNATIVE EMPLOYER AND MEMBER
25 CONTRIBUTION RATES PURSUANT TO SUBPARAGRAPH (I) OF THIS
26 PARAGRAPH (g) SHALL BE MADE BY A VOTE OF THE GOVERNING BODY OF
27 THE EMPLOYER AT AN OFFICIAL MEETING OF THE GOVERNING BODY THAT

1 IS OPEN TO THE PUBLIC. THE GOVERNING BODY MAY VOTE TO ALTER THE
2 EMPLOYER AND MEMBER CONTRIBUTION RATES FOR ONE YEAR OR FOR
3 MULTIPLE YEARS.

4 (III) AN EMPLOYER THAT DESIGNATES ALTERNATIVE EMPLOYER
5 AND MEMBER CONTRIBUTION RATES FOR ANY CALENDAR YEAR PURSUANT
6 TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g) SHALL NOTIFY THE
7 ASSOCIATION ANNUALLY, IN A TIME AND MANNER TO BE DETERMINED BY
8 THE ASSOCIATION, OF THE EMPLOYER AND MEMBER CONTRIBUTION RATES
9 FOR THE APPLICABLE CALENDAR YEAR. AN EMPLOYER IS REQUIRED TO
10 PROVIDE SUCH ANNUAL NOTICE TO THE ASSOCIATION EVEN IF THE
11 EMPLOYER DESIGNATES ALTERNATIVE EMPLOYER AND MEMBER
12 CONTRIBUTION RATES FOR MULTIPLE YEARS PURSUANT TO SUBPARAGRAPH
13 (II) OF THIS PARAGRAPH (g). THE ASSOCIATION MAY REQUIRE AN
14 EMPLOYER TO SUBMIT ANY ADDITIONAL INFORMATION OR
15 DOCUMENTATION ALONG WITH THE NOTICE REQUIRED PURSUANT TO THIS
16 SUBPARAGRAPH (III) THAT IS REASONABLY REQUIRED FOR THE
17 IMPLEMENTATION AND ADMINISTRATION OF THIS PARAGRAPH (g).

18 **SECTION 2. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly (August
21 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
22 referendum petition is filed pursuant to section 1 (3) of article V of the
23 state constitution against this act or an item, section, or part of this act
24 within such period, then the act, item, section, or part will not take effect
25 unless approved by the people at the general election to be held in
26 November 2012 and, in such case, will take effect on the date of the
27 official declaration of the vote thereon by the governor.