



Breaking News!



Bulletin from the Colorado School and
Public Employees Retirement Association
WORKING FOR RETIREMENT SECURITY

VOL.5

FEBRUARY 2017

ACTION REQUESTED TODAY: SB 113 to be voted Wednesday, March 1

Senate Bill 113 Caps PERA Employer Contributions Bill Would Eliminate “Shared Sacrifice” Model

SB113 places a cap, defined as the 2018 employer contribution level, on the amount PERA employers can be asked to contribute to the PERA fund. It disallows any increase in PERA employer contribution rates. It passed the Senate in a party line vote.

What would SB113 mean for PERA employees and beneficiaries?

In 2010, when the Recession of 2008 required measures to strengthen the plan, the concept of “shared sacrifice” helped pass the bipartisan Senate Bill 1. That compromise increased employee contributions, increased retirement age, sharply reduced the COLA for retirees, and held a small increase in employer contributions. With 90% of added funding coming from employees and retirees, and just 10% from employers, the legislation was widely supported.

Senate Bill 113 eliminates the possibility of such shared sacrifice solutions. Any needed financial adjustments would have to come **ONLY** from employees and retirees.

Points to consider regarding SB113:

--- Recognition of SB113’s general concept of “mostly sacrifice by employees and retirees” can foster successful problem-solving. It’s clear that 2010’s mix of 90% employee / beneficiary contributions and 10% employer additions helped cause bipartisan passage of that bill.

--- **However**, even a very small percentage contribution increase by employers can compound to significant long term financial strength in a reasonable shared sacrifice, one in which employees and beneficiaries still do most to bolster a fund. **To categorically deny the possibility of ANY employer participation in plan improvement, before any such plan has even been proposed, and with no context of need or relative contributions of all parties, seems unjustified and inappropriate.**

--- Additionally, recent updated information regarding longer retiree life expectancy and decreased Assumed Rate of Return has indicated PERA’s Judicial Division needs action to strengthen that fund’s “Orange Warning Signal Light” 2017 condition. **A proposal directed at repairing that circumstance is likely this session.** Such a proposal should be allowed to include discussion of shared sacrifice adjustments among employees, beneficiaries, and employers. **That coming legislation will provide a context in which to judge whether some increase in the employer contribution is justified within an adjustment package.**

SB113 will be heard and voted upon by House State, Veterans, and Military Affairs Committee on WEDNESDAY MARCH 1.

Please consider emailing or phoning TODAY, asking all members of the House State, Veterans, and Military Affairs Committee (see contacts below), and your own representative, to vote to oppose SB113. A message is ESPECIALLY valuable if your representative is a committee member. Comments from local constituents carry high impact.

For contact information for your own representative, go to www.leg.colorado.gov and click on either "Find My Legislator" or "Legislators." House Committee contacts are:

House State, Veterans, and Military Affairs Committee

Mike Foote (Chair) (D) 303-866-4879 mike.foote.house@state.co.us

Susan Lontine (Vice Chair) (D) 303-866-2966 susan.lontine.house@state.co.us

Adrienne Benavidez (D) 303-866-2964 adrienne.benavidez.house@state.co.us

Edie Hooton (D) 303-866-2915 edie.hooton.house@state.co.us

Stephen Humphrey (R) 303-866-2943 rephumphrey48@yahoo.com

Timothy Leonard (D) 303-866-2582 tim.leonard.house@state.co.us

Jovan Melton (D) 303-866-2919 jovan.melton.house@state.co.us

Mike Weissman (D) 303-866-2942 mike.weissman.house@state.co.us

Dave Williams (R) 303-866-5525 dave.williams.house@state.co.us