



Colorado School and Public Employee Retirement Association

Breaking News - HB22-1029 Compensatory Distribution To PERA

House Bill 22-1029: When Passed Will Distribute \$303M To PERA

On January 12, the Colorado General Assembly began its 2022 Session. Several bills impacting PERA have already been introduced.

House Bill 22-1029 (HB 1029) is among the most significant PERA bills introduced. Its title is: **Compensatory Direct Distribution To Public Employees' Retirement Association.**

If HB 1029 passes in its current wording, and is signed by the governor, it would result in a transfer of \$303M from the Colorado General Fund to PERA.

Why that transfer? And why the name "Compensatory?" In spring of 2020, as the impact of COVID-19 and its damage to businesses caused state budget concerns, legislators skipped the \$225M transfer to PERA that had become an annual requirement under Senate Bill 200 of 2018. Now, with state income in recovery, legislators will consider repaying that skipped transfer, plus the income that PERA has missed by not having the \$225M in its investment pool since the summer of 2020.

So, the paying of 2020's skipped \$225M transfer, plus payment for the earnings lost to PERA from not having that sum to invest, causes HB 1029 to potentially represent a \$303M transfer to compensate for the payment skipped two years ago.

Why is HB 1029 important?

That transfer to PERA would be a significant addition to the investment fund. PERA's investment income is a main factor in reaching 2018's adopted goal of a fully-funded Defined Benefit Retirement Plan by 2048. **Additional investment income helps avoid increases in employee and employer contributions to PERA and reductions in retiree COLAs.**

We encourage you to send comments on HB 1029 to legislators at this time. The bill has been assigned to the House Finance Committee. Contact information for those legislators is listed below. As of this writing, we do not have a date for that hearing; we will message regarding that date when HB 1029 is scheduled.

Colorado legislators, are important in helping to shape and strengthen your dependable Defined Benefit Retirement Plan. Messages from all citizens to House Finance Committee members are valuable. Comments to your own Representative and Senator, coming from a local constituent, are especially impactful.

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