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HOUSE BILL 26-1026

EXPANDING PLAN OPTIONS FOR PERA [CODIFIED AT COLO. REV. STAT. §24-51-101, 208, 501, 505, 1401, 1402, 1506, 1602, 1603]

This bill authorizes PERA to offer certain additional options, several related to purchasing service credit and others to IRAs, to members.

Subject to specific conditions, individuals who were members before January 1, 1999, can purchase service credit based on at least one year of earned service credit with the association at the time of the purchase. Individuals who became members on or after January 1, 1999, can purchase service credit if they have at a minimum five years of earned service credit with the association at the time of the purchase. Generally, a member cannot purchase service credit for noncovered time during which they were not employed and were under twenty-one years of age, unless they provide documentation of the dates of employment and record of salary received.

A member needs to certify that service credit to be purchased will not cause the member to receive a retirement benefit for the same service under more than one plan. Credit purchased for periods of noncovered time is not credited toward short-term disability program payments. Additional conditions and limitations are stated in the statute.

The PERA voluntary investment program must be available to all employees of an employer and include options for an employee of an employer to make tax-deferred voluntary contributions and Roth voluntary contributions to the voluntary investment program. Members under the voluntary investment program include DPS members and DPS retirees.

Each employer must affiliate with the deferred compensation plan, and the deferred compensation plan must be in addition to any other retirement or tax-deferred compensation system established by the state or its political subdivision and include options for an employee to make pre-tax voluntary contributions and Roth voluntary contributions to the deferred compensation plan.