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HOUSE BILL 25-1105

BY REPRESENTATIVE(S) Camacho and Bacon, Duran, Espenoza, Froelich, Mabrey, Sirota;
also SENATOR(S) Gonzales J. and Bridges, Ball, Cutter, Exum, Hinrichsen, Jodeh, Michaelson Jenet, Winter F., Coleman.

CONCERNING AN ADJUSTMENT TO THE TOTAL EMPLOYER CONTRIBUTION RATE OF THE DENVER PUBLIC SCHOOL DIVISION OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IN CONNECTION WITH THE EQUALIZATION STATUS OF THE ASSOCIATION'S DENVER PUBLIC SCHOOLS DIVISION WITH THE ASSOCIATION'S SCHOOL DIVISION AS REQUIRED BY THE MERGER OF THE DENVER PUBLIC SCHOOLS RETIREMENT SYSTEM WITH THE ASSOCIATION.

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

SECTION 1. In Colorado Revised Statutes, 24-51-401, **add** (1.7)(a)(V) as follows:

24-51-401. Employer and member contributions.
(1.7) (a) (V) EFFECTIVE JULY 1, 2025, SUBJECT TO SECTION 24-51-413, THE EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101 (42),
PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:

TABLE E
CONTRIBUTION RATES

DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
STATE	ALL MEMBERS	10.4%	10.0%
EXCEPT			
	STATE TROOPERS	13.1%	12.0%
SCHOOL	ALL MEMBERS	10.4%	10.0%
LOCAL			
GOVERNMENT	ALL MEMBERS	10.0%	8.0%
JUDICIAL	ALL MEMBERS	13.91%	10.0%
DPS	ALL MEMBERS	7.4%	10.0%

SECTION 2. In Colorado Revised Statutes, 24-51-208, **amend** (1) introductory portion and (1)(f.5) as follows:

24-51-208. Allocation of moneys. (1) The ~~moneys~~ MONEY of the association shall be divided into several trust funds, including, but not limited to:

(f.5) The Denver public schools division health care trust fund, created pursuant to the provisions of section 24-51-1201 (2), which consists of a portion of the employer contributions equal to ~~one and two one-hundredths~~ TWO-TENTHS OF ONE percent of member salaries; a portion of the amount paid by members to purchase service credit relating to noncovered employment as determined pursuant to section 24-51-505 (7); deductions of premium amounts from monthly benefits of participating benefit recipients; premiums paid directly to the trust fund by participating benefit recipients, members, and dependents; monthly payments made by employers on behalf of participating benefit recipients, members, and dependents; and interest; in addition to a proportional share of investment income earned thereon;

SECTION 3. In Colorado Revised Statutes, 24-51-414, **amend** (4) as follows:

24-51-414. Direct distribution. (4) (a) PRIOR TO JULY 1, 2030, the

association shall allocate the direct distribution to the trust funds of each division of the association as it would an employer contribution, in a manner that is proportionate to the annual payroll of each division as reported to the association; except that the association shall not allocate any portion of the direct distribution amount to the local government division OR THE DENVER PUBLIC SCHOOLS DIVISION of the association.

(b) BEGINNING JULY 1, 2030, THE ASSOCIATION SHALL ALLOCATE THE DIRECT DISTRIBUTION TO THE TRUST FUNDS OF EACH DIVISION OF THE ASSOCIATION AS IT WOULD AN EMPLOYER CONTRIBUTION, IN A MANNER THAT IS PROPORTIONATE TO THE ANNUAL PAYROLL OF EACH DIVISION AS REPORTED TO THE ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL NOT ALLOCATE ANY PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO THE LOCAL GOVERNMENT DIVISION.

SECTION 4. In Colorado Revised Statutes, 24-51-413, **amend** (1)(a), (1)(b), (3)(b), and (6)(b) as follows:

24-51-413. Contribution and annual increase amount changes - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Blended total contribution amount" means:

(I) PRIOR TO JULY 1, 2030, the weighted average of the total amounts paid by the employer and the member to the association for ~~each of the five~~ THE STATE, SCHOOL, LOCAL GOVERNMENT, AND JUDICIAL divisions pursuant to sections 24-51-401 (1.7) and 24-51-411, and the amount the association receives pursuant to section 24-51-414, but shall not include the portion of the employer contribution remitted to the health care trust fund pursuant to section 24-51-208 (1)(f) and (1)(f.5) and the portion of the employer contribution remitted to the annual increase reserve.

(II) BEGINNING JULY 1, 2030, THE WEIGHTED AVERAGE OF THE TOTAL AMOUNTS PAID BY THE EMPLOYER AND THE MEMBER TO THE ASSOCIATION FOR EACH OF THE FIVE DIVISIONS PURSUANT TO SECTIONS 24-51-401 (1.7) AND 24-51-411, AND THE AMOUNT THE ASSOCIATION RECEIVES PURSUANT TO SECTION 24-51-414, BUT SHALL NOT INCLUDE THE PORTION OF THE EMPLOYER CONTRIBUTION REMITTED TO THE HEALTH CARE TRUST FUND PURSUANT TO SECTION 24-51-208 (1)(f) AND (1)(f.5) AND THE

PORTION OF THE EMPLOYER CONTRIBUTION REMITTED TO THE ANNUAL INCREASE RESERVE.

(b) "Blended total required contribution" means:

(I) PRIOR TO JULY 1, 2030, the weighted average of the total of the association's reported actuarially determined contribution rates and member contribution rates of the ~~five~~ STATE, SCHOOL, LOCAL GOVERNMENT, AND JUDICIAL division trust funds.

(II) BEGINNING JULY 1, 2030, THE WEIGHTED AVERAGE OF THE TOTAL OF THE ASSOCIATION'S REPORTED ACTUARIALLY DETERMINED CONTRIBUTION RATES AND MEMBER CONTRIBUTION RATES OF THE FIVE DIVISION TRUST FUNDS.

(3) When the blended total contribution amount is less than ninety-eight percent of the blended total required contribution, the following adjustment shall occur:

(b) The employer contribution rate will be increased by up to one-half of one percent, but at no time will the employer contribution rate be increased to exceed the employer contribution rates under ~~section 24-51-401 (1.7)(a)(H)~~ SECTION 24-51-401 (1.7)(a)(V), plus two percent;

(6) When the blended total contribution amount is greater than or equal to one hundred twenty percent of the blended total required contribution, the following adjustment shall occur:

(b) The employer contribution rate will be reduced by up to one-half of one percent, but at no time will the employer contribution rate be less than the employer contribution rates under section 24-51-401 (1.7)(a)(I) FOR THE STATE, SCHOOL, LOCAL GOVERNMENT, AND JUDICIAL DIVISIONS AND THE EMPLOYER CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(V) FOR THE DENVER PUBLIC SCHOOLS DIVISION;

SECTION 5. Effective date. This act takes effect July 1, 2025.

SECTION 6. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO