



COLORADO

Parks and Wildlife

Department of Natural Resources

Financial Service
1313 Sherman ST, Room 115
Denver, CO 80203

MEMORANDUM

TO: Parks and Wildlife Commission

FROM: Justin Rutter, Assistant Director for Financial Services

DATE: June 7, 2018

SUBJECT: Senate Bill 18-200 Concerning modifications to the Public Employees' Retirement Account

In May, 2018 the Colorado General Assembly passed Senate Bill 18-200 which made a number of changes to the State pension system. These changes included modifications to the benefits and eligibility requirements for employees and retirees in addition to changes in contributions. These changes in contribution rates will increase the cost to CPW for permanent and temporary labor. Incremental cost estimates below are based on FY 2018-19 budgeted expenses.

Increased Contributions

Employee contribution increases by 2% over three years. This contribution will be paid by the employee:

- July 1, 2019: Increase 0.75% to 8.75%
 - \$516,662
- July 1, 2020: Increase 0.75% to 9.50%
 - \$516,662
- July 1, 2021: Increase 0.50% to 10.00%
 - \$344,442

Employer contribution increase:

- July 1, 2019: Increase 0.25% to 10.40% This contribution will be paid by CPW:
 - \$172,221

Direct distribution to PERA of \$225 million July 1, 2018 and every year thereafter until unfunded liability paid down.

- 2018 payment will be made directly from the General Fund, so no impact to CPW
- Beginning with the FY 2019-20 budget, OSPB may include funding sources other than GF in the Governor's budget request. This could include CPW cash, federal, or other funds and will be discussed further at the June meeting of the Parks and Wildlife Commission meeting.
 - \$2,066,649 to \$8,100,000

