



Fiscal Note

Legislative Council Staff

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HB 26-1026: EXPANDING PLAN OPTIONS FOR PERA

Prime Sponsors:

Rep. Marshall; Hamrick
Sen. Kolker

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Published for: House Finance**Drafting number:** LLS 26-0198**Version:** Initial Fiscal Note**Date:** January 29, 2026

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows Public Employees' Retirement Association members to purchase service credit for periods of unemployment and requires all PERA-affiliated employers to offer voluntary 401k and 457 plans with both a tax-deferred and Roth contribution option.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Local Government
- Statutory Public Entity

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, Public Employees' Retirement Association (PERA) members have the option to purchase service credit for previous periods of non-PERA-affiliated employment so they may either receive a higher benefit amount, retire earlier, or receive a larger health care subsidy in retirement if enrolled in PERACare. The bill modifies the program to allow members to purchase service credit for periods of unemployment as well as employment, subject to certain conditions.

The bill requires PERA's voluntary investment program, which includes a 401k plan and a 457 plan, to offer both tax-deferred and Roth voluntary contribution options, and requires that all PERA employers offer these voluntary plans to employees. Under current law, PERA-affiliated employers are required to offer the tax-deferred 401k plan, but must opt-in to provide the remaining plan options. The bill does not mandate that employees participate in either of these voluntary plans and allows employers to continue offering any other existing plans they choose.

Background

The state already offers both voluntary investment programs to its employees, with both contribution options.

See these PERA resources for more information about [Purchasing PERA Service Credit](#) and [PERAPLus 401\(k\)/457 Plans](#). For general information regarding PERA, see this [LCS Overview of PERA](#).

Local Government

PERA-affiliated employers in the Local Government, School, and Denver Public Schools divisions that do not provide the required plans may have increased workload to offer 401k plans with a Roth contribution option and 457 plans with both tax-deferred and Roth contribution options.

Statutory Public Entity

The bill authorizes the purchase of service credit for periods of unemployment. Because the cost to purchase service credit is the actuarial cost of providing the future benefit resulting from the purchase, service credit purchase is intended to be cost-neutral over time and have a minimal impact on the PERA trusts.

PERA will have increased workload to implement and administer the bill's provisions, but this work is expected to be accomplished within existing resources.

Effective Date

The bill takes effect January 1, 2027, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Municipalities
Governor	Personnel
Information Technology	Public Employees' Retirement Association
Judicial	Special District Association
Law	