

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 17-0297.01 Nicole Myers x4326

**HOUSE BILL 17-1176**

**HOUSE SPONSORSHIP**

**Becker J. and McLachlan,**

**SENATE SPONSORSHIP**

**Sonnenberg,**

**House Committees**

Finance  
Appropriations

**Senate Committees**

Education

**A BILL FOR AN ACT**

101      **CONCERNING AN EXTENSION OF THE EMPLOYMENT AFTER**  
102           **RETIREMENT LIMITATIONS FOR RETIREES OF THE PUBLIC**  
103           **EMPLOYEES' RETIREMENT ASSOCIATION EMPLOYED BY A RURAL**  
104           **SCHOOL DISTRICT AFTER RETIREMENT.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Current law allows a service retiree of any division of the public employees' retirement association (PERA) to work for a PERA employer for limited periods and to receive a salary without reduction in benefits

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
April 3, 2017

HOUSE  
Amended 2nd Reading  
March 31, 2017

under certain circumstances. Several rural school districts in the state have recently experienced a shortage of teachers, school bus drivers, and school food services cooks and would ideally address the shortages by hiring service retirees. PERA's employment after retirement provisions, including the limitation on the number of days in a calendar year that a service retiree may work for a PERA employer without a reduction in benefits, make it difficult for school districts to fill their vacancies with retired teachers, school bus drivers, and school food services cooks.

The bill modifies the current PERA employment after retirement provisions for certain retirees hired by an employer in the school division if:

- ! The employer that hires the service retiree is a rural school district as determined by the department of education based on certain criteria and the school district enrolls 6,500 students or fewer in kindergarten through 12th grade;
- ! The school district hires the service retiree for the purpose of providing classroom instruction or school bus transportation to students enrolled by the district or for the purpose of being a school food services cook; and
- ! The school district determines that there is a critical shortage of qualified teachers, school bus drivers, or school food services cooks, as applicable, and that the service retiree has specific experience, skills, or qualifications that would benefit the district.

A service retiree who is a teacher, a school bus driver, or a school food services cook and who is hired by an employer in the school division that satisfies the criteria above may receive salary without a reduction in benefits for any length of employment in a calendar year if the service retiree has not worked for any PERA employer during the month of the effective date of retirement.

In addition, the bill requires the employer that hires the service retiree to provide full payment of all PERA employer contributions, disbursements, and working retiree contributions.

A service retiree may not receive salary without reduction in benefits and without limitation in a calendar year for more than 6 consecutive years.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-51-1101, **amend**  
3 (1) introductory portion, (1.8)(a), (1.8)(b), and (1.8)(c); and **add** (1.9) as  
4 follows:

1           **24-51-1101. Employment after service retirement - repeal.**

2           (1) Except as otherwise provided in ~~subsection (1.8)~~ SUBSECTIONS (1.8)  
3           AND (1.9) of this section or part 17 of this ~~article~~ ARTICLE 51, a service  
4           retiree from any division may be employed by an employer, whether or  
5           not in a position subject to membership, and receive a salary without  
6           reduction in benefits if the service retiree has not worked for any  
7           employer, as defined in section 24-51-101 (20), during the month of the  
8           effective date of retirement, and if:

9           (1.8) (a) A service retiree who is hired by a state college or  
10          university or by an employer in the school or Denver public schools  
11          division of the association pursuant to ~~paragraph (b) of this subsection~~  
12          ~~(1.8)~~ SUBSECTION (1.8)(b) OF THIS SECTION AND WHO IS NOT SUBJECT TO  
13          THE PROVISIONS OF SUBSECTION (1.9) OF THIS SECTION may receive salary  
14          without reduction in benefits if employment of more than four hours per  
15          day does not exceed one hundred forty days in the calendar year, if  
16          employment of four hours or less per day does not exceed nine hundred  
17          sixteen hours in the calendar year, or if employment consisting of a  
18          combination of daily and hourly employment does not exceed one  
19          hundred forty days per calendar year, and if the service retiree has not  
20          worked for any employer, as defined in section 24-51-101 (20), during the  
21          month of the effective date of retirement. A service retiree described in  
22          this ~~paragraph (a)~~ SUBSECTION (1.8)(a) who works for any employer, as  
23          defined in section 24-51-101 (20), during the month of the effective date  
24          of retirement shall be subject to a reduction in benefits as provided in  
25          section 24-51-1102 (2).

26          (b) A state college or university or an employer in the school or  
27          Denver public schools division may hire up to ten service retirees WHO

1 ARE NOT SUBJECT TO THE PROVISIONS OF SUBSECTION (1.9) OF THIS  
2 SECTION in areas where the employer determines that there is a critical  
3 shortage of qualified candidates and that the service retiree has unique  
4 experience, skill, or qualifications that would benefit the employer. The  
5 employer shall notify the association upon hiring a service retiree  
6 pursuant to this subsection (1.8). A list of any and all service retirees  
7 employed by the employer shall be provided to the association at the start  
8 of each calendar year and shall be updated prior to any additional hirings  
9 during the same calendar year.

10 (c) A state college or university or an employer in the school or  
11 Denver public schools division shall provide full payment of all employer  
12 contributions and all disbursements in accordance with part 4 of this  
13 ~~article~~ ARTICLE 51, and all working retiree contributions in accordance  
14 with part 11 of this ~~article~~ ARTICLE 51, on the salary paid to the service  
15 retiree described in ~~paragraph (a) of this subsection (1.8)~~ SUBSECTION  
16 (1.8)(a) OF THIS SECTION.

17 (1.9) (a) (I) ~~SUBJECT TO THE PROVISIONS OF SUBSECTION (1.9)(h)~~  
18 ~~OF THIS SECTION, A SERVICE RETIREE WHO IS A TEACHER, A SCHOOL BUS~~  
19 ~~DRIVER, OR A SCHOOL FOOD SERVICES COOK AND IS HIRED PURSUANT TO~~  
20 ~~SUBSECTION (1.9)(b) OF THIS SECTION BY AN EMPLOYER IN THE SCHOOL~~  
21 ~~DIVISION OF THE ASSOCIATION THAT SATISFIES THE CRITERIA SPECIFIED IN~~  
22 ~~SUBSECTION (1.9)(a)(II) OF THIS SECTION MAY RECEIVE SALARY WITHOUT~~  
23 ~~REDUCTION IN BENEFITS FOR ANY LENGTH OF EMPLOYMENT IN A~~  
24 ~~CALENDAR YEAR IF THE SERVICE RETIREE HAS NOT WORKED FOR ANY~~  
25 ~~EMPLOYER, AS DEFINED IN SECTION 24-51-101 (20), DURING THE MONTH~~  
26 ~~OF THE EFFECTIVE DATE OF RETIREMENT. A SERVICE RETIREE DESCRIBED~~  
27 ~~IN THIS SUBSECTION (1.9)(a) WHO WORKS FOR ANY EMPLOYER, AS DEFINED~~

1 IN SECTION 24-51-101 (20), DURING THE MONTH OF THE EFFECTIVE DATE  
2 OF RETIREMENT SHALL BE SUBJECT TO A REDUCTION IN BENEFITS AS  
3 PROVIDED IN SECTION 24-51-1102 (2).

4 (II) THE PROVISIONS OF THIS SUBSECTION (1.9) APPLY ONLY IF:

5 (A) THE EMPLOYER IN THE SCHOOL DIVISION OF THE ASSOCIATION  
6 THAT HIRES THE SERVICE RETIREE IS A RURAL SCHOOL DISTRICT AS  
7 DETERMINED BY THE DEPARTMENT OF EDUCATION BASED ON THE  
8 GEOGRAPHIC SIZE OF THE SCHOOL DISTRICT AND THE DISTANCE OF THE  
9 SCHOOL DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA AND THE  
10 SCHOOL DISTRICT ENROLLS SIX THOUSAND FIVE HUNDRED STUDENTS OR  
11 FEWER IN KINDERGARTEN THROUGH TWELFTH GRADE;

12 (B) THE SCHOOL DISTRICT HIRES THE SERVICE RETIREE FOR THE  
13 PURPOSE OF PROVIDING CLASSROOM INSTRUCTION OR SCHOOL BUS  
14 TRANSPORTATION TO STUDENTS ENROLLED BY THE DISTRICT OR FOR THE  
15 PURPOSE OF BEING A SCHOOL FOOD SERVICES COOK; AND

16 (C) THE SCHOOL DISTRICT DETERMINES THAT THERE IS A CRITICAL  
17 SHORTAGE OF QUALIFIED TEACHERS, SCHOOL BUS DRIVERS, OR SCHOOL  
18 FOOD SERVICES COOKS, AS APPLICABLE, AND THAT THE SERVICE RETIREE  
19 HAS SPECIFIC EXPERIENCE, SKILLS, OR QUALIFICATIONS THAT WOULD  
20 BENEFIT THE DISTRICT.

21 (b) AN EMPLOYER IN THE SCHOOL DIVISION OF THE ASSOCIATION  
22 THAT HIRES A SERVICE RETIREE PURSUANT TO THIS SUBSECTION (1.9)  
23 SHALL NOTIFY THE ASSOCIATION UPON HIRING A SERVICE RETIREE  
24 PURSUANT TO THIS SUBSECTION (1.9). A LIST OF ANY AND ALL SERVICE  
25 RETIREES EMPLOYED BY THE EMPLOYER SHALL BE PROVIDED TO THE  
26 ASSOCIATION AT THE START OF EACH CALENDAR YEAR AND SHALL BE  
27 UPDATED PRIOR TO ANY ADDITIONAL HIRINGS DURING THE SAME

1 CALENDAR YEAR.

2 (c) AN EMPLOYER IN THE SCHOOL DIVISION OF THE ASSOCIATION  
3 THAT HIRES A SERVICE RETIREE PURSUANT TO THIS SUBSECTION (1.9)  
4 SHALL PROVIDE FULL PAYMENT OF ALL EMPLOYER CONTRIBUTIONS AND  
5 DISBURSEMENTS IN ACCORDANCE WITH PART 4 OF THIS ARTICLE 51, AND  
6 ALL WORKING RETIREE CONTRIBUTIONS IN ACCORDANCE WITH PART 11 OF  
7 THIS ARTICLE 51, ON THE SALARY PAID TO THE SERVICE RETIREE  
8 DESCRIBED IN SUBSECTION (1.9)(a) OF THIS SECTION.

9 (d) ANY SERVICE RETIREE WHO IS EMPLOYED PURSUANT TO THIS  
10 SUBSECTION (1.9) SHALL NOT BE REQUIRED TO RESUME MEMBERSHIP.  
11 UPON TERMINATION OF SUCH SERVICE RETIREE'S EMPLOYMENT, THERE  
12 SHALL BE NO BENEFIT CALCULATION REFLECTING ADDITIONAL SERVICE  
13 CREDIT ACCUMULATED OR ANY INCREASE IN THE HIGHEST AVERAGE  
14 SALARY OF SUCH PERSON.

15 (e) A SERVICE RETIREE WHO IS EMPLOYED PURSUANT TO THIS  
16 SUBSECTION (1.9) SHALL NOT RECEIVE A HEALTH CARE PREMIUM SUBSIDY  
17 PURSUANT TO SECTION 24-51-1206 DURING SUCH EMPLOYMENT.

18 (f) ANY SERVICE RETIREE WHO IS EMPLOYED PURSUANT TO THIS  
19 SUBSECTION (1.9) SHALL BE ELIGIBLE TO PARTICIPATE IN THE HEALTH  
20 PLAN OFFERED BY THE EMPLOYER IN THE SCHOOL DIVISION WHILE  
21 EMPLOYED BY THE EMPLOYER.

22 (g) THE PERIOD DURING WHICH A SERVICE RETIREE MAY RECEIVE  
23 SALARY WITHOUT REDUCTION IN BENEFITS AND WITHOUT LIMITATION IN  
24 A CALENDAR YEAR PURSUANT TO THIS SUBSECTION (1.9) SHALL NOT  
25 EXCEED SIX CONSECUTIVE YEARS FROM THE DATE THE SERVICE RETIREE  
26 BEGAN WORK PURSUANT TO THIS SUBSECTION (1.9).

27 (h) A TEACHER WHO RETIRES BEFORE HE OR SHE HAS MET THE AGE

1 AND SERVICE CREDIT REQUIREMENTS FOR FULL SERVICE RETIREMENT  
2 BENEFITS PURSUANT TO SECTION 24-51-602 SHALL NOT BE EMPLOYED  
3 AFTER RETIREMENT PURSUANT TO THIS SUBSECTION (1.9) BY THE  
4 EMPLOYER IN THE SCHOOL DIVISION THAT WAS THE TEACHER'S LAST  
5 EMPLOYER UNTIL TWO YEARS AFTER THE TEACHER'S DATE OF RETIREMENT.

6 (i) ON OR BEFORE DECEMBER 1, 2020, THE ASSOCIATION SHALL  
7 SUBMIT A REPORT TO THE FINANCE COMMITTEES OF THE HOUSE OF  
8 REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES,  
9 REGARDING THE EMPLOYMENT AFTER SERVICE RETIREMENT PROVISIONS  
10 OF THIS SUBSECTION (1.9). THE EMPLOYERS IN THE SCHOOL DIVISION OF  
11 THE ASSOCIATION THAT EMPLOY TEACHERS, SCHOOL BUS DRIVERS, OR  
12 SCHOOL FOOD SERVICES COOKS PURSUANT TO THIS SUBSECTION (1.9)  
13 SHALL PROVIDE INFORMATION REQUESTED BY THE ASSOCIATION FOR THE  
14 PURPOSES OF THE REPORT. THE REPORT SHALL INCLUDE:

15 (I) THE NUMBER OF TEACHERS, SCHOOL BUS DRIVERS, AND SCHOOL  
16 FOOD SERVICES COOKS WHO HAVE BEEN EMPLOYED AFTER SERVICE  
17 RETIREMENT PURSUANT TO THIS SUBSECTION (1.9) AS OF THE DATE OF THE  
18 REPORT;

19 (II) THE EXTENT TO WHICH THIS SUBSECTION (1.9) HAS HELPED  
20 EMPLOYERS IN THE SCHOOL DIVISION ADDRESS TEACHER, SCHOOL BUS  
21 DRIVER, AND SCHOOL FOOD SERVICES COOK SHORTAGES;

22 (III) THE COSTS, IF ANY, TO THE ASSOCIATION AS A RESULT OF THIS  
23 SUBSECTION (1.9); AND

24 (IV) ANY OTHER INFORMATION DEEMED RELEVANT BY THE  
25 ASSOCIATION.

26 (j) THIS SUBSECTION (1.9) IS REPEALED, EFFECTIVE JULY 1, 2023.

27 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.