

# State of Colorado



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### Alert #158

TO:           Controllers and Chief Fiscal Officers of State Departments  
              And Higher Education Institutions and Boards

FROM:        Leslie M. Shenefelt   
              State Controller

DATE:         June 7, 2005

SUBJECT:     Fiscal Rule Changes  
              Percentage of State Employees Expected to Retire with PERA Benefits  
              Revised Suggested PERA Footnote Language  
              New Object Codes Required for Pension Contributions

#### **Fiscal Rule Changes**

The changes to the Fiscal Rules have been adopted and are available on the website at:

<http://www.colorado.gov/dpa/dfp/sco/rules/proposed/Proposed%202005%20Fiscal%20Rules%20-%20FINAL.pdf>

These fiscal rules are not final and will not be implemented until the Attorney General's Office reviews the rules, the Office of Legislative Counsel reviews the rules, the rules are published, and the required waiting period passes. We anticipate that the new fiscal rules will be implemented on August 1 if all reviews are completed as scheduled. Until these changes are adopted the current rules will remain in effect.

#### **Percentage of State Employees Expected to Retire with PERA Benefits**

The percentage of state employees expected to retire with PERA benefits has been calculated by the PERA actuary as 72 percent for state troopers and 61 percent for other state workers. The percentages are unchanged from Fiscal Year 2003-04 and

should be used in calculating your compensated absences liability accrual. See Chapter 3 Section 3.13 (page 87) of the March 2005 Fiscal Procedures Manual.

**Revised Suggested PERA Footnote Language**

After the publication of the March 2005 Fiscal Procedures Manual, PERA made changes to its life insurance program. Due to these changes, the suggested disclosure for the life insurance programs has been revised. It should read as follows:

Life Insurance Programs

During Fiscal Year 2004-05, PERA provided its members access to two group decreasing term life insurance plans offered by Prudential Insurance Company and Anthem Life. Effective April 1, 2005, PERA consolidated the two plans, and UnumProvident became the administrator. Members who transition to the new plan may continue coverage into retirement. Premiums are collected by monthly payroll deductions or other means.

**New Object Codes Required for Pension Contributions**

Senate Bill 04-257 requires that increases in the state's contribution to PERA begin on January 1, 2006. The increased contribution is listed in a separate line in the fiscal year 2005-06 Long Bill and is called the Amortization Equalization Disbursement. The following required object codes have been established to report this expenditure:

- 1524 - SPS PERA-AMORT EQUAL DISBURSMT, and
- 1624 - CN PERA-AMORT EQUAL DISBURSMT