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0064 Emeritus Retirement Programs in Colorado

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Report to the Colorado General Assembly:

EMERITUS RETIREMENT PROGRAMS IN COLORADO



COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO. 64

DECEMBER 1962

COMMISSION ON THE STATUS OF WOMEN

REPORT

WOMEN'S ECONOMIC SECURITY

Summary

Introduction

James H. Douglas, Chairman
Charles W. Feibell
L. R. Glavin
Richard L. Hall
Robert H. Hayes
William H. H. Murray

Ray C. Munn, Chairman
Elizabeth C. Nease
John J. O'Connell
M. J. Quinn
William H. Rouse
Walter A. Rorer

Executive Summary

Introduction

The Commission's study of women's economic security was the first comprehensive study of the economic status of women in the United States. It was conducted by the Commission on the Status of Women, which was established by the Executive Order of the President in 1961. The Commission's report is the result of a year-long study of the economic status of women in the United States. The report is divided into two parts: a summary and a detailed report. The summary is the part of the report that is most widely read and is the part that is most likely to be used by the public. The detailed report is the part of the report that is most likely to be used by the government and the academic community.

During the past decade, the emphasis in government legislation on fair wage practices, anti-discrimination, working hours, and education, and the growth of the labor and regulatory agencies. These developments have provided a new basis for the study of women's economic security.

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NO. 64

EMERITUS RETIREMENT PROGRAMS
IN COLORADO

Legislative Council
Report To The
Colorado General Assembly

Research Publication No. 64
December, 1962

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LEGISLATIVE COUNCIL

ROOM 341, STATE CAPITOL
DENVER 2, COLORADO
ACOMA 2-9911 - EXTENSION 2285

December 3, 1962

SPEAKER ALBERT J. TOMBIC
REP. RUTH B. CLARK
REP. M. R. DOUGLASS
REP. ELMER A. JOHNSON
REP. JOHN L. KANE
REP. C. P. LAMB
REP. GUY POE

To Members of the Forty-fourth Colorado General Assembly:

As directed by the provisions of Senate Joint Resolution No. 9, 1962 session, the Legislative Council submits herewith its report relating to the State Teachers' Emeritus Retirement Fund and the State Institutions of Higher Learning Emeritus Retirement Pension.

The Committee assigned by the Legislative Council to carry out this study submitted its report for consideration at the Council's meeting November 29. At that time the report was accepted for transmission to the Forty-fourth General Assembly.

Respectfully submitted,

James E. Donnelly
Chairman

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LEGISLATIVE COUNCIL

ROOM 341, STATE CAPITOL
DENVER 2, COLORADO
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November 29, 1962

SPEAKER ALBERT J. TOMSIC
REP. RUTH B. CLARK
REP. M. R. DOUGLASS
REP. ELMER A. JOHNSON
REP. JOHN L. KANE
REP. C. P. LAMB
REP. GUY POE

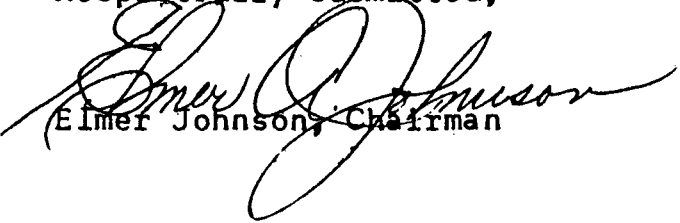
Senator James E. Donnelly, Chairman
Colorado Legislative Council
Room 341, State Capitol
Denver 2, Colorado

Dear Mr. Chairman:

Your Committee on School Aid which was directed to carry out the study proposed in Senate Joint Resolution No. 9, 1962 session, relating to teacher emeritus retirement programs in Colorado, has completed its study and submits the accompanying report thereon.

The Committee makes no recommendations on any changes in the present emeritus retirement programs. However, the report contains estimates on the dollar effect of various changes in the level of benefits for legislative consideration.

Respectfully submitted,


Elmer Johnson, Chairman

FOREWORD

Under the directives of Senate Joint Resolution No. 9, 1962 session, the Legislative Council was assigned the task of studying the two teacher emeritus retirement programs in Colorado "to determine the sufficiency of benefits paid under the program, the number of persons benefited, and the extension of the programs to persons not now eligible." This study was referred to the Legislative Council's Committee on School Aid whose membership consisted of Representative Elmer A. Johnson, chairman; Representative Guy Poe, vice chairman; Lieutenant Governor Robert L. Knous; Senators Fay DeBerard, Roy H. McVickèr, James W. Mowbray, and Allegra Saunders; and Representatives Palmer L. Burch, Forrest G. Burns, Ruth B. Clark, James M. French, John G. Mackie, Howard B. Propst, Raymond H. Simpson, and Albert J. Tomsic.

Beginning in April of this year, the committee held several meetings at which consideration was given to its study on teacher emeritus retirement programs. In addition to services provided by the regular staff, the committee was assisted in its study by Mrs. Helen H. Downing, State Department of Education; Mr. Raymond J. Heath, Public Employees' Retirement Association; Dr. Dorothy Martin, University of Colorado; and Mr. Joseph Natale, Department of Employee Services, Denver Public Schools.

December 3, 1962

Lyle C. Kyle
Director

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EMERITUS RETIREMENT PROGRAMS IN COLORADO

In 1951 the General Assembly established the State Teachers' Emeritus Retirement Fund and, in 1954, added the State Institutions of Higher Learning Emeritus Retirement Pension. Both of these programs were designed to provide retirement benefits to certain persons (Teachers) who had rendered valuable services to this state but who would receive little, if any, benefits from state or local government supported retirement programs.

However, as pointed out in Senate Joint Resolution No. 9 in the 1962 session, "amendments to the laws under which these funds are distributed are constantly being presented to the General Assembly, and a comprehensive study of the two programs should be made to determine the sufficiency of benefits paid under the programs, the number of persons benefited, and the extension of the programs to persons not now eligible." The Legislative Council was consequently directed "to make a thorough and comprehensive study of the programs under the State Teachers' Emeritus Retirement Fund and the State Institutions of Higher Learning Emeritus Retirement Fund, in their entirety, and any of the phases of said programs, with a view toward future amendments to be made thereto by the General Assembly."

The Committee on School Aid, to which the Council assigned this study, reviewed this subject at various meetings held during 1962, including one meeting with representatives of the two teacher emeritus groups. In addition, the committee reviewed estimates on the costs of increasing monthly retirement benefits in various amounts, extending coverage to retired teachers who are otherwise eligible except that they no longer reside in Colorado, and adding a medical insurance program for the teacher emeritus group.

TEACHER EMERITUS RETIREMENT

The 1951 session of the General Assembly enacted a law making it mandatory that all school districts within the state not having a local retirement system come under the provisions of the Public Employees' Retirement Association as of January 1, 1952. (Previously, in 1943, the General Assembly had extended PERA coverage to school districts on an optional basis as to employing units, and from 1944 to 1952 most of the first-class school districts and many of the second- and third-class school districts in the state affiliated, with approximately one-half of the ten or twelve thousand school employees outside of Denver coming into the fund.) The General Assembly also passed a companion bill in 1951 which established the Teachers' Emeritus Retirement Fund (Secs. 123-19-15 through 123-19-19, 1953 Colorado Revised Statutes, as amended).

This latter bill recognized that there would be a number of teachers in the state who would receive few if any benefits from membership in the Public Employees' Retirement Association, and the purpose of the law was to establish a non-contributory retirement plan for such teachers. That is, inasmuch as a minimum of five years

of coverage after January 1, 1952 was required in order to obtain any annuity under PERA, and because a teacher with a monthly salary of \$300 having less than ten years of coverage after January 1, 1952 would receive less than \$75.00 per month upon retirement, the sponsors of the bill providing for mandatory coverage under PERA for public school teachers conceived the idea of the "Teachers' Emeritus Retirement Act" in order to guarantee these older teachers who would have less than ten years of PERA coverage before retirement at age 65, a minimum of \$75 per month on a state-wide basis.

The provisions of the 1951 teachers' emeritus bill included these requirements for teachers to be eligible: (1) must be at least 65 years of age; (2) must have spent at least 20 years as a teacher in the public schools in Colorado; (3) must have retired from teaching in the public schools prior to July 1, 1962; and (4) must be a resident of Colorado while receiving the benefits. The law further provided that any teacher applying for benefits who retired after January 1, 1952 must have become a member of PERA or a local school district retirement plan in order to be eligible for TER benefits. A monthly TER benefit of \$75 was to be paid each beneficiary less any pension or retirement benefit supported in whole or in part by the state or one of its political subdivisions.

Consequently, the result of this bill was a plan which, in combination with any PERA benefits, would provide a minimum benefit for teachers who had 20 years or more of service in Colorado, who had attained age 65 before January 1, 1962, and who had never had the opportunity to be covered in any retirement plan prior to January 1, 1952, to be assured of at least \$75 per month retirement income, which was the equivalent of ten years of covered service under PERA for a teacher with a final average salary of \$300 per month. In other words, the original plan was created as a "stop-gap" measure to provide a minimal retirement benefit until teachers at that time could come under PERA coverage and gradually acquire retirement benefits in excess of \$75 per month through the PERA contributory system.

1953 Amendment

Since 1951 a number of amendments have been made to the Teachers' Emeritus Retirement Act. Shortly after the law became operative, it was apparent the requirement that an applicant must have become a member of PERA on or before January 1, 1952 was an insurmountable barrier for some teachers who were otherwise eligible because there were many teachers who were not engaged in service on January 1, 1952 but who returned to teaching at a later date. This situation was pointed out to the General Assembly and in 1953 this requirement was changed to provide that if a teacher returned to active teaching service after January 1, 1952, the person must then become a member of PERA.

1957 Amendments

In 1957, the final date for receiving applications was extended from July 1, 1962 to July 1, 1967 in order to include teachers who had found they would not attain age 65 prior to the original 1962 cut-off date. In addition, a provision was included to allow not to exceed ten years of employment in the office of county superintendent of schools to apply toward the total requirement of 20 years of service. The residence requirement was changed to provide that the teacher must be a resident of Colorado at the time application was made, but after eligibility was established, no restrictions on residence were included.

A regulation established by the State Commissioner of Education allowing ten days of substitute teaching per month without loss of TER benefits was written into the law. Also, there were a number of teachers who apparently had not been given proper information in the Fall of 1951 regarding the relationship between membership in PERA and eligibility for benefits under the Teachers' Emeritus Retirement Fund, and had chosen not to join PERA. For this reason they were not eligible for TER benefits. The General Assembly therefore added a provision to the law allowing such teachers to submit an affidavit to the Commissioner of Education on or before July 1, 1957 stating the facts and permitting the commissioner to allow them to receive TER benefits.

Reportedly, however, this latter provision is still an obstacle in several instances since the affidavit had to be filed before July 1, 1957 and it appears that a few persons to whom this provision applied did not have the opportunity to submit the affidavit. In this connection, the education department has reported it has seven or eight applications in its files from persons who have taught since January 1, 1952, but who have never been members of PERA and are therefore not eligible for benefits from the Teachers' Emeritus Retirement Fund, with a possibility of there being a very few more such persons still teaching actively.

The 1957 General Assembly also amended the law by raising the monthly benefit from \$75 to \$100. This action made it possible for a large number of new retired teachers to become beneficiaries because they were receiving a benefit of more than \$75 but less than \$100 a month and they then became eligible to receive the difference between these benefits and the \$100 maximum from TER, if they met other requirements of the law. The largest group of these newly-covered retired teachers came from the Denver Public Schools.

1961 Amendments

The 1961 session of the General Assembly amended the Teachers' Emeritus Retirement Act by changing two provisions. Another \$25 increase in the monthly benefit was authorized, bringing the total to \$125 a month. As with the 1957 increase, this change not only raised the benefit for the TER participants but also added a number of retired teachers whose monthly retirement income was more than \$100 but less than \$125. In addition, the 1961 General Assembly also amended the law to provide that any teacher who had served at least 40 years in the employ of Colorado school districts would be eligible for TER Benefits regardless of age.

Growth of Teachers' Emeritus Retirement Fund

The Teachers' Emeritus Retirement Fund has grown rather substantially since its establishment in 1951 both in the number of participants and in the annual cost to the state, as shown in Table I. In its first year (fiscal year 1951-52), there were an average number of 123 participants with an annual cost of \$144,390 compared to an estimated 845 participants 11 years later in fiscal year 1962-63 at an annual cost of \$775,000.

Of equal significance, Table I reflects the results of the liberalizing amendments adopted in 1957 and in 1961. That is, the average number of participants of 343 in fiscal year 1956-57 increased to 468 in fiscal year 1957-58 with a corresponding rise in annual expenditures from \$286,854 to \$446,147. Similarly, in fiscal year 1960-61 there were an average number of 573 participants at an annual cost of \$504,297 whereas, following the 1961 amendments, in fiscal year 1961-62 there were some 808 participants with expenditures of \$758,000.

Table I

TEACHERS' EMERITUS RETIREMENT FUND

| <u>Fiscal Year:</u> | <u>Expenditures:</u> | <u>Average No. of Participants:</u> |
|---------------------|----------------------|---|
| 1951-52 | \$144,390 | 123 |
| 1952-53 | 178,275 | 214 |
| 1953-54 | 212,975 | 247 |
| 1954-55 | 245,534 | 292 |
| 1955-56 | 265,130 | 330 |
| 1956-57 | 286,854 | 343 |
| 1957-58 | 446,147 | 468 |
| 1958-59 | 470,658 | 505 |
| 1959-60 | 487,088 | 537 |
| 1960-61 | 504,297 | 573 |
| 1961-62 | 758,000 | 808 |
| 1962-63 | 775,000 ^a | 845 ^a |

a. Estimated

The total monthly cost of the teacher emeritus retirement program by age of beneficiaries as of April, 1962 is reported in Table II. This table not only reports the beneficiaries by age and by sex but also classifies retirement income by source, i.e., from TER, PERA, and "other" (primarily Denver public school retirement system).

Table II

TOTAL MONTHLY COST OF TEACHER EMERITUS RETIREMENT
PROGRAM BY AGE OF BENEFICIARIES
As of April, 1962

| Age | Sex | | Monthly \$ From TER | Monthly \$ From PERA | Monthly \$ From Other | Total Monthly \$ |
|--------|--------|------|------------------------|-------------------------|--------------------------|---------------------|
| | Female | Male | | | | |
| 94 | -- | 1 | \$ 125.00 | \$ --- | \$ --- | \$ 125.00 |
| 93 | 2 | -- | 130.00 | --- | 120.00 | 250.00 |
| 92 | -- | -- | --- | --- | --- | --- |
| 91 | 3 | 2 | 525.00 | --- | 100.00 | 625.00 |
| 90 | 5 | -- | 305.00 | --- | 320.00 | 625.00 |
| 89 | 5 | 2 | 575.00 | --- | 300.00 | 875.00 |
| 88 | 7 | 1 | 900.00 | --- | 100.00 | 1,000.00 |
| 87 | 10 | 1 | 660.00 | --- | 715.00 | 1,375.00 |
| 86 | 13 | 3 | 1,195.00 | --- | 805.00 | 2,000.00 |
| 85 | 15 | 2 | 1,245.00 | --- | 880.00 | 2,125.00 |
| 84 | 21 | 2 | 1,862.40 | 33.10 | 979.50 | 2,875.00 |
| 83 | 24 | 2 | 2,129.85 | 312.15 | 808.00 | 3,250.00 |
| 82 | 22 | 4 | 1,629.88 | 117.13 | 1,502.99 | 3,250.00 |
| 81 | 23 | 2 | 1,459.77 | 244.65 | 1,420.58 | 3,125.00 |
| 80 | 23 | 5 | 2,514.06 | 199.06 | 786.88 | 3,500.00 |
| 79 | 40 | 4 | 3,832.29 | 572.46 | 1,095.25 | 5,500.00 |
| 78 | 37 | 9 | 3,425.81 | 484.59 | 1,807.75 | 5,718.15 |
| 77 | 26 | 2 | 2,394.25 | 295.03 | 810.72 | 3,500.00 |
| 76 | 48 | 8 | 4,023.64 | 1,155.26 | 1,821.10 | 7,000.00 |
| 75 | 28 | 4 | 2,973.93 | 458.57 | 567.50 | 4,000.00 |
| 74 | 38 | 3 | 3,504.51 | 700.37 | 890.12 | 5,095.00 |
| 73 | 41 | 6 | 4,111.48 | 786.17 | 977.35 | 5,875.00 |
| 72 | 55 | 5 | 4,746.48 | 1,787.49 | 966.03 | 7,500.00 |
| 71 | 41 | 8 | 4,142.14 | 1,098.65 | 884.21 | 6,125.00 |
| 70 | 36 | 5 | 3,434.56 | 1,077.86 | 553.45 | 5,065.87 |
| 69 | 49 | 10 | 3,528.21 | 2,308.27 | 883.57 | 6,720.05 |
| 68 | 47 | 5 | 3,991.47 | 1,866.77 | 641.76 | 6,500.00 |
| 67 | 36 | 5 | 2,979.13 | 1,277.44 | 868.43 | 5,125.00 |
| 66 | 33 | -- | 2,620.40 | 1,092.64 | 411.96 | 4,125.00 |
| 65 | 3 | -- | 375.00 | --- | --- | 375.00 |
| 64* | 1 | -- | 125.00 | --- ^a | --- | 125.00 |
| 63* | 1 | -- | 25.00 | --- | 100.00 | 125.00 |
| 62 | -- | -- | --- | --- | --- | --- |
| 61* | 1 | -- | 125.00 | --- ^b | --- | 125.00 |
| 60* | 1 | -- | 125.00 | --- ^c | --- | 125.00 |
| TOTALS | 735 | 101 | \$65,739.26 | \$15,867.66 | \$22,117.15 | \$103,724.07 |

* Beneficiaries have taught 40 years in Colorado Schools. T.E.R. benefits will be reduced by amount of PERA benefits when they reach age 65.

a. At age 65, beneficiary will receive \$41.50 from PERA.

b. At age 65, beneficiary will receive an unknown amount from PERA.

c. At age 65, beneficiary will receive \$70.11 from PERA.

STATE INSTITUTIONS OF HIGHER LEARNING EMERITUS RETIREMENT PENSION

The State Institutions of Higher Learning Emeritus Retirement Pension Fund was created by the General Assembly in 1954.¹ At that time the program provided a monthly payment of \$100 less any pension or retirement benefits received from any other retirement annuity or pension fund supported in whole or in part by the state or one of its political subdivisions. Requirements for participation included that the person must have served as an employee at least 17 years in one or more state institutions of higher learning in Colorado, must be at least 65 years of age, and must have retired from teaching, administration, or research in the institutions prior to January 1, 1953. All applications were to be filed with the Commissioner of Education on or before June 30, 1954, and for three years this program operated without any new applicants because of this cut-off date.

1957 Amendments

Several substantial changes in the law were adopted by the 1957 General Assembly. The maximum benefit was raised to \$200 per month, again with deductions made for any other retirement annuity or pension fund supported in whole or in part by the state or one of its political subdivisions, and a provision was added to grant a maximum benefit of \$100 per month to the surviving spouse of a faculty member under certain conditions.

The eligibility requirements under this revised program were that a participant must have served in one or more state institutions of higher learning in Colorado for at least 15 years and must be at least 65 years of age; or have a minimum of 20 years of service and be at least 60 years of age; or have at least 20 years of service at any age if retired at the initiative of a state institution of higher learning because of disability. The conditions for eligibility for a surviving spouse were that he or she must have been married to a faculty member at the time eligibility of said faculty member was established under the aforementioned requirements, or was married to a faculty member who died in service after 20 years of employment in one or more state institutions of higher learning in Colorado. No age restrictions were provided for surviving spouses.

The final major change made by the General Assembly in 1957 was to extend the cut-off date for receiving new applications to July 1, 1962. Under this provision, a retiring faculty member must apply for participation not later than 60 days following retirement and attainment of eligibility. (An unsuccessful effort was made in the 1962 session to change the cut-off date to July 1, 1963.)

1. Sections 124-17-1 through 124-17-4, 1953 C.R.S., as amended

Growth of Higher Learning Emeritus Retirement Fund

The growth in the Higher Learning Emeritus Retirement Fund is shown in Table III. As may be noted, beginning with the first full year of operation in 1954-55 and ending with the estimates for 1962-63, the fund has increased from an average number of 38 participants costing \$22,834 to 150 participants and \$175,000. In this respect, the major change in the fund occurred in 1957-58 following the amendments adopted by the 1957 General Assembly.

Table III
HIGHER LEARNING EMERITUS RETIREMENT FUND

| <u>Fiscal Year:</u> | <u>Expenditures:</u> | <u>Average No. of Participants:</u> |
|-----------------------|----------------------|-------------------------------------|
| 1953-54 (four months) | \$ 7,801 | 17 |
| 1954-55 | 22,834 | 38 |
| 1955-56 | 21,668 | 38 |
| 1956-57 | 26,532 | 36 |
| 1957-58 | 165,308 | 149 |
| 1958-59 | 166,000 | 152 |
| 1959-60 | 171,066 | 154 |
| 1960-61 | 165,782 | 150 |
| 1961-62 | 167,000 | 147 |
| 1962-63 | 175,000 ^a | 150 ^a |

a. Estimated

One of the major changes adopted in 1957 established survivorship benefits under the Higher Learning Emeritus Retirement Program. The information available on this aspect of the program is reported in Table IV as of April, 1962. The total monthly survivorship benefits for the 37 beneficiaries amounted to \$3,700 with \$3,023.30 being provided under the Higher Education Emeritus Retirement Program and the balance coming from TIAA or PERA.²

2. Because of the lack of information in regard to age of these beneficiaries, it was not possible to estimate an increase in cost to the state for changes in the monthly benefit for this part of the program.

Table IV

SURVIVORSHIP PROGRAM IN HIGHER EDUCATION EMERITUS RETIREMENT FUND

As of April, 1962

| <u>Beneficiaries</u> | | <u>Date</u> <u>Spouse</u> <u>Deceased</u> | <u>Date</u> <u>H.E.E.R.</u> | <u>Monthly</u> <u>\$</u> <u>H.E.E.R.</u> | <u>Monthly</u> <u>\$</u> <u>T.I.A.A.</u> | <u>Monthly</u> <u>\$</u> <u>Other</u> | <u>Total</u> <u>Monthly</u> <u>\$</u> |
|----------------------|------------|---|--------------------------------|--|--|---|---|
| <u>Age</u> | <u>Sex</u> | | | | | | |
| 87 | F | 8/46 | 6/26/57 | 100.00 | --- | --- | 100.00 |
| 85 | F | 3/47 | 7/1/57 | 93.53 | 6.47 | --- | 100.00 |
| 84 | F | 9/44 | 6/11/57 | 78.62 | 21.38 | --- | 100.00 |
| 82 | F | 12/39 | 6/24/57 | 100.00 | --- | --- | 100.00 |
| 81 | F | 2/61 | 2/20/61 | 100.00 | --- | --- | 100.00 |
| 75 | F | 6/51 | 6/26/57 | 100.00 | --- | --- | 100.00 |
| 72 | F | 7/49 | 6/21/57 | 75.31 | 24.69 | --- | 100.00 |
| 65 | F | 12/48 | 6/18/57 | 100.00 | --- | --- | 100.00 |
| 62 | F | 1/56 | 6/21/57 | 83.94 | 16.06 | --- | 100.00 |
| 59 | F | 12/59 | 2/24/60 | 64.47 | 35.53 | --- | 100.00 |
| Unknown | F | 1/49 | 7/1/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 1/55 | 10/2/57 | 8.00 | --- | 92 ^a | 100.00 |
| Unknown | F | 6/44 | 6/21/57 | 51.25 | 48.75 | --- | 100.00 |
| Unknown | F | 6/40 | 6/13/57 | 71.26 | 28.74 | --- | 100.00 |
| Unknown | F | 9/49 | 6/11/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 6/59 | 7/1/59 | 42.01 | 57.99 | --- | 100.00 |
| Unknown | F | 11/56 | 6/26/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | --- | 6/21/57 | 87.99 | 12.01 | --- | 100.00 |
| Unknown | F | 12/49 | 6/25/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 8/49 | 6/11/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 4/52 | 6/18/57 | 39.28 | 60.72 | --- | 100.00 |
| Unknown | F | 1/46 | 6/20/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 6/38 | 6/18/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | -/48 | 7/1/57 | 79.27 | 20.73 | --- | 100.00 |
| Unknown | F | 4/51 | 7/1/57 | 65.02 | 34.98 | --- | 100.00 |

Table IV
(Continued)

| <u>Beneficiaries</u> | | Date Spouse Deceased | Date H.E.E.R. | Monthly \$ H.E.E.R. | Monthly \$ T.I.A.A. | Monthly \$ Other | Total Monthly \$ |
|----------------------|---|----------------------------|------------------|---------------------------|---------------------------|------------------------|------------------------|
| Unknown | F | 4/49 | 6/21/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 5/61 | 5/1/61 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 6/57 | 6/18/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 10/60 | 11/1/61 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 11/44 | 6/21/57 | 49.43 | 50.57 | --- | 100.00 |
| Unknown | F | 5/52 | 6/18/57 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 11/60 | 11/22/60 | 65.20 | 34.80 | --- | 100.00 |
| Unknown | F | 6/52 | 6/12/57 | 59.72 | 40.28 | --- | 100.00 |
| Unknown | F | 6/45 | 6/13/57 | 81.42 | 18.58 | --- | 100.00 |
| Unknown | F | 5/61 | 5/11/61 | 30.54 | 69.46 | --- | 100.00 |
| Unknown | F | 10/60 | 10/27/60 | 100.00 | --- | --- | 100.00 |
| Unknown | F | 12/53 | 6/10/57 | 97.04 | 2.96 | --- | 100.00 |
| Totals | | | | \$3,023.30 | \$584.70 | \$92.00 | \$3,700.00 |

a. P.E.R.A.

EFFECT OF VARIOUS PROPOSED CHANGES ON TEACHER EMERITUS PROGRAMS

During the 1962 session of the General Assembly, a proposal was made to increase the monthly benefits for the State Institutions of Higher Learning Emeritus Retirement Pension from \$200 to \$300. Subsequently, the public school teachers' emeritus group felt that if the professors' emeritus group received an increase, then its members' benefits should also be increased. A proposal was therefore suggested to increase the teachers' emeritus monthly benefit from \$125 to \$150. Neither proposal was adopted, however, as the General Assembly felt more information was needed on the effect of these increases as well as other possible changes. Among the other changes which have been suggested are the possibility of providing a medical benefit program to the teacher emeritus groups, extending teacher emeritus benefits to qualifying retired teachers regardless of state of residence, and allowing credit for teaching service in state homes as well as in local school districts and in the office of county superintendent of schools. Where possible, estimates have been prepared on the effects of the various proposals.

Estimated Effect of Increase in Monthly TER Benefits

Table V contains a minimum estimate of annual and projected program expense of the Teachers' Emeritus Retirement Program using, for comparative purposes, base monthly benefits of \$125 (present level), \$150, \$175, and \$200. The estimates in this table include those persons presently receiving benefits from the teachers' emeritus program plus those teachers who would qualify if the base monthly rate were increased. That is, as mentioned previously, when the monthly rate is increased, an additional number of teachers whose retirement income is less than the new rate become eligible for teacher emeritus benefits to the extent of the difference between their basic retirement figure and the new teacher emeritus rate. If this base monthly rate were raised, the additional number of retired teachers who would also qualify for teacher emeritus benefits are:

| Teachers' Emeritus Program <u>Monthly Benefit Rate</u> | Additional No. of Teachers <u>Who Would Qualify</u> |
|--|---|
| \$150 | 82 |
| 175 | 164 |
| 200 | 222 |

It should be pointed out, however, that these estimates on the additional number of teachers include only those persons presently retired who would qualify and does not include teachers yet to retire who might also become eligible for TER benefits, depending on the level of the monthly TER rate. For example, if the TER monthly rate were raised to \$200, this would mean that those teachers retiring after at least twenty years of service with an average salary for the previous five years of less than \$400 per month would be eligible for TER.

The estimated annual and projected program costs reported in Table V have been computed for each base amount by the following method:

- 1) each participant was classified by age and sex;
- 2) the annual teachers' emeritus benefit was computed for each participant, depending on the dollar base used;
- 3) the annual dollar benefits of the program were totaled for each age and sex group; and
- 4) the total annual benefit for each age and sex group was multiplied by the respective life expectancy factor.

To illustrate, using a base figure of \$150 per month, the total annual benefit for retired male teachers, age 69, is estimated to total \$11,028. This total of \$11,028 was multiplied by the life expectancy factor for that age and sex group (9.66) to arrive at the estimated projected program cost of \$106,530 for that group. Thus, so far as the total program cost is concerned, the estimated annual cost for teachers' emeritus retirement at a base figure of \$150 per month would be \$1,046,354 and the projected total program cost would be \$9,155,250. This represents an increase of \$262,283 over annual costs at the present monthly rate of \$125 and a projected total program increase of \$2,310,040.

Estimated Effect of Extending TER Benefits to Out-of-state Residents

An increase in annual program cost to the state ranging from \$32,627 to \$108,966 could be expected if TER benefits were extended to include otherwise qualified persons who reside outside of Colorado, as may be noted in Table VI. This extension would add from 73 to 95 retired teachers to the TER program, depending on the amount of the monthly benefit rate, and is likewise estimated to add from \$267,951 to \$896,168 to the total program cost.

Estimated Effect of Increase in Monthly Benefits for Higher Education Emeritus Retirement Program

The estimated annual and total program costs based on increases in the monthly benefits in the higher education emeritus retirement program are contained in Table VII. It should be pointed out, however, that these estimates include only the participants under the present program and, because of lack of information, do not include retired or soon-to-retire educators who might qualify at an increased level of benefits. (Similarly, because of the lack of information, no estimates could be prepared on increased benefits under the survivorship program.)

Table V

ESTIMATED COST OF TEACHERS' EMERITUS RETIREMENT PROGRAM USING BASE MONTHLY BENEFITS OF \$125, \$150, \$175, and \$200*

| (1) Age | (2) Sex | (3) Longevity Factor | (4) Base \$125 Per Month | | (6) Projected Cost (Col. 3 x Col. 5) | | (7) Base \$150 Per Month | | (9) Projected Cost (Col. 3 x Col. 8) | | (10) Base \$175 Per Month | | (12) Projected Cost (Col. 3 x Col. 11) | | (13) Base \$200 Per Month | | (15) Projected Cost (Col. 3 x Col. 14) | |
|------------|------------|----------------------------|-----------------------------|----------------|--|----------------|-----------------------------|----------------|--|----------------|------------------------------|----------------|--|----------------|------------------------------|----------------|--|----------------|
| | | | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost | No. Of Part. | Annual Cost |
| 94 | F | 2.74 | --- | \$ --- | \$ --- | --- | \$ --- | \$ --- | --- | \$ --- | \$ --- | --- | \$ --- | \$ --- | --- | \$ --- | \$ --- | |
| | M | 2.09 | 1 | 1,500 | 3,135 | 1 | 1,800 | 3,762 | 1 | 2,100 | 4,389 | 1 | 2,400 | 5,016 | | | | |
| 93 | F | 2.93 | 2 | 1,560 | 4,570 | 2 | 2,160 | 6,329 | 2 | 2,760 | 8,087 | 2 | 3,360 | 9,845 | | | | |
| | M | 2.23 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | | | |
| 92 | F | 3.13 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | | | |
| | M | 2.39 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | | | |
| 91 | F | 3.35 | 3 | 3,300 | 11,055 | 3 | 4,200 | 14,070 | 3 | 5,100 | 17,085 | 3 | 6,000 | 20,100 | | | | |
| | M | 2.56 | 2 | 3,000 | 7,680 | 2 | 3,600 | 9,216 | 2 | 4,200 | 10,752 | 2 | 4,800 | 12,288 | | | | |
| 90 | F | 3.58 | 5 | 3,660 | 13,103 | 5 | 5,160 | 18,473 | 5 | 6,660 | 23,843 | 5 | 8,160 | 29,213 | | | | |
| | M | 2.74 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | | | |
| 89 | F | 3.82 | 5 | 3,900 | 14,898 | 5 | 5,400 | 20,628 | 5 | 6,900 | 26,358 | 5 | 8,400 | 32,088 | | | | |
| | M | 2.93 | 2 | 3,000 | 8,790 | 2 | 3,600 | 10,548 | 2 | 4,200 | 12,306 | 2 | 4,800 | 14,064 | | | | |
| 88 | F | 4.08 | 7 | 9,300 | 37,944 | 7 | 11,400 | 46,512 | 7 | 13,500 | 55,080 | 7 | 15,600 | 63,648 | | | | |
| | M | 3.13 | 1 | 1,500 | 4,695 | 1 | 1,800 | 5,634 | 1 | 2,100 | 6,573 | 1 | 2,400 | 7,512 | | | | |
| 87 | F | 4.35 | 10 | 6,420 | 27,927 | 10 | 9,420 | 40,977 | 10 | 12,420 | 54,027 | 10 | 15,420 | 67,077 | | | | |
| | M | 3.35 | 1 | 1,500 | 5,025 | 1 | 1,800 | 6,030 | 1 | 2,100 | 7,035 | 1 | 2,400 | 8,040 | | | | |
| 86 | F | 4.64 | 13 | 10,440 | 48,442 | 13 | 14,340 | 66,538 | 13 | 18,240 | 84,634 | 13 | 22,140 | 102,730 | | | | |
| | M | 3.58 | 3 | 3,900 | 13,962 | 3 | 4,800 | 17,184 | 3 | 5,700 | 20,406 | 3 | 6,600 | 23,628 | | | | |
| 85 | F | 4.95 | 15 | 14,340 | 70,983 | 15 | 18,840 | 93,258 | 15 | 23,340 | 115,533 | 15 | 27,840 | 137,808 | | | | |
| | M | 3.82 | 2 | 600 | 2,292 | 2 | 1,200 | 4,584 | 2 | 1,800 | 6,876 | 2 | 2,400 | 9,168 | | | | |
| 84 | F | 5.26 | 21 | 19,745 | 103,859 | 21 | 26,045 | 136,997 | 21 | 32,345 | 170,135 | 21 | 38,645 | 203,273 | | | | |
| | M | 4.08 | 2 | 2,604 | 10,624 | 2 | 3,204 | 13,072 | 2 | 3,804 | 15,520 | 2 | 4,404 | 17,968 | | | | |
| 83 | F | 5.59 | 24 | 23,399 | 130,800 | 25 | 30,839 | 172,390 | 25 | 38,339 | 214,315 | 25 | 45,839 | 256,240 | | | | |
| | M | 4.35 | 2 | 2,159 | 9,392 | 2 | 2,759 | 12,002 | 2 | 3,359 | 14,612 | 2 | 3,959 | 17,222 | | | | |
| 82 | F | 5.93 | 22 | 16,055 | 95,206 | 24 | 22,902 | 135,809 | 24 | 30,102 | 178,505 | 24 | 37,302 | 221,201 | | | | |
| | M | 4.64 | 4 | 3,503 | 16,254 | 4 | 4,703 | 21,822 | 4 | 5,903 | 27,390 | 4 | 7,103 | 32,958 | | | | |
| 81 | F | 6.29 | 23 | 15,993 | 100,596 | 25 | 23,209 | 145,985 | 27 | 31,222 | 196,386 | 28 | 39,424 | 247,977 | | | | |
| | M | 4.95 | 2 | 1,524 | 7,544 | 3 | 2,164 | 10,712 | 3 | 3,064 | 15,167 | 3 | 3,964 | 19,622 | | | | |
| 80 | F | 6.65 | 23 | 23,725 | 157,771 | 29 | 31,682 | 210,685 | 31 | 40,612 | 270,069 | 31 | 49,912 | 331,915 | | | | |
| | M | 5.26 | 5 | 6,443 | 33,890 | 5 | 7,943 | 41,780 | 5 | 9,443 | 49,670 | 6 | 11,041 | 58,076 | | | | |
| 79 | F | 7.03 | 40 | 41,587 | 292,357 | 42 | 53,884 | 378,805 | 44 | 66,922 | 470,462 | 45 | 80,351 | 564,868 | | | | |
| | M | 5.59 | 4 | 4,401 | 24,602 | 4 | 5,601 | 31,310 | 4 | 6,801 | 38,018 | 4 | 8,001 | 44,726 | | | | |
| 78 | F | 7.43 | 37 | 32,156 | 238,919 | 41 | 43,816 | 325,552 | 44 | 56,598 | 420,523 | 45 | 69,987 | 520,063 | | | | |
| | M | 5.93 | 9 | 8,954 | 53,097 | 9 | 11,654 | 69,108 | 9 | 14,354 | 85,119 | 9 | 17,054 | 101,130 | | | | |
| 77 | F | 7.84 | 26 | 26,451 | 207,376 | 28 | 34,787 | 272,730 | 32 | 43,825 | 343,588 | 35 | 53,770 | 421,557 | | | | |
| | M | 6.29 | 2 | 2,280 | 14,341 | 3 | 3,060 | 19,247 | 3 | 3,960 | 24,908 | 3 | 4,860 | 30,569 | | | | |
| 76 | F | 8.27 | 48 | 41,328 | 341,783 | 51 | 56,104 | 463,980 | 56 | 72,112 | 596,366 | 59 | 89,416 | 739,470 | | | | |
| | M | 6.65 | 8 | 6,955 | 46,251 | 8 | 9,355 | 62,211 | 8 | 11,755 | 78,171 | 8 | 14,155 | 94,131 | | | | |
| 75 | F | 8.71 | 28 | 32,982 | 287,273 | 30 | 41,765 | 363,773 | 34 | 51,423 | 447,894 | 36 | 62,098 | 540,874 | | | | |
| | M | 7.03 | 4 | 2,705 | 19,016 | 4 | 3,905 | 27,452 | 4 | 5,105 | 35,888 | 4 | 6,305 | 44,324 | | | | |
| 74 | F | 9.18 | 38 | 39,690 | 364,354 | 43 | 51,570 | 473,413 | 45 | 64,798 | 594,846 | 54 | 79,442 | 729,278 | | | | |
| | M | 7.43 | 3 | 2,364 | 17,565 | 3 | 3,264 | 24,251 | 3 | 4,164 | 30,938 | 4 | 5,305 | 39,416 | | | | |
| 73 | F | 9.66 | 41 | 41,727 | 403,083 | 47 | 54,900 | 530,334 | 51 | 69,913 | 675,360 | 57 | 85,746 | 828,306 | | | | |
| | M | 7.84 | 6 | 7,611 | 59,670 | 7 | 9,546 | 74,841 | 9 | 11,811 | 92,598 | 9 | 14,511 | 113,766 | | | | |
| 72 | F | 10.16 | 55 | 52,343 | 531,805 | 63 | 70,130 | 712,521 | 69 | 89,767 | 912,033 | 72 | 111,033 | 1,128,095 | | | | |
| | M | 8.27 | 5 | 4,615 | 38,166 | 5 | 6,115 | 50,571 | 5 | 7,615 | 62,976 | 5 | 9,115 | 75,381 | | | | |
| 71 | F | 10.68 | 41 | 40,106 | 428,332 | 49 | 54,293 | 579,849 | 52 | 69,413 | 741,330 | 53 | 85,115 | 909,028 | | | | |
| | M | 8.71 | 8 | 9,600 | 83,616 | 10 | 12,229 | 106,514 | 15 | 15,842 | 137,984 | 16 | 20,557 | 179,051 | | | | |
| 70 | F | 11.21 | 36 | 36,590 | 410,174 | 40 | 48,109 | 539,302 | 45 | 60,807 | 681,646 | 45 | 74,308 | 832,993 | | | | |
| | M | 9.18 | 5 | 4,625 | 42,458 | 5 | 6,125 | 56,228 | 5 | 7,625 | 69,998 | 8 | 9,352 | 85,851 | | | | |

| (1) | (2) | (3) | (4) Base \$125 Per Month | | | (7) Base \$150 Per Month | | | (10) Base \$175 Per Month | | | (13) Base \$200 Per Month | | |
|--------|-----|------------------|--------------------------|-------------|----------------------------------|--------------------------|-------------|----------------------------------|---------------------------|-------------|-----------------------------------|---------------------------|-------------|-----------------------------------|
| Age | Sex | Longevity Factor | No. Of Part. | Annual Cost | Projected Cost (Col. 3 x Col. 5) | No. Of Part. | Annual Cost | Projected Cost (Col. 3 x Col. 8) | No. Of Part. | Annual Cost | Projected Cost (Col. 3 x Col. 11) | No. Of Part. | Annual Cost | Projected Cost (Col. 3 x Col. 14) |
| 69 | F | 11.76 | 49 | \$ 34,442 | \$ 405,038 | 55 | \$ 49,815 | \$ 585,824 | 63 | \$ 67,518 | \$ 794,012 | 66 | \$ 86,804 | \$ 1,020,915 |
| | M | 9.66 | 10 | 7,896 | 76,275 | 11 | 11,028 | 106,530 | 15 | 14,929 | 144,214 | 15 | 19,429 | 187,684 |
| 68 | F | 12.32 | 47 | 43,565 | 536,721 | 50 | 58,241 | 717,529 | 60 | 74,772 | 921,191 | 62 | 93,201 | 1,148,236 |
| | M | 10.16 | 5 | 4,333 | 44,023 | 5 | 5,833 | 59,263 | 6 | 7,552 | 76,728 | 6 | 9,352 | 95,016 |
| 67 | F | 12.89 | 36 | 31,416 | 404,952 | 43 | 42,932 | 553,393 | 47 | 56,377 | 726,700 | 56 | 71,871 | 926,417 |
| | M | 10.68 | 5 | 4,334 | 46,287 | 5 | 5,834 | 62,307 | 5 | 7,334 | 78,327 | 5 | 8,834 | 94,347 |
| 66 | F | 13.48 | 33 | 31,445 | 423,879 | 37 | 42,050 | 566,834 | 40 | 53,502 | 721,207 | 47 | 66,508 | 896,528 |
| | M | 11.21 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 65 | F | 14.08 | 3 | 4,500 | 63,360 | 4 | 5,439 | 76,581 | 7 | 6,974 | 98,194 | 7 | 9,074 | 127,762 |
| | M | 11.76 | --- | --- | --- | --- | --- | --- | --- | --- | --- | 1 | 199 | 2,340 |
| TOTALS | | | 832 | \$784,071 | \$6,845,210 | 914 | \$1,046,354 | \$9,155,250 | 996 | \$1,332,881 | \$11,705,972 | 1,054 | \$1,640,066 | \$14,470,639 |

* Emeritus program for retired public school teachers. The table does not include higher education nor does it include retired teachers living out-state who have not already qualified for Teachers' Emeritus Retirement.

Table VI

ESTIMATED COST OF EXTENDING TEACHERS' EMERITUS RETIREMENT
TO RETIRED COLORADO TEACHERS LIVING OUT-STATE*

| (1) Age | (2) Sex | (3) Longevity Factor | (4) Number Of Partici- pants | (5) Base \$125 Per Month | | (6) Base \$150 Per Month | | (7) Base \$175 Per Month | | (8) Base \$200 Per Month | | (13) Number Of Partici- pants | (14) Annual Cost | (15) Projected Cost (Column 3 X Column 14) |
|------------|------------|----------------------------|---------------------------------------|--------------------------|---|--------------------------|---|--------------------------|--|--------------------------|--------|--|------------------------|--|
| | | | | Annual Cost | Projected Cost (Column 3 X Column 5) | Annual Cost | Projected Cost (Column 3 X Column 8) | Annual Cost | Projected Cost (Column 3 X Column 11) | | | | | |
| 96 | F | 2.39 | --- | \$ --- | \$ --- | --- | --- | --- | --- | --- | --- | --- | \$ --- | \$ --- |
| | M | 1.81 | 1 | 300 | 543 | 1 | 600 | 1,086 | 1 | 900 | 1,629 | 1 | 1,200 | 2,172 |
| 95 | F | 2.56 | 1 | 420 | 1,075 | 1 | 720 | 1,843 | 1 | 1,020 | 2,611 | 1 | 1,320 | 3,379 |
| | M | 1.94 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 93 | F | 2.93 | 1 | 420 | 1,231 | 1 | 720 | 2,110 | 1 | 1,020 | 2,989 | 1 | 1,320 | 3,868 |
| | M | 2.23 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 92 | F | 3.13 | 1 | 300 | 939 | 1 | 600 | 1,878 | 1 | 900 | 2,817 | 1 | 1,200 | 3,756 |
| | M | 2.39 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 91 | F | 3.35 | 1 | 300 | 1,005 | 1 | 600 | 2,010 | 1 | 900 | 3,015 | 1 | 1,200 | 4,020 |
| | M | 2.56 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 89 | F | 3.82 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | M | 2.93 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 88 | F | 4.08 | 4 | 1,380 | 5,630 | 4 | 2,580 | 10,526 | 4 | 3,780 | 15,422 | 4 | 4,980 | 20,318 |
| | M | 3.13 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 87 | F | 4.35 | 2 | 660 | 2,871 | 2 | 1,260 | 5,481 | 2 | 1,860 | 8,091 | 2 | 2,460 | 10,701 |
| | M | 3.35 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 86 | F | 4.64 | 3 | 960 | 4,454 | 3 | 1,860 | 8,630 | 3 | 2,760 | 12,806 | 3 | 3,660 | 16,982 |
| | M | 3.58 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 85 | F | 4.95 | 2 | 720 | 3,564 | 2 | 1,320 | 6,534 | 2 | 1,920 | 9,504 | 2 | 2,520 | 12,474 |
| | M | 3.82 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 84 | F | 5.26 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | M | 4.08 | 1 | 31 | 126 | 1 | 331 | 1,350 | 1 | 631 | 2,574 | 1 | 931 | 3,798 |
| 83 | F | 5.59 | 3 | 960 | 5,366 | 4 | 2,100 | 11,739 | 4 | 3,300 | 18,447 | 4 | 4,500 | 25,155 |
| | M | 4.35 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 82 | F | 5.93 | 4 | 1,044 | 6,190 | 5 | 2,392 | 14,185 | 5 | 3,892 | 23,080 | 5 | 5,392 | 31,975 |
| | M | 4.64 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 81 | F | 6.29 | 1 | 300 | 1,887 | 1 | 600 | 3,774 | 3 | 1,391 | 8,749 | 3 | 2,291 | 14,410 |
| | M | 4.95 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 80 | F | 6.65 | 3 | 900 | 5,985 | 3 | 1,800 | 11,970 | 3 | 2,700 | 17,955 | 3 | 3,600 | 23,940 |
| | M | 5.26 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 79 | F | 7.03 | 2 | 1,887 | 13,266 | 2 | 2,487 | 17,482 | 2 | 3,087 | 21,702 | 2 | 3,687 | 25,920 |
| | M | 5.59 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 78 | F | 7.43 | 6 | 3,681 | 27,350 | 7 | 5,629 | 41,823 | 7 | 7,729 | 57,426 | 7 | 9,829 | 73,029 |
| | M | 5.93 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 77 | F | 7.84 | 2 | 1,423 | 11,156 | 2 | 2,023 | 15,860 | 3 | 2,623 | 20,564 | 3 | 3,223 | 25,268 |
| | M | 6.29 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 76 | F | 8.27 | 2 | 1,783 | 14,745 | 2 | 2,383 | 19,707 | 3 | 3,048 | 25,215 | 3 | 3,949 | 32,658 |
| | M | 6.65 | 1 | 35 | 565 | 1 | 385 | 2,560 | 1 | 685 | 4,555 | 1 | 985 | 6,550 |
| 75 | F | 8.71 | 3 | 2,275 | 19,815 | 3 | 3,175 | 27,654 | 4 | 4,293 | 37,392 | 4 | 5,493 | 47,844 |
| | M | 7.03 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 74 | F | 9.18 | 1 | 300 | 2,754 | 2 | 675 | 6,197 | 2 | 1,275 | 11,705 | 2 | 1,875 | 17,213 |
| | M | 7.43 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 73 | F | 9.66 | 3 | 758 | 7,322 | 3 | 1,658 | 16,016 | 3 | 2,558 | 24,710 | 3 | 3,458 | 33,404 |
| | M | 7.84 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 72 | F | 10.16 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | M | 8.27 | 1 | 1,038 | 8,998 | 2 | 1,438 | 11,892 | 2 | 2,038 | 16,854 | 2 | 2,638 | 21,816 |

(continued)

| (1) Aoe | (2) Sex | (3) Longevity Factor | (4) Base \$125 Per Month | | | (7) Base \$150 Per Month | | | (10) Base \$175 Per Month | | | (13) Base \$200 Per Month | | |
|------------|------------|----------------------------|---------------------------------------|-----------------------|--|---------------------------------------|-----------------------|--|--|------------------------|--|--|-------------------------|--|
| | | | (4) Number Of Partici- pants | (5) Annual Cost | (6) Projected Cost (Column 3 X Column 5) | (7) Number Of Partici- pants | (8) Annual Cost | (9) Projected Cost (Column 3 X Column 8) | (10) Number Of Partici- pants | (11) Annual Cost | (12) Projected Cost (Column 3 X Column 11) | (13) Number Of Partici- pants | (14) Annual Costs | (15) Projected Cost (Column 3 X Column 14) |
| 71 | F | 10.68 | 3 | \$ 1,681 | \$ 17,953 | 3 | \$ 2,581 | \$ 27,565 | 5 | \$ 3,867 | \$ 41,300 | 5 | \$ 5,367 | \$ 57,320 |
| | M | 8.71 | 1 | 1,320 | 11,497 | 1 | 1,620 | 14,110 | 1 | 1,920 | 16,723 | 2 | 2,331 | 20,303 |
| 70 | F | 11.21 | 4 | 1,389 | 15,571 | 4 | 2,589 | 29,023 | 4 | 3,789 | 42,475 | 4 | 4,989 | 55,927 |
| | M | 9.18 | 1 | 828 | 7,601 | 1 | 1,128 | 10,335 | 1 | 1,428 | 13,109 | 1 | 1,728 | 15,863 |
| 69 | F | 11.76 | 6 | 2,286 | 26,883 | 7 | 4,381 | 51,521 | 7 | 6,481 | 76,217 | 9 | 8,693 | 102,230 |
| | M | 9.66 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 244 | 2,357 |
| 68 | F | 12.32 | --- | --- | --- | 1 | 10 | 123 | 2 | 520 | 6,406 | 3 | 1,359 | 16,743 |
| | M | 10.16 | 1 | 300 | 3,048 | 1 | 600 | 6,096 | 1 | 900 | 9,144 | 1 | 1,200 | 12,192 |
| 67 | F | 12.89 | 4 | 1,058 | 13,638 | 4 | 2,258 | 29,106 | 4 | 3,458 | 44,574 | 4 | 4,658 | 60,042 |
| | M | 10.68 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66 | F | 13.48 | 1 | 467 | 6,295 | 2 | 1,052 | 14,181 | 3 | 1,763 | 23,765 | 3 | 2,663 | 35,897 |
| | M | 11.21 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 65 | F | 14.08 | 3 | 1,323 | 18,628 | 3 | 2,223 | 31,300 | 3 | 3,123 | 43,972 | 3 | 4,023 | 56,644 |
| | M | 11.76 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TOTALS | | | 73 | \$32,627 | \$267,951 | 81 | \$55,778 | \$455,667 | 90 | \$79,700 | \$667,497 | 95 | \$108,966 | \$896,168 |

* Figures do not include participants living out-state who have previously qualified for teachers' emeritus benefits.

With this reservation in mind, the cost to the state at the present level (\$200 per month) is estimated to total \$125,946 annually with a total program expense of \$850,011. These figures may be compared to the estimates based on a monthly benefit rate of \$225, \$250, \$275, \$300, \$325, and \$350. For example, a monthly benefit rate of \$300, with no increase in the number of participants, would mean an annual increase in cost to the state of \$134,400 and a total program increase of \$963,601.

Medical Care Benefits for Teacher Emeritus Groups

One change which has been suggested in regard to the teacher emeritus retirement programs is for the state to provide some type of medical-benefit program in conjunction with the federal government. However, according to advice received from the Regional Office of the United States Department of Health, Education, and Welfare, the State of Colorado cannot establish a medical care program for the teacher emeritus groups alone under the Kerr-Mills Act.

The Legislative Council's Committee on Health Insurance and Fringe Benefits for State Employees has been securing estimates on the cost of purchasing health insurance for state employees, including retired employees. In this connection, estimates were also obtained for the teacher emeritus groups on the basis of being part of an over-all state plan and on the basis of the active and retired employees' programs being kept separate. At the same time, cost information was prepared on the basis of two levels of benefits -- a "high" level and a "low" level. A comparison of the benefits under the high level plan and the low level plan is contained in Table VIII. All of the insurance costs in this memorandum are related to the benefits provided under these two programs.

Premium cost estimates submitted to the health insurance committee by five insurance carriers differed rather substantially, depending on whether the retired employees were carried under a separate plan or were combined in one plan with the active employees. Similarly, premium cost estimates were smaller under the low level plan than under the high level plan of benefits, as may be noted in the following tabulation:

MEDIAN MONTHLY PREMIUM COST ESTIMATES

| <u>Separate Plan</u> | <u>High Level</u> | <u>Low Level</u> |
|--------------------------|----------------------|----------------------|
| Retired employee | \$17.03 | \$14.12 |
| Dependent | 17.03 | 14.33 |
| Total | \$34.06 | \$28.45 |
| <u>Combined Plan</u> | | |
| Retired employee | \$ 8.74 | \$ 7.03 |
| Dependent | 13.16 | 11.33 |
| Total | \$23.63 ^a | \$18.79 ^a |

a. Total represents median cost figure from a single carrier.

Estimates have been prepared on the basis of the state contributing from five dollars to ten dollars per month in an employees' health insurance program, with the balance of the cost being paid by the employees. For the teacher emeritus group, the annual cost to the state is estimated to range from \$36,000 to \$73,000, as shown below.

| <u>Amount of Monthly Contribution</u> | <u>Annual Cost of State -- Teacher Emeritus Group</u> |
|---------------------------------------|---|
| \$ 5 | \$36,000 |
| 6 | 43,000 |
| 7 | 50,400 |
| 8 | 57,600 |
| 9 | 64,800 |
| 10 | 73,000 |

These estimates are based on coverage for the 600 persons under teacher emeritus retirement who are not under TIAA or PERA. Consequently, if a separate program were established for the teacher emeritus group alone, approximately another 1,000 persons would be involved and, in addition, an increase in the premium cost of up to ten per cent could be expected.

Table VIII

COMPARISON OF HIGH AND LOW LEVEL HEALTH INSURANCE PLANS AS SPECIFIED FOR RETIRED EMPLOYEES

| ITEM | HIGH LEVEL PLAN | LOW LEVEL PLAN |
|---|---|---|
| <u>Hospital Room and Board</u> | 31 days, \$25 per day maximum | 31 days, \$15 per day maximum |
| <u>Other Hospital Expenses</u> | \$400 maximum | \$300 maximum |
| <u>Surgical Expense</u> | Calif. Relative Value Schedule or Equivalent | Scheduled amounts -- \$300 maximum |
| <u>Doctor's Visits in Hospital</u> | \$5 per day for 31 days | \$4 per day for 31 days |
| <u>Major Medical Expense</u> Same coverage and exemptions as in plans for active employees | \$2,500 maximum, 80/20 coinsurance. Same deductible features as in plans for active employees | Same as high level plan for retired employees |

CONCLUDING COMMENTS

There appear to be several basic policy questions which may confront the General Assembly in regard to the two emeritus retirement programs. The Teachers' Emeritus Retirement Fund was established as an interim measure for those teachers who would receive little or no benefits under PERA. Constant efforts have been made to broaden this law, some of which were successful while others were not, and a point will inevitably be reached where the decision to be made is whether the General Assembly is willing to continue to support a contributory retirement program (PERA) and a non-contributory retirement system (teacher emeritus). The other side of this fundamental question is whether the General Assembly is willing to let the emeritus retirement program, which was originally created as a temporary interim program, expire gradually, as it will if the membership is not expanded.

One objection long raised by teachers in general is that the beneficiaries under this program were receiving less than the old age pension group. This objection was met when the maximum monthly benefit was increased to \$125. There has been some discussion on occasion of a provision for medical care to be included in the Teachers' Emeritus Retirement Fund. The teachers themselves are more anxious to come under the provisions of TER since they regard the old age pension as a welfare program and feel that TER is something which they have earned. Perhaps the decision needs to be made as to whether the inclusion of medical benefits into the TER program would begin a trend toward a welfare-type program. Moreover, the education department believes that the inclusion of medical benefits would greatly complicate the administration of TER unless it could be handled through the state welfare department.

There are two remaining questions concerning TER which may be brought before the General Assembly. If a proposal is made to increase the benefits to \$150 per month, this will not only raise the monthly benefits for TER beneficiaries but will also add another estimated 82 retired teachers to this program immediately, with others to follow; if it is proposed that the provision requiring an applicant to be a resident of Colorado be repealed, there are a number of teachers (from 73 to 95) who have established residence outside of the state for one reason or another who would become eligible for TER benefits.

Many of the same questions arising in regard to TER also apply equally to the State Institutions of Higher Learning Emeritus Retirement Program. That is, will the General Assembly consider this an interim program designed to assist some persons who would otherwise receive little or no retirement benefits or will the General Assembly continue to strengthen and to enlarge this program? If it is proposed that the monthly benefit be increased to \$250, the total annual cost would be increased to at least \$193,146. This is a minimum estimate and does not include the additional persons who might be brought into the program, since the committee has been unable to determine how many additional persons would become eligible if the monthly rate were increased to \$250.