



# Colorado PERA CONTRIBUTION RATES

## WHAT IS A MEMBER CONTRIBUTION?

As a Colorado PERA member, you contribute a percentage of your monthly salary to your PERA member contribution account. See the table below.

## MEMBER CONTRIBUTION RATES

	Member Contribution	State Trooper/ CBI Agent Contribution
Prior to July 1, 2019	8.00%	10.00%
July 1, 2019–June 30, 2020	8.75%	10.75%
July 1, 2020–June 30, 2021	9.50%	11.50%
After July 1, 2021	10.00%	12.00%

Your PERA contributions are tax-deferred, which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit. (Federal taxes have been deferred since July 1984 in the PERA benefit structure and since January 1986 in the Denver Public Schools [DPS] benefit structure; state taxes have been deferred since 1987.)

Also, you earn tax-deferred interest on your member contributions and your completed service credit purchases. The interest rate is set by the PERA Board and is subject to change annually. The current interest rate is 3 percent compounded annually.

## WHAT IS AN EMPLOYER CONTRIBUTION?

Your employer contributes a percentage of its total payroll to PERA according to state law (see the charts on reverse). A portion of the employer contribution also goes to the Health Care Trust Fund to pay health care premium subsidies to benefit recipients who participate in the PERACare Health Benefits Program. The remaining amount is deposited in a pension trust fund established for each division to pay benefits.

## WHEN DO MEMBER AND EMPLOYER CONTRIBUTIONS CHANGE?

State law specifies that member and employer contributions may adjust beginning July 1, 2020, to ensure that PERA is able to pay off its unfunded liability within 30 years. Both member and employer contribution rates can each increase (or decrease) by up to 0.5 percent per year beginning in July 2020.

## WHAT ARE THE AED AND SAED?

In 2004 and 2006, legislation was passed that required employers to remit additional contributions to PERA. These additional contributions are the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). The AED is an additional amount contributed by PERA employers with gradual increases. The SAED is also an amount contributed by employers and is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED also has gradual increases. These additional employer contributions, based on the total payroll of PERA members and employees who can elect either PERA or another plan (regardless of the plan elected), are designed to reduce PERA's unfunded liability and amortization period.

## WHEN DO THE AED AND SAED CHANGE?

The AED and SAED for the School, DPS, and State Divisions are slated to adjust based on the year-end funded status of each division, with decreases mandated when the division's year-end funded status reaches 103 percent and increases mandated when the division's funded status reaches 103 percent and subsequently falls below 90 percent.

*(Continued on reverse)*



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The AED and SAED for the Local Government and Judicial Divisions are slated to adjust based on the year-end funded status of each division, with decreases mandated when the division's year-end funded status reaches 103 percent. Increases in the AED and SAED are mandated when the division's trust fund reaches 90 percent funded status and subsequently falls below 90 percent.

## WHAT ARE THE EMPLOYER CONTRIBUTION RATES?

The following contribution rates are as provided under state law.

### STATE DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	10.15%	5.00%	5.00%	20.15%
July 2019	10.40%	5.00%	5.00%	20.40%

### DPS DIVISION\*\*

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	10.15%	4.50%	5.50%	20.15%
July 2019	10.40%	4.50%	5.50%	20.40%

- ▶ The 2009 legislation that authorized the merger of Denver Public Schools Retirement System (DPSRS) with PERA required that every fifth year it be determined if the DPS employer contribution rate should be adjusted. This adjustment is meant to ensure that 30 years after the merger, the funding status of the DPS Division is equal to the School Division.

- ▶ Beginning on July 1, 2019, the employer contribution rate in each division except the Local Government Division will increase by 0.25 percent. AED and SAED amounts will remain the same.

### SCHOOL DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	10.15%	4.50%	5.50%	20.15%
July 2019	10.40%	4.50%	5.50%	20.40%

### LOCAL GOVERNMENT DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	10.00%	2.20%	1.50%	13.70%

### STATE TROOPERS

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	12.85%	5.00%	5.00%	22.85%
July 2019	13.10%	5.00%	5.00%	23.10%

### JUDICIAL DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	13.66%	2.20%	1.50%	17.36%
Jan 2019	13.66%	3.40%	3.40%	20.46%
July 2019	13.91%	3.40%	3.40%	20.71%
Jan 2020	13.91%	3.80%	3.80%	21.51%

\* State statute mandates that the SAED be funded by moneys otherwise available for employee wage increases. The SAED is not credited to the member account.

\*\* Actual DPS employer contributions into the DPS Division vary based upon DPS payments toward its pension obligation bonds.

Note: Employer contribution includes 1.02 percent into the Health Care Trust Fund.

This fact sheet provides general information about member and employer contributions. Your rights, benefits, and obligations as a PERA member are governed by Title 24, Article 51 of the Colorado Revised Statutes, and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this fact sheet.