Colorado PERA: Leading Change, Lasting Security
The PERA Board’s Recommended Package

Increase Contributions
- Current members 3%
- Future members 2%
- Employers 2%

Modify Benefits
- Age 65
- 5-year HAS
- Annual Increase

Align Contributions With Benefits
- PERA-includable salary
- Service credit accrual
Automatic Adjustment Provision

Triggered when PERA is out of alignment with funding progress

- Employee Contributions
- Employer Contributions
- Annual Increase
Where We Want To Be

- Local Government
- Judicial
- School
- DPS
- State

Graph showing funded ratio percentages for different divisions from 2017 to 2057.
Senate Bill 18-200

- Sponsored by Senators Tate and Priola, and Representatives K. Becker and Pabon
- Passed Senate Finance (3/15) and Senate Appropriations (3/20)
- Next: Senate floor debate
Increase Contributions

Increase current member and working retiree contribution rates

PERA Board
Additional 3% of pay starting Jan. 2020

SB 18-200
Additional 3% of pay phased-in starting July 2018
Increase Contributions

Increase member and working retiree contribution rates for new hires starting after January 1, 2020

- PERA Board
  Additional 2% of pay

- SB 18-200
  Additional 3% of pay
Increase Contributions

Changes effective January 1, 2020

Increase employer contribution rates by an additional 2% of pay

PERA Board
Starting Jan. 1, 2020
Modify Benefits

Increase eligibility for full service retirement for new hires starting after January 1, 2020 to age 65 for most divisions

✔ PERA Board  ✔ SB 18-200
Modify Benefits

Increase eligibility for full service retirement for current employees one year for every four years < age 46

SB 18-200
Modify Benefits
Changes effective January 1, 2020

Increase number of years used in HAS calculation for new and non-vested members starting January 1, 2020

- PERA Board: 3 years to 5 years
- SB 18-200: 3 years to 7 years
Modify Benefits

Changes effective immediately after legislation is signed into law

Reduce the Annual Increase cap

- PERA Board
  From 2% to 1.5%

- SB 18-200
  From 2% to 1.25%
Modify Benefits

Changes effective immediately after legislation is signed into law

Suspend the Annual Increase for 2 years for current retirees

✔ PERA Board  ✔ SB 18-200
Modify Benefits

Changes effective immediately after legislation is signed into law

Change the Annual Increase waiting period for new retirees from 1 year to 3 years

✓ PERA Board ✓ SB 18-200
Redefine PERA-includable salary to include contributions to tax-advantaged plans (Sections 125, 132)

PERA Board
SB 18-200

Align Contributions with Benefits
Changes effective January 1, 2020
Align Contributions with Benefits

Changes effective January 1, 2020

Change service credit accrual standard for part-time work for new hires

✔ PERA Board ✔ SB 18-200
Automatic Adjustment Provision

Statutorily determined adjustments to contributions and AI to keep PERA on path to full funding in 30 years

PERA Board

SB 18-200
No employer contributions
Expanded Access to Defined Contribution (DC) Plan

New members will have choice between Defined Benefit and Defined Contribution Plans

☑️ SB 18-200
Legislative Oversight Committee

New oversight committee with four senators, four representatives and four experts

SB 18-200
## Comparison of Board Proposal and SB 18-200

<table>
<thead>
<tr>
<th>Division</th>
<th>Estimated Projected Years to Achieve 100% Funded Ratio</th>
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<tbody>
<tr>
<td></td>
<td>PERA Board Package</td>
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<tr>
<td>State</td>
<td>28 Years</td>
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<tr>
<td>School</td>
<td>29 Years</td>
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<tr>
<td>Local Government</td>
<td>18 Years</td>
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<tr>
<td>Judicial (3-Year HAS)</td>
<td>22 Years</td>
</tr>
<tr>
<td>DPS</td>
<td>24 Years</td>
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</tbody>
</table>

* Contribution phase-in elements are estimated within the Modeler. Specific changes to retirement eligibilities for existing members under the age of 46 could not be modeled. Expanded DC Choice is expected to have no adverse impact.

Note: Both proposals meet the GASB solvency test for all five Division Trust Funds.
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