PERA Provides for 1 in 10 Coloradans

**Contributions**

580,000 members and 500 employers contribute to PERA from each paycheck.

**Investments**

PERA invests the money and leverages **economies of scale** and **investment expertise** to generate returns.

- PERA manages **$48 billion**
- 9.8% 35-year average return

Each year, PERA pays more than **$4.3 billion** to retirees, 90% of whom live in Colorado.
Where We Were
2016 Funding Levels

- State Division
- School Division
- Local Government Division
- Judicial Division
- DPS Division

40-year projection of funded ratio on actuarial asset value based on December 31, 2016, valuation results

78 Years to Full Funding in the School Division

The Path Forward
Senate Bill 18-200

- Bi-partisan bill introduced
- Passed House
- Conference Committee report adopted and passed by the General Assembly
- Being considered by Governor

40-year projection of funded ratio on actuarial asset value based on December 31, 2016, valuation results
The Goal: Fully Funded Within 30 Years

Secure Benefit
PERA's funded status will improve and continue to improve over time, giving hundreds of thousands of public employees sustainable retirement security

How We Get There

Increase Contributions
Modify Benefits
Align Contributions With Benefits
Automatic Adjustment Provision
## Impact of Changes

### Current Members

<table>
<thead>
<tr>
<th>Contribution Rate</th>
<th>Increase incrementally starting 7/1/19 to 10% by 7/1/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Average Salary (HAS)</td>
<td>5-year HAS calculation for non-vested members as of 1/1/20</td>
</tr>
</tbody>
</table>
| Annual Increase (AI) | • Wait 3 years before receiving first AI  
                       • Reduce the AI cap to 1.5% |
| PERA-Includable Salary | Include sick leave payout |

### Current Retirees

| Annual Increase (AI) | • Reduce the AI cap to 1.5%  
                       • Suspend the AI for 2 years (effective for 2018 and 2019) |
| Working Retiree Contribution Rate | Increase incrementally starting 7/1/19 to 10% by 7/1/21 |
### Impact of Changes

#### Employers

<table>
<thead>
<tr>
<th>Contribution Rate</th>
<th>Increase by 0.25% starting 7/1/19 (except for the Local Government Division)</th>
</tr>
</thead>
</table>
| PERA-includable Salary | • Include any deductions made to cafeteria or qualified transportation plans for new members hired on or after 7/1/19  
• Include sick leave payout for all members |

#### State Budget Allocation

| State Budget Allocation | Annual direct distribution from the state budget of $225 million |
### Impact of Changes

**Future Members (starting 1/1/20 unless otherwise noted)**

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### Impact of Changes

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<td>Expanded Choice</td>
<td>Expand access to PERA DC Plan to Local Government Division members and classified college and university employees hired after 1/1/19</td>
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</table>
| Retirement Age           | Full: age 64 and 30 years  
                          | Reduced: age 55 and 25 years                                               |
| Annual Increase (AI)      | • Wait 3 years before receiving first AI  
                          | • Reduce the AI cap to 1.5%                                                |
Impact of Changes

Other Provisions

Safety Officer Rate and Benefit
Corrections officers and Sheriff deputies hired after 1/1/20 to contribute at and receive benefits at the same rate of State Troopers

New Pension Review Commission and Subcommittee
• 14-member subcommittee
  o 4 legislators from the Police Officers’ and Firefighters’ Pension Reform Commission
  o 10 appointed external experts from relevant industries

Impact of Changes

Other Provisions

Automatic Adjustment Provision
Adjusts member and employer contributions, the annual increase, and the direct distribution to keep PERA on a path to full funding in 30 years
What Didn’t Change

- Defined Benefit Plan remains the default, providing reliable retirement income that cannot be outlived.
- Contributions to an individual account belong to the member.
- PERA continues to be a powerful recruiting and retention tool.
- PERA is a sustainable retirement plan that supports public employees who support all of us.

Stay Informed

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