



What the Merger with PERA Means to DPSRS Active Members

On May 21, 2009, Governor Bill Ritter signed Senate Bill 09-282 making the merger between the Denver Public Schools Retirement System (DPSRS) and the Colorado Public Employees' Retirement Association (PERA) effective January 1, 2010. Because the legislation is complex, we have developed this fact sheet to explain the major areas of the new law that impact contributing (or "active") DPSRS members.

Contributions to Your Account After January 1, 2010

You will continue to contribute to your retirement account, under your current benefit structure, only now it will be a PERA account. After January 1, 2010, you may move to any other PERA-affiliated employer and continue to build a benefit under your DPSRS benefit structure or start building a benefit under the PERA benefit structure.

If you have service credit earned in both DPSRS and PERA, it cannot be combined. If you go to work for another PERA-affiliated employer you must decide which account to "freeze" and which account to build. You will have 60 calendar days from the time you change employment in which to make this decision. PERA is developing a benefits comparison chart so that you can compare benefit provisions and make an informed decision regarding which account to keep active. Also, please see the attached Portability Provision fact sheet that highlights your choices after January 1, 2010.

Administrative Changes after January 1, 2010

Certain changes will be implemented to align current DPSRS administrative processes with PERA's. These changes may have an impact on your benefits and are briefly outlined below.

- **Definition of Salary** – PERA's definition of salary will be used to calculate highest average salary (HAS). The main change will be from the consideration of contractual rate of pay to salary actually earned. For example, on and after January 1, 2010, the salary you receive from extra activities such as coaching will be included in determining your HAS; however, any amount deferred into your flexible spending account for health care will not be included. For more information on the definition of PERA Salary please see PERA's *Your PERA Benefits* brochure.
- **Service Credit Calculation** – You will earn one month of service credit if your salary (under PERA's definition) is at least 80 times the federal minimum wage (\$7.25 as of July 24, 2009).
- **Purchase of Service Credit** – A current option that allows eligible DPSRS members to purchase their prior casual/part-time service at a discounted rate will no longer be available as of January 1, 2010. On January 1, 2010, the rate for purchasing service credit will be the actuarial cost that PERA uses.
- **Disability Retirements** – As of January 1, 2010, disability retirements will be under PERA's disability program. PERA's disability retirement program requires you to be totally and permanently mentally or physically incapacitated from regular and substantial gainful employment, rather than incapable of performing the essential functions of your position as currently required under the DPSRS disability program. PERA has a short-term disability program available for vested members who are not totally and permanently disabled, but prove to be incapable of performing the essential functions of their position due to a disability.
- **Benefit Option Simplification** – The benefit payment options available for members who retire on or after January 1, 2010, will be reduced from the current seven choices to four to better align with the options currently available for PERA retirees and to eliminate duplicate and/or less popular payment options.

For more information see PERA's booklets: *Your PERA Benefits*, *Purchasing Service Credit*, *Disability Program*, *PERA & Section 125 Plans*, *PERA Retirement Process*

PERA provides retirement and other optional benefits to employees of over 400 public entities in Colorado, including all public school districts and charter schools.

Refunds and Rollovers

Refund and rollover amounts on or after January 1, 2010, will be based on the benefit structure in which they were earned. If you have a DPSRS and a PERA account, you must refund or roll over both accounts.

Leaving DPS to Work for Another PERA-Affiliated Employer

The legislation passed in 2009 allows “portability” or the ability to keep building on your retirement account when you change employers. If you leave DPS and go to work for any of PERA’s 400 participating employers, you will have the option to continue to build a benefit under your DPSRS benefit structure or to start building a new (or previously earned but not refunded) PERA account. The account that you will not be contributing toward will be “frozen” (but will still earn regular interest) and cannot be refunded or rolled over until you leave all PERA-covered employment. This one-time irrevocable decision must be made within 60 days of moving to another employer. If you do not actively select a retirement account on which to build, within the 60 days, you will build upon the account with the most service, and your contributions will go to your account with the most service credit.

See the Portability Provisions fact sheet for more information.

Working After Retirement

PERA’s working after retirement limits will apply to retirees from either system who return to work for any PERA-affiliated employer (including DPS) unless they are a retiree from either system who was grandfathered on January 1, 2010.

For more information regarding grandfathering please see Portability Provision fact sheet and *PERA’s Working After Retirement* booklet to learn more about PERA’s working after retirement rules.

Voluntary Benefits for PERA Members

- 401(k) Plan
- Life Insurance
- Long-Term Care Insurance
- 457 Plan (Offered to state and some school district employees)

Board of Trustees Representation

In May 2009, Andrew A. Raicevich was appointed as a non-voting ex officio member of the PERA Board of Trustees. Mr. Raicevich is a retired assistant superintendent in the Denver Public Schools. He joins 15 elected, appointed, and ex officio trustees who serve as fiduciaries to the PERA membership of over 430,000.

Colorado Public Employees’ Retirement Association

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