

Market Update


With all the news about the economy lately, your employees are probably asking you about the soundness of their retirement plan. This article was published in the December 2008 Retiree Update and contains the latest information on the impact of the financial markets on PERA.

Message from Meredith Williams, Colorado PERA Executive Director

Recent news articles have reported that PERA retirees will face possible benefit cuts in the midst of the decline in the financial markets. These are difficult times in the financial markets with unprecedented volatility; however, defined benefit plans are built to withstand market cycles. The PERA Board of Trustees and PERA staff have been closely monitoring the impact of the declining markets on PERA. As the markets have continued to decline, the Board directed staff to review all areas for possible ways to improve PERA's funded status after a tumultuous year in the financial markets.

PERA continues efforts to work with other large pension plans and others to ensure that our members' and retirees' retirements are protected and to find a resolution to the current market turmoil. A Colorado Attorney General's Formal Opinion concerns constitutional limits to the ability of the state General Assembly to alter retirement benefits for public employees under the pension program administered by PERA. The AG's opinion states that when a PERA

member retires and begins receiving pension benefits, such member's pension rights have fully vested and such pension benefits may not be reduced. Current members may also have certain pension benefit rights protected under the Constitution, although the General Assembly may make changes to such benefits if the changes are balanced by corresponding changes of a beneficial nature or are actuarially necessary.

PERA typically does not receive a lot of coverage in the media. However, media outlets like to put a local perspective on what's happening nationwide, and since PERA is the largest retirement system in the state, it's a story that has broad appeal. PERA has been forthright in communicating to its members and retirees the unprecedented financial situation faced by PERA and all retirement plans in the nation. Please remember, the most recent news can always be found on our Web site at www.copera.org under Latest News. 

Where to Find More Information

Your best place to find breaking news about PERA is the Latest News section of PERA's Web site at www.copera.org. Additional information can be found in the new Ask Meredith blog, also available on PERA's Web site (a link to the blog is on the left side when on the Latest News page).

Working After Retirement Letters Mailed

In September, PERA mailed letters to retirees who had returned to work for a PERA-affiliated employer reminding them of the laws that govern working after retirement. The letters explained the 110-day/720-hour per year limit on working for a PERA-affiliated employer after retirement and outlined the reporting requirements for such post-retirement

employment. PERA has identified several individuals who appear to have exceeded the limit and we will be contacting employers and these retirees for further information regarding work after retirement. 

Employer Manual Highlights

(Final in a series)

In previous issues of *Topics*, we provided a high-level overview of the first nine sections of the PERA *Employer Manual*. In this issue, we'll cover the final sections of the manual, 10, 11, and 12. The *Using STARS* guide is included in the PERA *Employer Manual* as the final section.

The *Employer Manual* is a valuable resource for payroll and human resource officers employed by PERA-affiliated employers whose responsibilities include understanding the basics of the PERA retirement plan, as well as the technical aspects of sending contributions on PERA members' behalf to PERA.

Section 10—Colorado PERA Survivor Benefits Program


This section covers the survivor benefits paid to eligible survivors of deceased PERA members. Section 10 outlines the actions an employer needs to take to notify PERA of the death of an employee. An important resource is the *Survivor Benefits* brochure which explains this PERA benefit in greater detail.

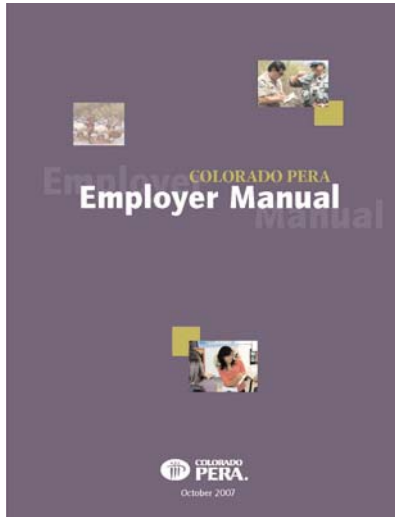
Section 11—Colorado PERA Life Insurance Program

Section 11 contains information on PERA's voluntary group decreasing term life insurance program administered by Unum. This section has an overview of the program and has information on eligibility, the enrollment process, and how to make changes. The premium payment process is also covered.

Long Term Care Update

At its meeting on November 21, 2008, PERA's Board of Trustees approved the recommendation of its long term care insurance program manager to add MetLife as a new insurer beginning in 2009. MetLife is pleased to have been selected, and is working closely with PERA to develop a customized program for PERA members and retirees. Members and retirees interested in purchasing new policies with MetLife will have the opportunity to do so in early 2009. Existing long term care policies continue in force with current insurers.

We will post information on our Web site and include news in our publications once MetLife is on board and able to write new long term care policies for our membership. 



Section 12—PERACare Health Benefits Program

PERA has offered a voluntary health benefits program to retirees since 1986. In 1999, the PERACare program became available to employers who wish to enroll their employees in PERACare. Section 12 contains information for employers who are considering PERACare for their employees.

Using STARS

The *Using STARS* guide is the final section in the *Employer Manual* and covers the procedure for employers to send contributions to PERA. STARS stands for Secure Transfer And Reporting System. The *Using STARS* section has useful step-by-

step instructions for employers to send contributions, make payments, verify member status, and use online forms within the secured system.

<https://www.copera.org/pdf/5/5-119.pdf>. 

Contact your Employer Representative to schedule a training session on how to use STARS.

New Online Form for Employers

The *Explanation of Additional Pay* form is now available for employers to complete online. Completing the form online allows employers to transfer confidential information in a secure manner. Once the form is completed online, it will be made instantly available for PERA to view. Employers can access this form by signing on to the STARS system and selecting Forms and then by selecting Explanation of Additional Pay. You do not need to wait for PERA to request an explanation of additional pay in order to complete this form. You may complete the form any time an employee receives additional pay.

If you have questions on accessing or completing the form, please contact your Employer Representative.

In addition to the *Explanation of Additional Pay* form, the following PERA employer forms are available online:

- *Death Notification/Salary Report*
- *Disability Retirement Employment Termination Certification*
- *Final Six Months' Salary Report*
- *Termination Certification*
- *Leave of Absence Form*

W-2 Upload Instructions

In the last issue of *Topics*, we included information on why PERA is requiring W-2 data from employers. To make the transfer of data as easy, secure, and efficient as possible, PERA has an online W-2 upload capability that is available through the STARS system in the employer access area of PERA's Web site. This feature allows you to upload your W-2 file in the same file format accepted by the Social Security Administration (SSA).

PERA will begin accepting your W-2 data files on January 23, 2009. The last day for submission is March 31, 2009. The file format must follow the SSA requirements as outlined in SSA Publication No. 42-007.

An authorized user can use the W-2 file upload through the PERA Web site. You must designate an individual to perform this function. Please contact Angela Byrne to establish this access.

To upload your W-2 file to PERA:

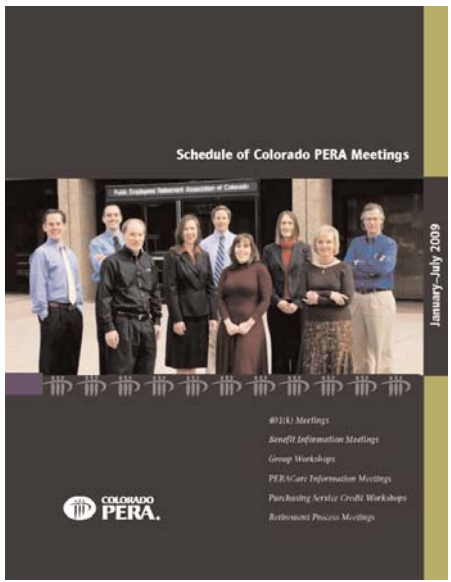
- Go to www.copera.org and log in with your user ID and password.
- Click on the Maintenance drop-down menu from the general information page.
- Choose Upload Files to PERA, then Compliance Files.
- Review the legal disclaimer and choose I Agree.
- Choose Tax Information - W-2 from the Upload Files to PERA.
- Click Browse to search for your file in the Choose File box.
- Choose your file and then click Open.
- Click Upload File to complete the process.

Remember that PERA must receive your agency's 2008 W-2 information by March 31, 2009.

How to Report Retiree Salary

As of July 1, 2005, employers are required to report and pay contributions on salary earned by retirees who have returned to work for a PERA-affiliated employer. PERA has received several inquiries as to when pay is considered Retiree Salary and when it is considered DB Salary. Any salary earned prior to the effective date of retirement, including contract payout and annual leave payout, must be reported as DB Salary and the appropriate member contributions must be deducted and submitted to PERA. If an employee returns to service after the effective date of retirement, any salary earned should be reported as Retiree Salary. No member contributions are due on this salary and the employee is not entitled to any additional service credit for this pay.

If an employee is receiving contract payout and returns to employment after the effective date of retirement, employers need to report two separate entries on their contribution report. Report the contract payout in the DB Salary column and the appropriate member contributions. Report pay for work performed after retirement in the Retiree Salary column. Please contact your Employer Representative for additional assistance in reporting this salary correctly.




PERA Meetings Schedule

In January, PERA mailed the *Schedule of Colorado PERA Meetings* that includes all member meetings that will be held from January through July 2009. The schedule is produced and mailed twice a year to all active PERA members.

A listing of all PERA member meetings is available on the PERA Web site so members may better plan their attendance at PERA meetings throughout the year.

401(k) User and Client Controls Reminder to Employers

Client user controls are the internal controls in place to ensure that the information sent to ING (formerly CitiStreet) for processing is complete and accurate. These employer control responsibilities are outlined briefly below:

- Employers are responsible for providing correct information to ING.
- Employers must transmit to ING written notification of changes made to the employer's authorized access to ING for reporting purposes.
- Employers must conduct a timely review of reports from ING related to contributions from new employees, employee deferral amounts, and other employee account activity, and report any discrepancies to ING.
- Employers must establish, maintain, and monitor controls over the physical and logistical access to ING's systems at the employer's location.
- Employers should include a review of employee deferrals to the PERA 401(k) Plan and Colorado PERA DC Plan (if applicable) in their annual financial audits. 

Getting Information from PERA

You've probably seen it, a flyer on the bulletin board at work or an e-mail advertising a seminar on planning for a PERA retirement. These solicitations often proclaim they will teach employees how to manage their PERA retirement account or how to maximize their PERA benefit.


PERA encourages members to meet with a trusted financial adviser who is aware of their unique financial situation, but we also ask you to be aware of financial advisers who want to sell your employees a product that would replace or enhance their PERA benefit.

The best source for information related to employees' PERA accounts is PERA. PERA representatives will speak to your employees at no charge and have no financial products to sell for a commission. While other vendors may claim to know about PERA, your best course of action is to call PERA. If you have a question about a vendor asking to speak to your employees, please contact your Field Education Representative.

You may also encourage employees to attend one of the official meetings sponsored by Colorado PERA that are held around the state to learn more about PERA. We are the experts on PERA benefits—and we charge no fees or commissions. 

Standard Insurance Disability Audit Results

Standard Insurance Company is the program administrator for PERA's Disability Program. Under Colorado State law, PERA is required to periodically review the performance of the disability administrator. The most recent audit was conducted by PERA staff and PERA's disability consultant in September 2008 and included a review of short-term disability (STD), disability retirement (DR) approvals and denials, and related processes.

PERA is pleased to share with our employers the results of this audit. The analysis showed that 100 percent of the STD and DR approvals and denials reviewed were deemed appropriate and that all files had excellent medical documentation to support these determinations. The average time it took to reach a decision was 55 days, which was a reduction by over two-thirds compared to when these programs were administered internally. The average time for an approval was 33 days and 59 days for a denial. It is not unusual for decision times on denials to be longer. Finally, the audit concluded that all of the communication material between Standard Insurance and the member was excellent. 

Future Employer Contribution Rates

Legislation signed into law in May 2006 requires employers to submit a Supplemental Amortization Equalization Disbursement (SAED) beginning with payrolls that have an ending date of January 1, 2008, or later. The SAED is to be paid on the total payroll for all employees who work for a PERA-affiliated employer, just like the Amortization Equalization Disbursement (AED) that has been in place since January 1, 2006. The SAED contributions are automatically calculated when the Summary Sheet is completed and submitted with the STARS report. The SAED is to be funded by "foregone wage increases" for all employees.

State Division

Start Date	PERA Employer Contribution	AED	SAED	Total Contribution % for Year
Jan 2009	10.15%	1.80%	1.00%	12.95%
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.00%	3.00%	16.15%

School Division

Start Date	PERA Employer Contribution	AED	SAED	Total Contribution % for Year
Jan 2009	10.15%	1.80%	1.00%	12.95%
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.55%*	3.00%	3.00%	16.55%

*2004 legislation provided for an additional 0.40 percent employer contribution in 2013

State Troopers

Start Date	PERA Employer Contribution	AED	SAED	Total Contribution % for Year
Jan 2009	12.85%	1.80%	1.00%	15.65%
Jan 2010	12.85%	2.20%	1.50%	16.55%
Jan 2011	12.85%	2.60%	2.00%	17.45%
Jan 2012	12.85%	3.00%	2.50%	18.35%
Jan 2013	12.85%	3.00%	3.00%	18.85%

Local Government Division

Start Date	PERA Employer Contribution	AED	SAED	Total Contribution % for Year
Jan 2009	10.00%	1.80%	1.00%	12.80%
Jan 2010	10.00%	2.20%	1.50%	13.70%
Jan 2011	10.00%	2.60%	2.00%	14.60%
Jan 2012	10.00%	3.00%	2.50%	15.50%
Jan 2013	10.00%	3.00%	3.00%	16.00%

Judicial Division

Start Date	PERA Employer Contribution	AED	SAED	Total Contribution % for Year
Jan 2009	13.66%	1.80%	1.00%	16.46%
Jan 2010	13.66%	2.20%	1.50%	17.36%
Jan 2011	13.66%	2.60%	2.00%	18.26%
Jan 2012	13.66%	3.00%	2.50%	19.16%
Jan 2013	13.66%	3.00%	3.00%	19.66%

Colorado PERA Contact Information

Members should call Customer Service with questions about benefits or their accounts. The PERA Customer Service Center phone number is 303-832-9550 or 1-800-759-7372 and is open Monday through Thursday, 7:00 a.m. to 5:30 p.m., and Friday, 7:00 a.m. to 4:30 p.m.

PERA Employer Representatives

Employers who have questions about their contribution report, the STARS system, or PERA benefits program should call their Employer Representative in the Benefit Services Division (listed by employer number below).

<i>Employer Number/Agency</i>	<i>Employer Representatives</i>
401(k) and Defined Contribution	Jeffrey Cable 303-837-6217 Neil Ikerd 303-837-6238
State Agencies: 1, 5, 9, 13, 14, 17, 18, 19, 20, 23, 24, 25, 30, 31, 32, 33, 34, 35, 38, 39, 40, 41, 43, 46, 49, 62, 65, 69, 71, 72, 73, 74, 77, 78, 79, 81, 85, 86, 92, 108, 115, 117, 118, 123, 124, 128, 129, 132, 134, 135, 137, 144, 145, 165, 170	Annette Cote 303-837-6256
54, 580, 950-999	
42, 75, 200-399	Chris Hoehle 303-863-3840
394, 651-859	Jesse Murillo 303-863-3889
451-650, 700	Chad Hursh 303-837-6229
State agencies that do not report through Central Payroll and Community Colleges: 3, 22, 47, 56, 60, 63, 66, 67, 68, 76, 91, 93, 95, 127, 130, 131, 135, 139, 140, 141, 142, 143, 147, 148, 149, 150, 151, 153, 155, 156, 157, 171-192	Randy Spencer 303-837-6239
860-949	
59, 90, 400-450	Angela Byrne Employer Relations Manager 303-863-3879

Employer line: 303-863-3724 or e-mail
employerrelations@copera.org

PERA Field Education Representatives

Employers who wish to have a PERA Field Education Representative speak to their employees should call their Field Education contact (listed by employer number below).

<i>Employer Number</i>	<i>Field Education Representatives</i>
1-59, 990-991	Gordon Steuck 303-863-3855 gsteuck@copera.org
60-131	Lisa Aiken-Jillson 303-837-6289 laikenjillson@copera.org
132-204	Kirsten Strausbaugh 303-863-3809 kstrausbaugh@copera.org
205-340	Nadine Grosjean 303-837-6215 ngrosjean@copera.org
345-400	Aimee Buchholz Taylor 303-863-3706 ataylor@copera.org
401-540	Jeff Sprole 303-837-6277 jsprole@copera.org
541-816	Shane Linart 303-863-3861 slinart@copera.org
817-989	Rick Chase 303-863-3790 rchase@copera.org Dennis Gatlin Field Education Manager 303-863-3788 dgatlin@copera.org

Your employees should contact PERA Customer Service Center at 1-800-759-7372 or 303-832-9550 for assistance with their PERA accounts.