What is the AUTOMATIC ADJUSTMENT Provision?

The automatic adjustment provision is an innovative approach to pension funding that keeps PERA on a path to full funding. Under this approach, changes are included in statute that make automatic adjustments to four components: member contributions, employer contributions, the annual increase (AI) paid to retirees, and the direct distribution from the State. Every June, PERA reviews the progress toward its funding goal.

PERA IS ON SCHEDULE TO MEET ITS FUNDING GOAL

The automatic adjustment provision is reviewed on an annual basis to help ensure the long-term stability of benefits today and in the future.

As indicated in its 2021 Annual Comprehensive Financial Report (ACFR), PERA is on schedule to meet its funding goal. This means the automatic adjustment provision will not trigger any additional changes in 2023.

Current Provisions

Member contributions will not be affected by the automatic adjustment provision in July 2023.

<table>
<thead>
<tr>
<th></th>
<th>State, School, and DPS Divisions</th>
<th>Safety Officers (State)</th>
<th>School and DPS Divisions</th>
<th>Local Government</th>
<th>Safety Officers (Local Govt.)</th>
<th>Judicial Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of July 1, 2022</td>
<td>11.00%</td>
<td>13.00%</td>
<td>21.40%</td>
<td>14.73%</td>
<td>17.83%</td>
<td>24.11%</td>
</tr>
</tbody>
</table>

See copera.org for more information on contribution rates.

Employer contributions will not be affected by the automatic adjustment provision in July 2023.

<table>
<thead>
<tr>
<th></th>
<th>State Division</th>
<th>Safety Officers (State)</th>
<th>School and DPS Divisions</th>
<th>Local Government</th>
<th>Safety Officers (Local Govt.)</th>
<th>Judicial Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of July 1, 2022</td>
<td>21.50%</td>
<td>24.20%</td>
<td>21.40%</td>
<td>14.73%</td>
<td>17.83%</td>
<td>24.11%</td>
</tr>
</tbody>
</table>

Rates for Judicial includes the 2022 AED and SAED escalations; actual DPS employer rate will be subject to the PCOPs offset. See copera.org for more information on contribution rates.

The AI paid to most eligible benefit recipients in July 2022 will be 1.0% as a result of the automatic adjustment provision announced in June 2021. The July 2023 AI for most eligible benefit recipients will also be 1.0% since there was not an automatic adjustment provision announced in June 2022.

PERA will receive $225 million from the State budget for 2022.

(Continued on reverse)
When Do Automatic Adjustment Provisions Take Effect?

PERA announces the progress toward its funding goal each year in June, along with any automatic adjustments to contributions or the AI, which would take effect the next July.

**June 2022**
PERA’s 2021 ACFR indicates PERA is on schedule and adjustments are not needed in 2023 to stay on track

**June 2023**
PERA’s 2022 ACFR is released and it will be determined whether adjustments are needed in 2024 to stay on track

**Annually**
Process occurs again

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This fact sheet provides information about the automatic adjustment provision. 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.