



# **PERA OVERVIEW FOR DEFINED CONTRIBUTION PLAN MEMBERS**

REVISED JANUARY 2022



Colorado Public Employees' Retirement Association (PERA) was established by state law in 1931 and continues to provide retirement and other benefits to more than 630,000 current and former school teachers, employees of the State of Colorado, State Troopers, judges, corrections officers, and countless other public employees who provide valuable service to all of Colorado. Serving our members—both past and present—is at the core of what we do as we focus on ensuring retirement security for so many Coloradans who depend on PERA for their financial future.

## PERACHOICE

PERAChoice is the option available to the following employees to choose between Colorado PERA's Defined Benefit (DB) Plan and Defined Contribution (DC) Plan:

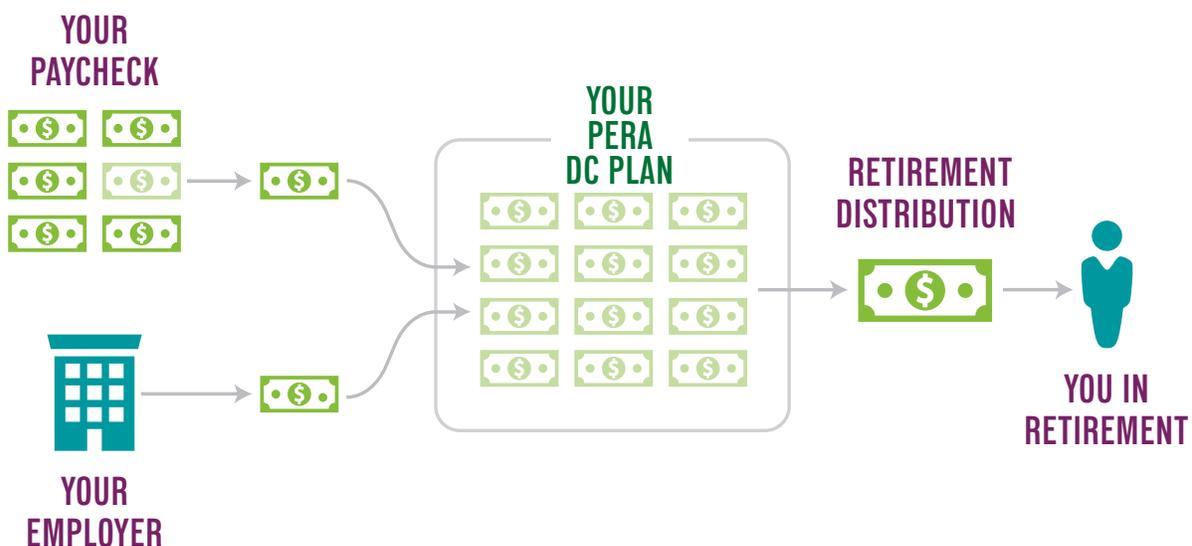
- » A State of Colorado employee hired on or after January 1, 2006.
- » A community college employee hired on or after January 1, 2008.
- » A classified college or university employee in the State personnel system hired on or after January 1, 2019.
- » A Local Government Division employee hired on or after January 1, 2019.

If you haven't yet elected your Plan, please see the **PERAChoice** brochure (available on [copera.org](http://copera.org)) for more information and the forms you will need to make your choice.

## PERA DC PLAN BASICS

Every time you get paid, a portion of your paycheck goes to your PERA DC Plan account. Your employer also contributes money to your account. Those contributions are invested according to your investment elections, similar to a 401(k) plan.

Your account balance and your retirement benefit are based solely on the money that has been contributed and the investment earnings or losses incurred, minus expenses. You have the flexibility to make investment decisions, which also means you assume the investment risks.



## INVESTMENT OPTIONS

You should set how your PERA DC Plan contributions will be invested by logging on to [coperaplus.org](https://coperaplus.org). You'll choose how to invest among the PERAdvantage investment options (see pages 5–6 for fund details).

If you do not make an initial investment election, you will be automatically invested in the Plan's Qualified Default Investment Alternative (QDIA), the PERAdvantage Target Retirement Date fund based on your date of birth and expected retirement at age 65 (see table below). You can change your investment elections at any time.

Fund	Date of Birth Range
PERAdvantage Income Fund	December 31, 1957, or earlier
PERAdvantage 2025 Fund	January 1, 1958, to December 31, 1962
PERAdvantage 2030 Fund	January 1, 1963, to December 31, 1967
PERAdvantage 2035 Fund	January 1, 1968, to December 31, 1972
PERAdvantage 2040 Fund	January 1, 1973, to December 31, 1977
PERAdvantage 2045 Fund	January 1, 1978, to December 31, 1982
PERAdvantage 2050 Fund	January 1, 1983, to December 31, 1987
PERAdvantage 2055 Fund	January 1, 1988, to December 31, 1992
PERAdvantage 2060 Fund	January 1, 1993, to December 31, 1997
PERAdvantage 2065 Fund	January 1, 1998, or later

## INVESTMENT ADVICE

Investment advice is available to you through Empower Retirement (Empower), powered by Financial Engines® and includes:

- » **Online Advice**—a no-cost service if you would like to manage your own retirement planning and investment decisions.
- » **Professional Management**—a fee-based service if you prefer to have your account managed for you.

For a fee, you can enroll in Professional Management that will review how your DC Plan investments fit in with other investments you have, develop an individualized investment plan, implement that plan, monitor your account, and manage allocations.

## CONTRIBUTIONS

As a PERA member, you contribute a percentage of your monthly salary to your PERA DC Plan account through payroll deduction. Your contributions are tax-deferred, which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn. Your contribution dollars are always yours even if you leave your PERA-covered job.

### MEMBER CONTRIBUTION RATES

	State Division	Local Gov. Division	Safety Officers
July 2021	10.50%	8.50%	12.50%

Under state law, member and employer contributions can adjust to ensure PERA stays on-track to achieving full funding, resulting in a stronger and more resilient retirement plan for current and future retirees. Contribution rates can each increase (or decrease) by up to 0.5% per year and cannot exceed certain limits set in law. Changes to contribution rates are based on PERA's funded status and determined each June, a year before any changes are implemented.

Your employer also contributes to your account, see the PERA website for current employer contribution rates. See also the **“Vesting”** section on page 3.

## SELECTING A BENEFICIARY

PERA DC Plan members should name a beneficiary to receive your account balance in the event of your death. To name a beneficiary, log into your PERA DC Plan account at [coperaplus.org](https://coperaplus.org) and click on **“Beneficiaries.”**

## Accessing Your Account Online

To access your PERA DC Plan account online log on to [coperaplus.org](https://coperaplus.org). For first-time access:

- » Log on and select **“Register”**
- » Choose the **“I do not have a PIN”** tab
- » Follow the prompts to create your username and password



## ENDING PERA-COVERED EMPLOYMENT

When you leave PERA-covered employment, you have several choices regarding the money in your PERA DC Plan account. You may do one of the following:

- » You can leave the money in the Plan.
- » You can request installment payments.
- » You can roll over the balance to another qualified plan, 403(b), governmental 457 plan, or an IRA.
- » You can take the money in cash, called a lump-sum distribution.
- » You may request a lifetime annuity through an outside provider.

Regardless of whether you leave your account with PERA, you must start required minimum distributions according to IRS guidelines.

If you take a lump-sum distribution or roll over the balance to another qualified plan, you will receive 100% of your member contributions and a percentage of your employer contributions based on the PERA DC Plan vesting schedule (see right).

**Note:** *Lump-sum distributions will be subject to a 20% federal tax withholding and, if you are younger than age 59½, a 10% early withdrawal penalty may apply in addition to ordinary income taxes. State and local taxes and withholding may also apply.*

If you return to PERA-covered employment for an employer offering PERAChoice within 12 months of terminating, you are required to return to the PERA DC Plan.

If you return to the PERA DC Plan after refunding your account or more than 12 months after terminating employment, you will start over with the vesting schedule.

## SOCIAL SECURITY

The majority of PERA members do not contribute to Social Security, so you may not receive Social Security benefits for your PERA-covered employment. If you expect to receive a future Social Security benefit through other employment or your spouse, two federal rules, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), could reduce or possibly eliminate your benefit.

> See the [PERA and Social Security fact sheet for more information](#).

## VESTING

The vesting schedule is determined by the number of years of participation in the PERA DC Plan. One year of participation equals 12 months of contributions.

**Your Contributions:** 100% immediately\*

### Your Employer's Contributions:

- 50%** Immediately\*
- 60%** At the end of 1 year of participation\*
- 70%** At the end of 2 years of participation\*
- 80%** At the end of 3 years of participation\*
- 90%** At the end of 4 years of participation\*
- 100%** At the end of 5 years of participation\*

\*Plus/minus investment gains/losses, minus fees.

## SELF-DIRECTED BROKERAGE ACCOUNT

The Self-Directed Brokerage Account (SDBA) allows you to select from thousands of publicly traded funds in addition to the PERA DC Plan's PERAAdvantage core investment options. The SDBA is offered through TD Ameritrade. If you participate in the PERAPlus 401(k)/457 Plans in addition to the PERA DC Plan, you may invest in the SDBA through each Plan.

## SWITCHING BETWEEN THE PERA DC AND PERA DB PLANS

During the second to fifth year of participation, you are eligible to make a one-time, irrevocable switch between the PERA DC Plan and the PERA DB Plan. If you wish to switch Plans, complete the *PERAChoice Years 2–5 Change/Transfer Form*. (If you were previously a member of one of the State's DC Plans and were transferred to PERA in 2009, you do not have the option to switch plans.) If you move to the PERA DB Plan and earn one year of service credit, you will have the opportunity to purchase service credit to cover the time you participated in the DC Plan. The cost to purchase will be the actuarial cost to pay the future benefit.

## MAKING PERA DC PLAN CHANGES

You may move money between investment options or reallocate your balances any time online at [coperaplus.org](https://coperaplus.org) or by calling 833-4-COPERA (833-426-7372).

## COSTS

The costs associated with participating in the PERA DC Plan are relatively low compared to similar plans. There is a plan administration flat fee of \$1.00 per month. You will also pay an administration asset-based fee of up to 0.03% on each underlying PERAdvantage fund. There are additional costs if you participate in the Self-Directed Brokerage Account or the Professional Management Program that is part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered adviser. See [coperaplus.org](https://coperaplus.org) for a list of current fees.

## OTHER FINANCIAL PLANNING CONSIDERATIONS

Unlike with the PERA DB Plan, no additional built-in benefits like disability or survivor benefits are included in the PERA DC Plan. This means you may want to consider planning for your financial needs and those of your loved ones if you become disabled and are no longer able to work or pass away prior to retirement.

## VOLUNTARY PROGRAMS

As a PERA member, you can also participate in some optional programs to help you strengthen your financial future and become more prepared for retirement.

### PERAPLUS 401(K)/457 PLANS

PERA encourages you to save more toward your future retirement by enrolling in the voluntary PERAPLus 401(k) and 457 Plans. (The PERAPLus 457 Plan is only available to members who work for PERA employers who have affiliated with the PERAPLus 457 Plan.)

Both Plans offer the same investment options that are available in the PERA DC Plan. You may enroll, discontinue contributions, or make changes in your contributions or investment funds at any time. A Roth option, which allows for tax-free distributions at retirement, is also available if your employer has adopted it.

> More information about the PERAPLus 401(k) and 457 Plans can be found on [coperaplus.org](https://coperaplus.org).

### LIFE INSURANCE PROGRAM

You may purchase group, decreasing-term life insurance (available through Unum) within 90 days after you first become a PERA member or during the annual open enrollment period, which is April 1 through May 31. You may also enroll at other times with evidence of good health. Coverage for your spouse and dependent children is included with your coverage.

- » If you leave PERA employment and leave your DC Plan account(s) with PERA, you may continue participation in the life insurance program.
- » If you retire, your life insurance can continue as long as premiums continue to be paid.

Information about the life insurance program is sent to all new members and is available on [coperaplus.org](https://coperaplus.org).

# INVESTMENT FUND DETAILS

Current information on these funds, including the objective, investment strategy, quarterly returns, and risks is available on [coperaplus.org](http://coperaplus.org).

## PERADVANTAGE SRI FUND

Assets in this fund are automatically invested in two different categories: active and passive.

**Active:** TIAA-CREF Core Impact Bond Fund

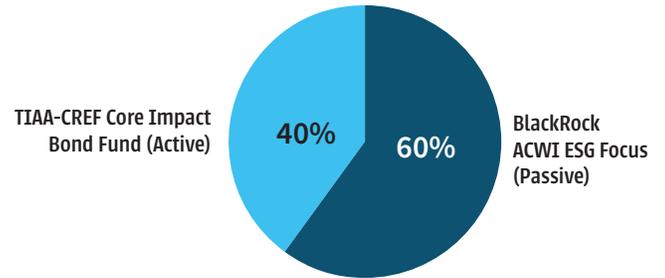
**Passive:** BlackRock ACWI ESG Focus

Benchmark: SRI Custom Index\*

Investment Management Fee: 0.19%

\*Currently 60% MSCI ACWI ESG Focus / 40% Bloomberg U.S. Aggregate Bond

## FUND MANAGERS



## PERADVANTAGE REAL RETURN FUND

Assets in this fund are automatically invested in two different categories: TIPS (Treasury Inflation-Protected Securities) and real assets.

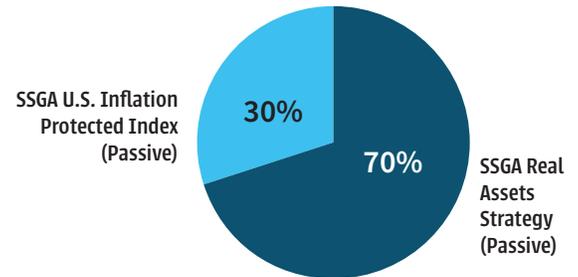
**TIPS:** SSGA U.S. Inflation Protected Index

**Real Assets:** SSGA Real Assets Strategy

Benchmark: Real Return Custom Index\*

Investment Management Fee: 0.17%

\*Currently 70% State Street Real Asset Strategy DC Index / 30% Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index



## PERADVANTAGE FIXED INCOME FUND

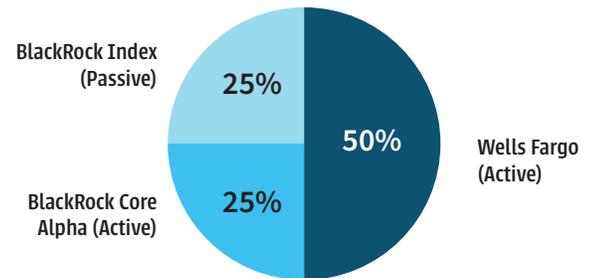
Assets in this fund are automatically invested in two different categories: active and passive.

**Active:** Wells Fargo, BlackRock Core Alpha

**Passive:** BlackRock Index

Benchmark: Bloomberg U.S. Aggregate Bond Index

Investment Management Fee: 0.18%

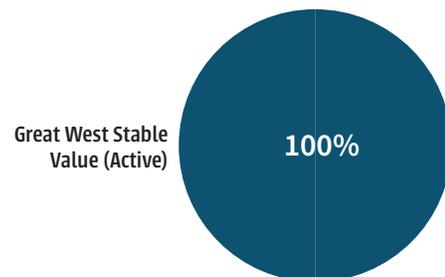


## PERADVANTAGE CAPITAL PRESERVATION FUND

Assets in this fund are 100% invested in a Great-West Stable Value Fund.

Benchmark: ICE BofAML U.S. 3-Month Treasury Bill Index

Investment Management Fee: 0.21%



# INVESTMENT FUND DETAILS (CONTINUED)

Current information on these funds, including the objective, investment strategy, quarterly returns, and risks is available on [coperaplus.org](http://coperaplus.org).

## PERADVANTAGE U.S. LARGE CAP STOCK FUND

Assets in this fund are automatically invested in two different categories: active and passive.

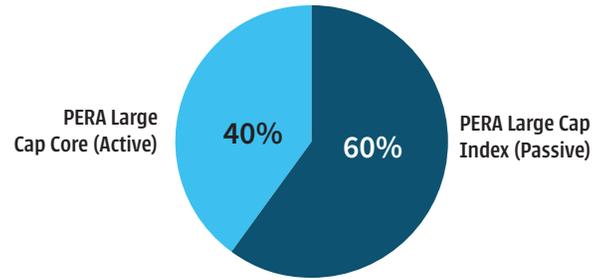
**Active:** PERA Large Cap Core

**Passive:** PERA Large Cap Index

Benchmark: MSCI USA Large Cap Index

Investment Management Fee: 0.05%

### FUND MANAGERS



## PERADVANTAGE U.S. SMALL AND MID CAP STOCK FUND

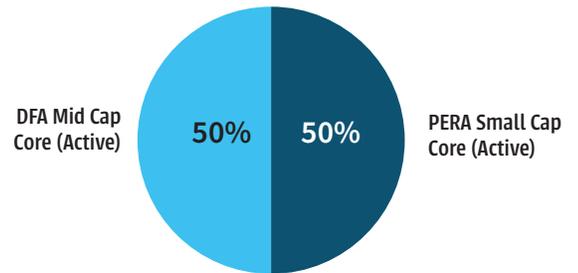
Assets in this fund are actively invested.

**Active:** DFA Mid Cap Core

**Active:** PERA Small Cap Core

Benchmark: MSCI USA SMID Cap Index

Investment Management Fee: 0.15%



## PERADVANTAGE INTERNATIONAL STOCK FUND

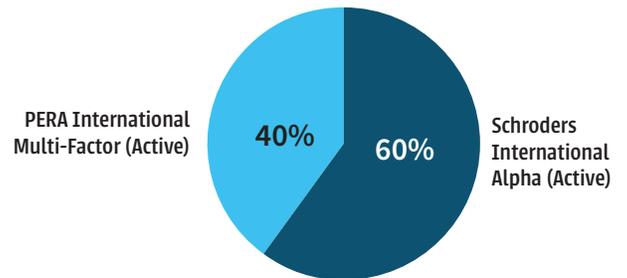
Assets in this fund are actively invested.

**Active:** PERA International Multi-Factor

**Active:** Schroders International Alpha

Benchmark: MSCI ACWI Ex-USA Index

Investment Management Fee: 0.26%

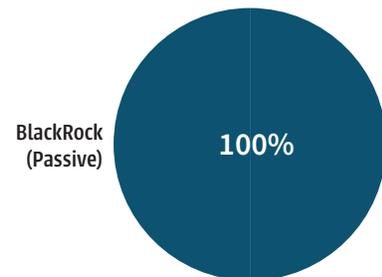


## PERADVANTAGE TARGET RETIREMENT DATE FUNDS: PERADVANTAGE INCOME, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060, AND 2065 FUNDS

Each fund is 100% comprised of the corresponding BlackRock LifePath® Index Target Retirement Date Fund. These funds grow more conservative as they reach their target retirement date.

Benchmark: Custom blend for each fund weighted in proportion to the fund mix

Investment Management Fee: 0.07%



## SELF-DIRECTED BROKERAGE ACCOUNT

You can choose investments beyond the primary funds using a Self-Directed Brokerage Account with TD Ameritrade. You must transfer \$500 or more to open a Self-Directed Brokerage Account and must keep at least \$500 invested in the primary PERAdvantage funds. Money in the PERAdvantage funds will be used to pay the annual \$50 Self-Directed Brokerage fee. The Plan administration asset-based fee in the Self-Directed Brokerage Account will be paid directly from your PERAdvantage fund. You will also be subject to additional transaction and management fees for your activities and investments in the brokerage account. For more information or to open an account, call **833-4-COPERA** (833-426-7372).

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# CONTACT



Access the PERA DC Plan  
website at [coperaplus.org](http://coperaplus.org)

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Call Empower Retirement at  
833-4-COPERA (833-426-7372)

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Connect with PERA on social media:



- » [Twitter](#)
- » [Facebook](#)
- » [LinkedIn](#)
- » [YouTube](#)



This booklet provides general information about the PERA Defined Contribution Plan. 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 booklet.

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