

July 2020



PERA 101 FOR EMPLOYERS

COLORADO PERA

A Brief History and Timeline

WHAT IS COLORADO PERA?

The Colorado Public Employees' Retirement Association (PERA) was established in 1931 by the Colorado General Assembly at the request of a group of State employees who foresaw the need for a safe and secure retirement system. PERA continues to serve more than 620,000 current and former public employees by providing a lifetime retirement benefit and other voluntary investment and insurance products.

PERA is a "qualified" retirement plan under the Internal Revenue Code Section 401(a). As a defined benefit plan, PERA benefits are based on a benefit formula that is set by law. For most PERA members, PERA serves as a substitute for Social Security.

The function of PERA is to provide present and future retirement or survivor benefits for its members.

MEMBERSHIP IN PERA

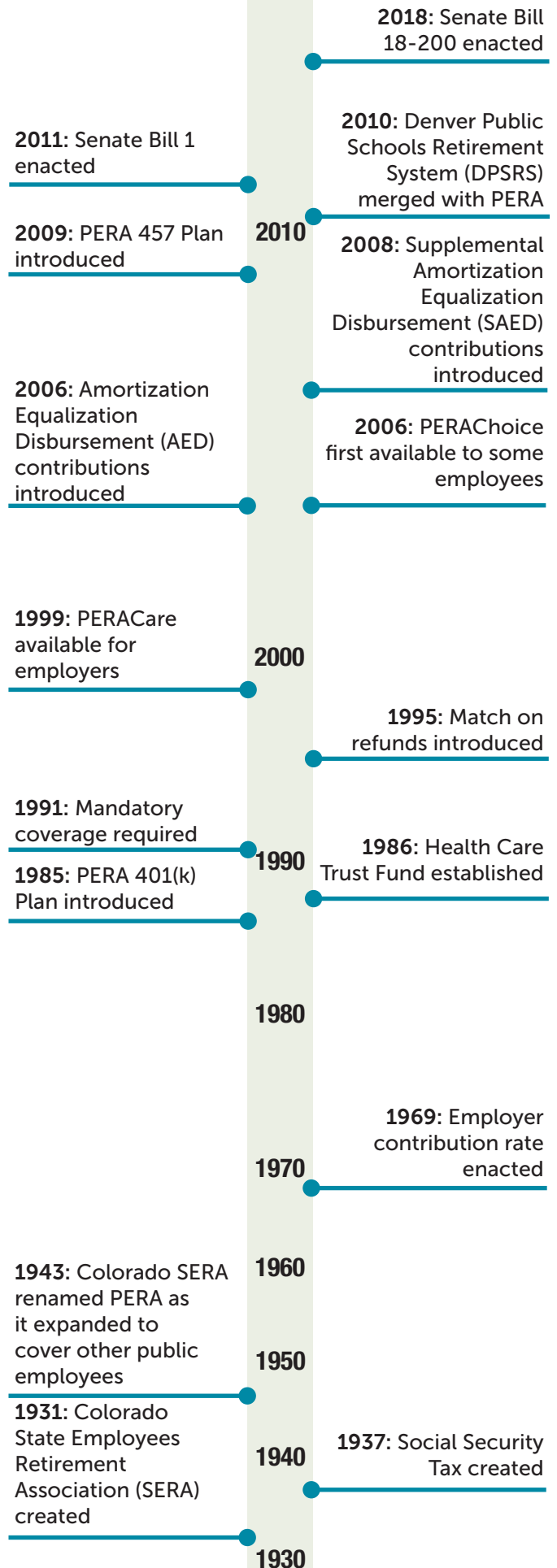
Currently, over 213,000 active employees of state government, public schools, universities and colleges, and many cities and local government districts are members of PERA, and more than 400 Colorado public employers are affiliated with PERA.

PERA membership includes the following:

- » Employees of the State of Colorado
- » Employees of all school districts
- » Judges in the Colorado judicial system
- » Employees of many municipalities, special districts, public health departments, and other local government entities

FUNDING OF PERA

Funding a retirement program is a long-term commitment, and it's important to remember that all benefits are not payable and due at once. One of PERA's stated funding objectives is to be able to pay long-term benefit promises through contributions that remain relatively level from year to year as a percent of salaries earned by members. This means that each year, members and employers pay their fair share for benefit service accrued in that year.



PERA BY THE NUMBERS

More than

\$4.7

billion distributed to retirees and benefit recipients in 2019

Number of PERA retirees, in thousands, living in Colorado and supporting local economies

105

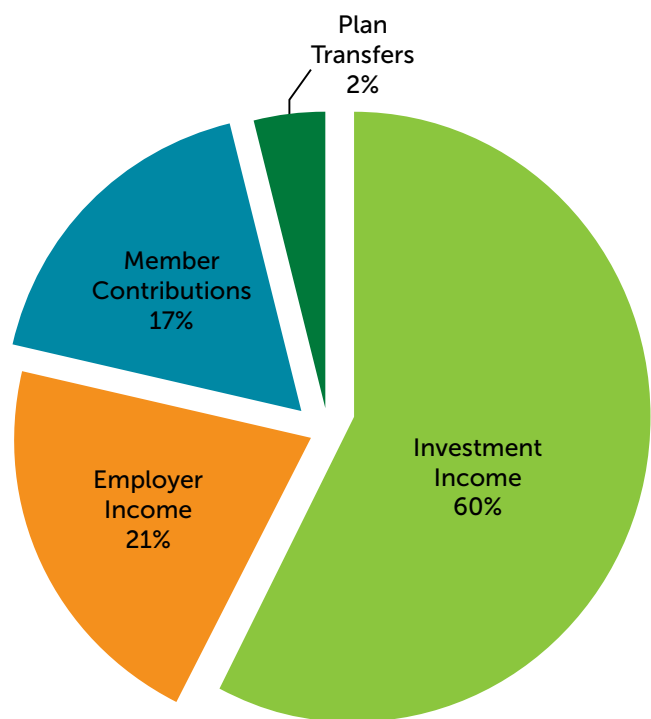
\$6.6

billion in total economic output as a result of annual PERA benefit payments

more than \$742 million invested in Colorado companies

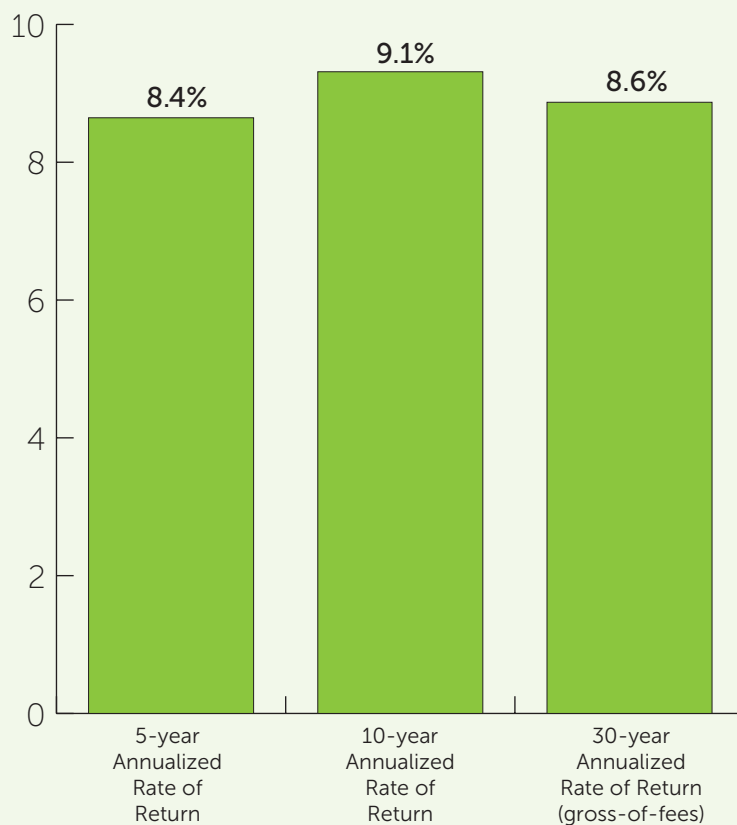
32,722

jobs sustained by PERA's benefit payments

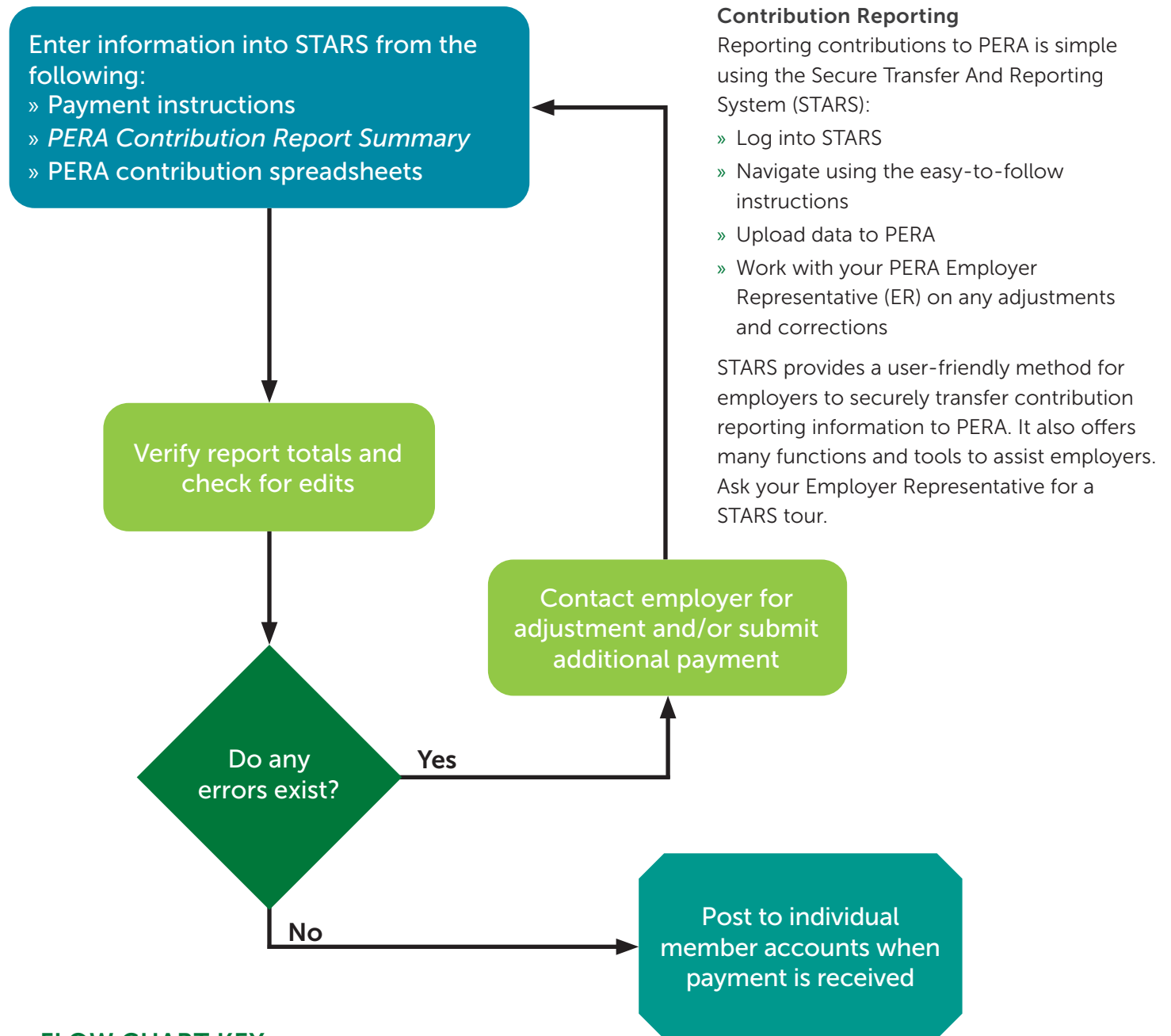


Funding of PERA
Since 1990

8.6% annualized investment return over the last 30 years



THE CONTRIBUTION REPORTING PROCESS



FLOW CHART KEY



Process completed by PERA



Process completed by employer



Completion of process

PERA DEFINED BENEFIT VS. DEFINED CONTRIBUTION

	PERA Defined Benefit (DB) Plans	Defined Contribution Plans (such as 401(k), 403(b), and 457)
Contributions	Contributions are made on behalf of each employee by the employer, and employees also contribute to the plan (contribution rates are set by the State Legislature).	Employees make their own contributions to their savings accounts at whatever rate they choose. Employers may or may not provide matching funds.
Investments	Contributions for all employees are pooled and invested by asset managers in a diversified portfolio of assets—stocks, bonds, real estate, Colorado companies, etc.	Employees manage their own investments.
Amount of money in retirement	The monthly benefit is determined by a set calculation, based upon the years of service and Highest Average Salary (HAS) for a specified period of time.	The money available at retirement is simply the amount that one has accumulated in the plan over time.
Lifetime benefit income	Payouts are provided as a monthly income stream that is guaranteed for the remainder of a retiree's life.	Benefit ends when amount accumulated is exhausted.
Potential annual increase to retirement benefits	Yes	No
Supplemental benefits	Access to survivor benefits, disability benefits, life insurance, and the PERACare Health Benefits Program.	Generally, none.

RESOURCES

Employer Relations (ER) Team

- » 303-863-3724
- » The ER Team is the primary resource for employers with questions about PERA benefits and contribution reporting and also offers group training for employers.

Customer Service Center (CSC)

- » 1-800-759-7372
- » Through the CSC or PERA website, employees can schedule an individual counseling session with a PERA Benefits Counselor.

Field Education Services

- » 303-837-6236
- » The Field Education Services Division provides group meetings on a variety of PERA topics at public venues and employer locations by invitation.
- » Webinars on a variety of topics are also held regularly. See www.copera.org/members/webinars for more information.

PERAPlus 401(k)/457 and PERA DC Plans

- » Voya: 1-800-759-7372, select the PERAPlus/DC option
- » PERA's Defined Contribution Team:
 - 303-398-7665
 - definedcontribution@copera.org

► If you are unsure who your Employer Representative or Field Education Representative is, go to the "Employer Login" page on PERA's website and click on the "PERA Representative Search" drop-down menu to find your representative(s) and contact information.

Contact PERA



*www.copera.org and
www.peraontheissues.com*



*PERA's Customer Service
Center: 1-800-759-7372*



*PERA offices:
Denver
Lone Tree
Westminster*



*PO Box 5800
Denver, CO 80217-5800*



*Forms and publications can be found
on PERA's website. Copies can
also be requested by calling PERA's
Customer Service Center.*

This brochure provides general information about PERA benefits for employers. PERA membership rights, benefits, and obligations 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 brochure.