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.

2018: Senate Bill 18-200 enacted
2010: Denver Public Schools Retirement System (DPSRS) merged with PERA
2008: Supplemental Amortization Equalization Disbursement (SAED) contributions introduced
2006: PERAChoice first available to some employees
1999: PERACare available for employers
1995: Match on refunds introduced
1991: Mandatory coverage required
1986: Health Care Trust Fund established
1985: PERA 401(k) Plan introduced
1980
1970
1969: Employer contribution rate enacted
1960
1950
1943: Colorado SERA renamed PERA as it expanded to cover other public employees
1940
1937: Social Security Tax created
1931: Colorado State Employees Retirement Association (SERA) created
1930
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

8.6% annualized investment return over the last 30 years

Funding of PERA Since 1990

8.4% 9.1% 8.6%
5-year 10-year 30-year Annualized Annualized Annualized Rate of Return Rate of Return Rate of Return
(gross-of-fees)

Member Contributions 17%
Employer Income 21%
Investment Income 60%
Plan Transfers 2%
Contribution Reporting

Reporting contributions to PERA is simple using the Secure Transfer And Reporting System (STARS):

» Log into STARS
» Navigate using the easy-to-follow instructions
» Upload data to PERA
» Work with your PERA Employer Representative (ER) on any adjustments and corrections

STARS provides a user-friendly method for employers to securely transfer contribution reporting information to PERA. It also offers many functions and tools to assist employers. Ask your Employer Representative for a STARS tour.

THE CONTRIBUTION REPORTING PROCESS

Enter information into STARS from the following:
» Payment instructions
» PERA Contribution Report Summary
» PERA contribution spreadsheets

Verify report totals and check for edits

Do any errors exist?

Yes

Contact employer for adjustment and/or submit additional payment

No

Post to individual member accounts when payment is received

Flow Chart Key

- Process completed by PERA
- Process completed by employer
- Completion of process
## PERA Defined Benefit vs. Defined Contribution

<table>
<thead>
<tr>
<th></th>
<th>PERA Defined Benefit (DB) Plans</th>
<th>Defined Contribution Plans (such as 401(k), 403(b), and 457)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions</strong></td>
<td>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).</td>
<td>Employees make their own contributions to their savings accounts at whatever rate they choose. Employers may or may not provide matching funds.</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>Contributions for all employees are pooled and invested by asset managers in a diversified portfolio of assets—stocks, bonds, real estate, Colorado companies, etc.</td>
<td>Employees manage their own investments.</td>
</tr>
<tr>
<td><strong>Amount of money in retirement</strong></td>
<td>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.</td>
<td>The money available at retirement is simply the amount that one has accumulated in the plan over time.</td>
</tr>
<tr>
<td><strong>Lifetime benefit income</strong></td>
<td>Payouts are provided as a monthly income stream that is guaranteed for the remainder of a retiree’s life.</td>
<td>Benefit ends when amount accumulated is exhausted.</td>
</tr>
<tr>
<td><strong>Potential annual increase to retirement benefits</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Supplemental benefits</strong></td>
<td>Access to survivor benefits, disability benefits, life insurance, and the PERACare Health Benefits Program.</td>
<td>Generally, none.</td>
</tr>
</tbody>
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### 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](http://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.
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.

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