



Colorado PERA and Furlough Days From JULY 1, 2002 THROUGH JUNE 30, 2004

The following information applies to furlough days which occurred from July 1, 2002, to June 30, 2004. It does not apply to any furlough days outside of this time frame. New legislation would need to be enacted to allow salary restoration for any furlough days occurring after June 30, 2004. See the *Colorado PERA and Furlough Days After June 30, 2004*, fact sheet for more information.

From July 1, 2002, through June 30, 2004, some PERA employers required their employees to take furlough days (days off without pay) in response to reduced funding. In most cases, these furlough days did not cause employees to lose service credit.

Furlough days may raise concerns for PERA members who are retiring if the furlough days are within the highest years of salary. To the extent that salary is reduced, PERA retirement benefits may also be reduced since PERA benefits are based, in part, upon the retiring member's Highest Average Salary (HAS). In many cases, the impact upon benefits may be relatively small. For example, taking one furlough day in a month may reduce that month's pay by 5 percent, but one-month's salary reduction does not mean that your retirement benefit will also be reduced by 5 percent. Rather, this salary reduction is spread over the entire HAS period, mitigating its impact.

You have the option of restoring this affected period to full salary.

- » You may pay the member contributions missed during furlough days for fiscal years 2002–2003 and 2003–2004, if the furlough days occurred in a period determined to be in your HAS.
- » You may pay the missed member contributions during the three months prior to your effective date of retirement, provided you have submitted your PERA *Retirement Application*.

- » Upon receipt of your member contributions, your employer is required to pay PERA employer contributions on the amount of pay reduction you had during the furlough days.
- » Upon receipt of the member and employer contributions, PERA will include the furlough salary in the HAS used to calculate your monthly retirement benefit.

If you had a reduction in your salary because of furlough days during fiscal years 2002–2003 and 2003–2004, in most cases, your employer has already provided PERA with the information about your reduction of salary. PERA will automatically send you information on your option to pay your member contributions within three weeks of receipt of your PERA *Retirement Application*. Please contact PERA if it has been three weeks since you submitted your PERA *Retirement Application* and you have not yet received information on paying your member contributions that were missed during furlough days between July 1, 2002, and June 30, 2004.

▶ PERA Resources

- » Visit PERA's website at www.copera.org
- » Email PERA through the PERA website; click on the "Contact Us" link
- » Call PERA at 1-800-759-7372

This fact sheet provides general information about the impact of furlough days and future PERA benefits. 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.