



Enrolling in PERAPlus 401(k)/457 Plans

Participant Guide

December 2022





Introduction

A journey of a thousand miles starts with a single step.

At PERA, we get that everyone comes to the table with different levels of understanding about retirement savings. For instance, you might not have any idea how to begin enrolling in a voluntary retirement savings plan, or you know how important it is to set up a voluntary retirement savings plan, but you're not sure what your options are. We're here to help.

You might not feel like an expert, but you'll be amazed at how empowered you feel by taking the first step of enrolling in a plan. And that's how it begins-with the first step.

The Enrolling in the 401(k)/457 PERAPlus Workshop helps you learn about the retirement plans available to you as well as different ways to save in those plans. You'll understand how to choose an option best suited for you and your specific needs with the help of easy-to-understand case studies provided in the pages to follow. Feeling confident about your decisions and knowing how to get started right away are just a few of the opportunities waiting for you in this guide.

If your journey to retirement is a thousand miles, then let us help you with the first step. After that, the journey gets easier!



Rochelle

Rochelle is 60 and works for the State of Colorado. Her current taxable income is \$50,000 per year. That puts some of her income in the 22% Federal Tax Bracket.

She has started working on a retirement budget and believes that she will be able to live on less money each month once she retires. Therefore, her income will be lower, and she will drop into the 12% tax bracket.

Because Rochelle only has five years until retirement, she's really starting to focus on maximizing her investments and tax savings opportunities. She wants a strategy that will save her money on taxes now during her higher income earning years, as long as it doesn't cost her more in taxes later.

Case Study Questions:

1. What are some things Rochelle wants?

2. Does Rochelle expect to be in a higher or lower tax bracket once she retires?

3. Which option should Rochelle use moving forward?



Marcus

Marcus is 30 years old, single and his income puts him in the middle of the 22% tax bracket.

He has a long way to go until he retires, but wants to make sure he can maintain his standard of living in retirement. He plans to save 5% of his net income in a PERAPlus retirement account.

Marcus believes that, over time, his income will go up and he will be in a higher tax bracket. He also fears that, in time, the federal government may increase income taxes.

Case Study Questions:

1. What does Marcus believe about taxes?

2. Does Marcus have to worry about the Roth 5 Year Rule?

3. Which option best fits Marcus's goals and/or addresses his concerns?



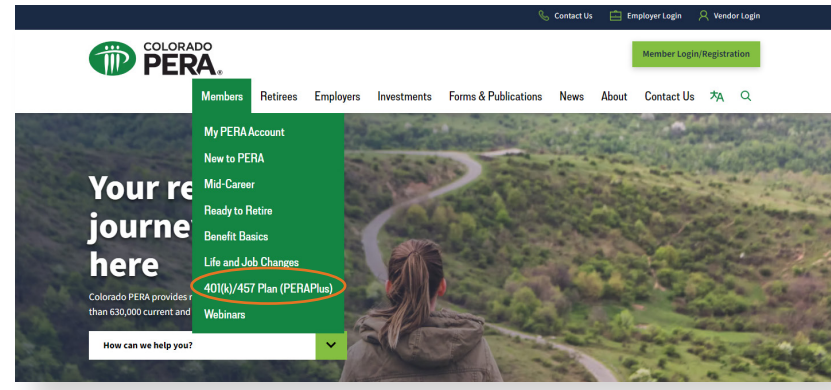
Action Steps

1. Enroll in the PERAPlus plan(s)
2. Log on to your account
3. Contribute to a traditional and/or Roth PERAplus plan
4. Reevaluate contribution amount every 6-12 months
5. Fill out the participant survey

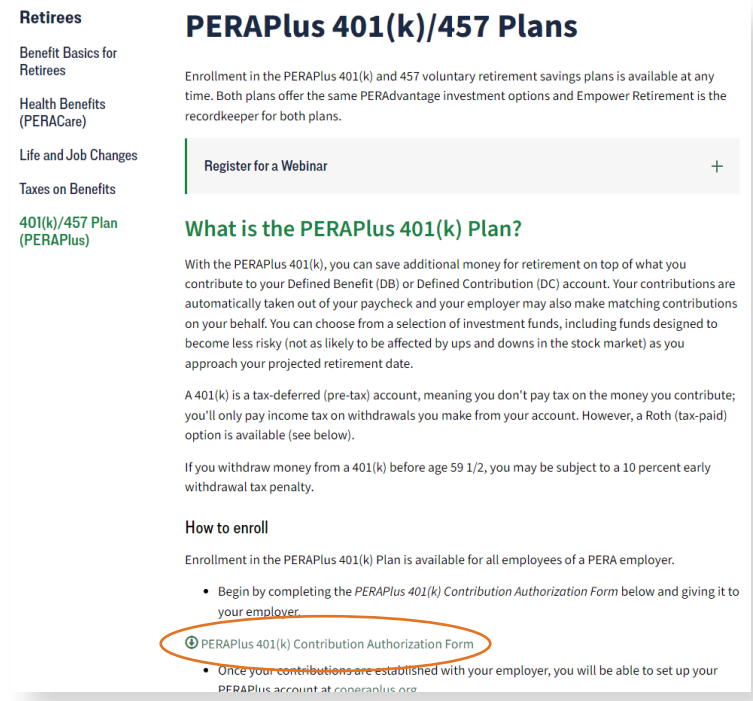
Get More Information

- Visit www.copera.org
- Click on "Members" > "401(k)/457 Plan (PERAPlus)"
- Call Empower **1-833-426-7372**
- Call the PERA DC Team **303-398-7665**

1. Go to www.copera.org and Click "401(k)/457 Plan (PERAPlus)"



2. Download the "401(k) Contribution Authorization Form"



3. Submit form to your payroll office

PERAPlus 401(k) Contribution Authorization Form
 Colorado Public Employees' Retirement Association
 PO Box 5800, Denver, Colorado 80217-5800
 1-800-759-PERA (7372) • Fax: 303-863-3727 • www.copera.org

Participant SSN [] [] [] [] [] [] [] [] [] [] [] []

DO NOT SEND THIS FORM TO EMPOWER RETIREMENT OR COLORADO PERA.
 Deliver this form to your payroll office; make copies for any other employers who will be deducting 401(k) contributions.
 If your employer offers online enrollment, do not complete this form.

Participant Information
 Name Last First MI
 Home Address Street City State ZIP Code
 Work Telephone () Email Address

Request Details
 I request that the following contribution(s) be deducted from my salary per pay period (whole percentages or whole dollars only):
 % or \$ pre-tax contribution
 % or \$ Roth* (tax-paid) contribution

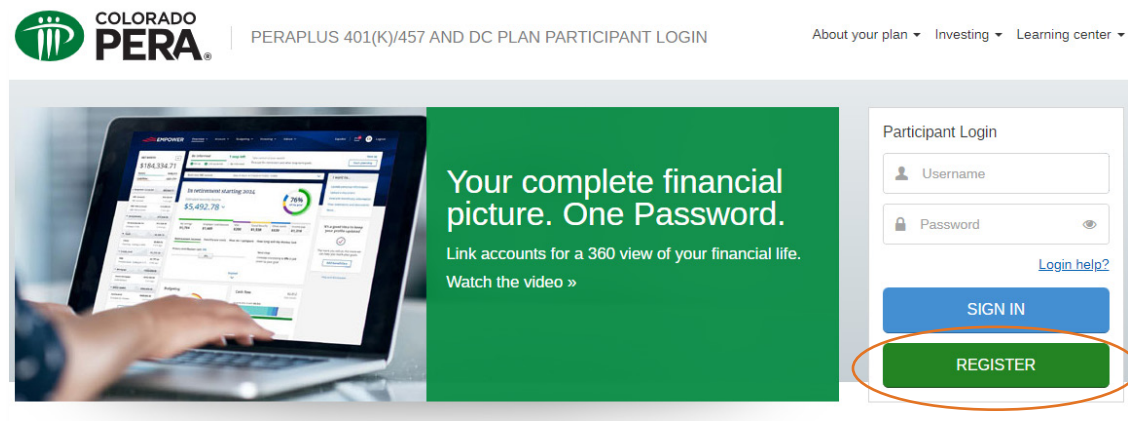
*Roth contributions are only available if your employer has adopted the Roth option. Please check with your payroll office.
 The maximum combined pre-tax and Roth contribution amount cannot exceed the lesser of 100% of your compensation or the annual IRS limit (see the Plan website), plus any allowed catch-up contribution.

Authorization of Participant
 Participant Signature _____ Date _____
 Month/Day/Year

How to Enroll in the PERAPlus 401(k) Plan

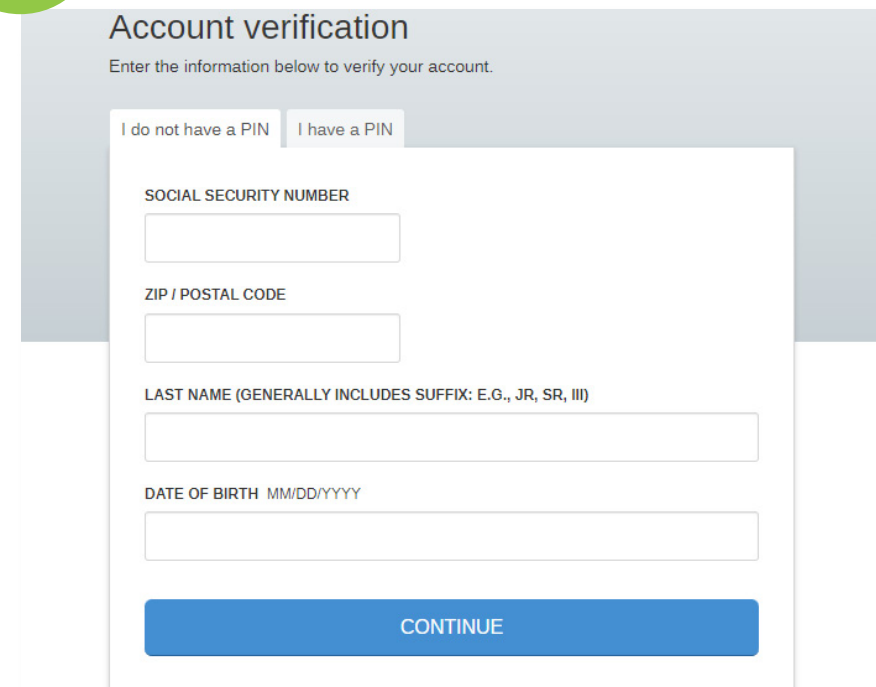
1.

Log in to your PERA account at www.coperaplus.org.



2.

Verify your account with personal information.



How to Enroll in the PERAPlus 457 Plan

Case Study Answer Key

Rochelle

1. She wants a strategy that will allow her to pay less in taxes now while she has higher earnings and tax bracket (22%), as long as it doesn't cost her more later.
2. Rochelle expects to be in a lower tax bracket in retirement.
3. She should continue to use the Traditional option in her 401(k). She can save money on taxes today by contributing to her 401(k) with the Traditional (pre-tax) option. This strategy would then allow her to pay her taxes later in retirement when her income and tax bracket are lower (12%)



Marcus

1. Marcus believes that taxes may go up over time, either because his anticipated income increases will put him in a higher tax bracket in the future or because federal taxes may go up.
2. No. If Marcus opened an account today the rule would not apply by the time he reached retirement.
3. The Roth allows Marcus to pay taxes today and shelter his money from any higher taxes in the future.