Q. WHEN WILL I RECEIVE MY BENEFIT PAYMENT?
A. Colorado PERA benefits are paid at the end of the month for that month. Benefit payments will be mailed or deposited into your bank or credit union account (if your benefit is paid by electronic funds transfer) on the last workday of each month. For example, your August 2019 benefit will be paid on August 30, 2019.

Q. IS MY PERA BENEFIT TAXABLE?
A. Yes, your PERA benefit is subject to federal and state income tax. The taxable amount of your benefit will depend on the tax-paid plus the tax-deferred balances in your member contribution account at retirement. If you have tax-paid money, based upon your age (and the age of your cobeneficiary, if applicable), part of your PERA benefit will not be taxable at the federal level for a specified number of months. Depending on your age, a portion of your benefit may not be taxable by the state of Colorado. With the exception of a small number of retirees in the Denver Public Schools (DPS) benefit structure, the IRS Form 1099-R you receive from PERA in late January each year will report the taxable and nontaxable portions of your benefit.

See the Taxes on PERA Benefits booklet for more information.

See the Changing Your Cobeneficiary or Benefit Option booklet for more information.

Q. MAY I CHANGE MY OPTION AND COBENEFICIARY CHOICES?
A. If you have a PERA benefit structure account, you may change your benefit option or cobeneficiary up to 60 days after the date your first benefit payment is issued. After 60 days have passed, you may not change your option or cobeneficiary, except in certain situations involving marriage, civil union, divorce, or death.

Under the DPS benefit structure, you may change your option or cobeneficiary before the date your first benefit payment is issued. After your first benefit payment is issued, you may not change your option or cobeneficiary, except in certain situations involving divorce.

Under both benefit structures, there are additional exceptions if you suspend your retirement and return to work for a PERA employer for more than a year.

See the Taxes on PERA Benefits booklet for more information.

PERA Information 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
Q. WILL I RECEIVE ANNUAL INCREASES TO MY PERA BENEFIT?
A. After retirement, you may receive an annual increase (AI) to your monthly retirement benefit. As provided in legislation, the next AI will be paid in July 2020 to eligible benefit recipients. You must wait three years from your retirement date before you are eligible for an AI. For all benefit recipients, AIs will be paid in July.

If you are a retiree under the PERA benefit structure and began membership on or before December 31, 2006, or you are a retiree under the DPS benefit structure, then the AI amount will be 1.25% per year, subject to change with the automatic adjustment provision.

If you are a retiree under the PERA benefit structure and began membership on or after January 1, 2007, then the AI will be the lesser of 1.25%, subject to change with the automatic adjustment provision, or the average of the monthly CPI-W amounts for the prior calendar year. In no case can the sum of the AIs paid to a division’s benefit recipients exceed 10% of the divisional AI reserve.

Q. HOW ARE PERA BENEFITS COORDINATED WITH SOCIAL SECURITY BENEFITS?
A. Your PERA benefit is not affected by Social Security. However, your Social Security benefit may be reduced if you are receiving a PERA benefit. Contact Social Security for specific information about a reduction to your Social Security benefit by calling 1-800-772-1213 or visiting their website at www.ssa.gov. You may also review the PERA and Social Security fact sheet.

Q. CAN I WORK AFTER RETIREMENT?
A. Yes. If you work for a private company or work for a public employer not affiliated with PERA, you can work without limitations.

If you return to work for a PERA employer, there are specific rules about returning to work during the month of your retirement, working as an independent contractor, and limits to the number of days/hours you can work per year.

When you return to work for a PERA employer, there are forms you may be required to complete. In most cases, your employer will be responsible for paying employer contributions on your salary, and you will be required to pay a working retiree contribution.

AUTOMATIC ADJUSTMENT PROVISION
The automatic adjustment provision responds to economic or demographic events that could cause a deviation in the path toward full funding, which helps ensure long-term fund stability. Specific to the AI:

» If PERA is ahead of schedule on reaching the full funding goal, the AI percentage paid to eligible benefit recipients can be increased by up to 0.25% in one year, not to exceed a cap of 2.0%.

» If PERA is behind schedule on reaching the full funding goal, the AI percentage paid to eligible benefit recipients can be decreased by up to 0.25% in one year, not to be reduced below a floor of 0.5%.
Q. WHAT HAPPENS TO MY PERA LIFE INSURANCE AFTER RETIREMENT?
A. If you have PERA life insurance, it will continue when you retire unless you cancel it in writing. As a retiree, your monthly premium will increase to $10.28 per unit of coverage and will be paid by a deduction from your monthly benefit.

See the PERA Life Insurance Program information on PERA’s website.

Q. DOES PERA OFFER HEALTH INSURANCE?
A. Yes, PERA offers health care, dental, and vision insurance under the PERACare Health Benefits Program to retirees, other benefit recipients, and their eligible dependents. You may enroll at retirement or during the annual open enrollment period. In addition, you may become eligible to enroll, change plans, or add dependents based on certain life events.

See the PERACare information on PERA’s website.

Q. WILL I BE ELIGIBLE FOR MEDICARE AS A PERA RETIREE?
A. Yes. You will be eligible for Medicare when you turn age 65. Medicare is the federal health insurance program for everyone age 65 and older. See Social Security's booklet #05-10043, Medicare, for information about enrolling in Medicare.

This fact sheet provides general information about 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.