



Colorado PERA CONTRIBUTION RATES

WHAT IS A MEMBER CONTRIBUTION?

As a Colorado PERA member, you contribute a percentage of your monthly salary to your PERA member contribution account. See the table below.

Your PERA contributions are tax-deferred, which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit. (Federal taxes have been deferred since July 1984 in the PERA benefit structure and since January 1986 in the Denver Public Schools [DPS] benefit structure; state taxes have been deferred since 1987.)

Also, you earn tax-deferred interest on your member contributions and your completed service credit purchases. The interest rate is set by the PERA Board and is subject to change annually. The current interest rate is 3% compounded annually.

WHAT IS AN EMPLOYER CONTRIBUTION?

Your employer contributes a percentage of its total payroll to PERA according to state law (see the charts on reverse). A portion of the employer contribution also goes to the Health Care Trust Fund to pay health care premium subsidies to benefit recipients who participate in the PERACare Health Benefits Program. The remaining amount is deposited in a pension trust fund established for each division to pay benefits.

WHEN DO MEMBER AND EMPLOYER CONTRIBUTIONS CHANGE?

Under state law, member and employer contributions will adjust beginning July 1, 2020, to ensure that PERA is able to pay off its unfunded liability. Both member and employer contribution rates can each increase (or decrease) by up to 0.5% per year, and cannot exceed certain limits also set in law. The changes are based on PERA's funded status and are determined each June, a year before any changes are implemented.

WHAT ARE THE AED AND SAED?

The Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) are additional contributions remitted by employers. The AED is an additional amount contributed by PERA employers with gradual increases. The SAED is also an amount contributed by employers and is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED also has gradual increases. These additional employer contributions, based on the total payroll of PERA members and employees who can elect either PERA or another plan (regardless of the plan elected), are designed to reduce PERA's unfunded liability and amortization period.

MEMBER CONTRIBUTION RATES

	State, School, Judicial, and DPS Division Member Contribution	Local Government Division Member Contribution	State Trooper/CBI Agent Contribution
July 1, 2019–June 30, 2020	8.75%	8.00%	10.75%
July 1, 2020–June 30, 2021	10.00%	8.50%	12.00%

(Continued on reverse)



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WHEN DO THE AED AND SAED CHANGE?

The AED and SAED for the School, DPS, and State Divisions are slated to change based on the year-end funded status of each division, with decreases mandated when the division's year-end funded status reaches 103% and increases mandated when the division's funded status reaches 103% and subsequently falls below 90%.

The AED and SAED for the Local Government and Judicial Divisions are slated to change based on the year-end funded status of each division, with decreases mandated when the division's year-end funded status reaches 103%. Increases in the AED and SAED are mandated when the division's trust fund reaches 90% funded status and subsequently falls below 90%. Additionally, the AED and SAED in the Judicial Division will increase by 0.4% each January through 2023.

WHAT ARE THE EMPLOYER CONTRIBUTION RATES?

The following contribution rates are as provided under state law.

STATE DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	10.40%	5.00%	5.00%	20.40%
July 2020	10.90%	5.00%	5.00%	20.90%

DPS DIVISION**

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	10.40%	4.50%	5.50%	20.40%
July 2020	10.90%	4.50%	5.50%	20.90%

SCHOOL DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	10.40%	4.50%	5.50%	20.40%
July 2020	10.90%	4.50%	5.50%	20.90%

LOCAL GOVERNMENT DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	10.00%	2.20%	1.50%	13.70%
July 2020	10.50%	2.20%	1.50%	14.20%

STATE TROOPERS

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	13.10%	5.00%	5.00%	23.10%
July 2020	13.60%	5.00%	5.00%	23.60%

JUDICIAL DIVISION

	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
July 2019	13.91%	3.40%	3.40%	20.71%
Jan 2020	13.91%	3.80%	3.80%	21.51%
July 2020	14.41%	3.80%	3.80%	22.01%

* State statute mandates that the SAED be funded by moneys otherwise available for employee wage increases. The SAED is not credited to the member account.

** Actual DPS employer contributions into the DPS Division vary based upon DPS payments toward its pension obligation bonds.

Note: Employer contribution includes 1.02% into the Health Care Trust Fund.

- ▶ The 2009 legislation that authorized the merger of Denver Public Schools Retirement System (DPSRS) with PERA required that every fifth year it be determined if the DPS employer contribution rate should be adjusted. This adjustment is meant to ensure that 30 years after the merger, the funding status of the DPS Division is equal to the School Division.