



# Colorado PERA CONTRIBUTION RATES

## WHAT IS A MEMBER CONTRIBUTION?

As a Colorado PERA member, you contribute 8 percent of your monthly salary to your PERA member contribution account. (State Troopers and CBI Agents contribute 10 percent.)

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which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit.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 percent 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 pages 2 and 3). 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.

## WHAT ARE THE AED AND SAED?

In 2004 and 2006, legislation was passed that required employers to remit additional contributions to PERA. These additional contributions are the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). The AED is an additional amount contributed by PERA employers that has 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.

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

The AED and SAED for the Local Government and Judicial Divisions are slated to adjust based on the year-end funded status of each division, with decreases mandated when the division's year-end funded status reaches 103 percent. Increases in the AED and SAED are mandated when the division's trust fund reaches 90 percent funded and subsequently falls below 90 percent. As provided under Senate Bill 10-001, the AED and SAED for the Local Government and Judicial Divisions are capped at the 2010 levels—2.20 percent (AED) and 1.50 percent (SAED).

*(continued inside)*

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## WHAT ARE THE CONTRIBUTION RATES?

The following contribution rates are as provided under Senate Bill 10-001. Members contribute 8 percent of their monthly salaries. (State Troopers and CBI Agents contribute 10 percent.)

- Effective July 1, 2010, Senate Bill 10-146 required members in the State and Judicial Divisions, including State Troopers, to pay 2.5 percent additional member contributions through June 30, 2011. Senate Bill 11-076 extended this provision for members of the State and Judicial Divisions, including State Troopers, through June 30, 2012. Employer contributions for members in these two divisions were reduced by 2.5 percent through June 30, 2012. This additional 2.5 percent member contribution did not apply to judges working under the Senior Judge Program.

## STATE DIVISION

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	10.15%	2.20%	1.50%	13.85%
July 2010	7.65%**	2.20%	1.50%	11.35%
Jan 2011	7.65%**	2.60%	2.00%	12.25%
Jan 2012	7.65%**	3.00%	2.50%	13.15%
July 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.40%	3.00%	16.55%
Jan 2014	10.15%	3.80%	3.50%	17.45%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.60%	4.50%	19.25%
Jan 2017	10.15%	5.00%	5.00%	20.15%
Jan 2018	10.15%	5.00%	5.00%	20.15%

## DPS DIVISION\*\*\*

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	13.75%	2.20%	1.50%	17.45%
Jan 2011	13.75%	2.60%	2.00%	18.35%
Jan 2012	13.75%	3.00%	2.50%	19.25%
Jan 2013	13.75%	3.40%	3.00%	20.15%
Jan 2014	13.75%	3.80%	3.50%	21.05%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.50%	4.50%	19.15%
Jan 2017	10.15%	4.50%	5.00%	19.65%
Jan 2018	10.15%	4.50%	5.50%	20.15%

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

- Effective January 1, 2015, House Bill 15-1391 reduced the employer contribution rate for the DPS Division from 13.75 percent to 10.15 percent. 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.

\* 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.

\*\* As mandated in Senate Bill 10-146. Senate Bill 11-076 extended this provision for members of the State and Judicial Divisions, including State Troopers, through June 30, 2012. Percentages illustrated reflect the reductions.

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

# Colorado PERA CONTRIBUTION RATES

## SCHOOL DIVISION

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.40%	3.00%	16.55%
Jan 2014	10.15%	3.80%	3.50%	17.45%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.50%	4.50%	19.15%
Jan 2017	10.15%	4.50%	5.00%	19.65%
Jan 2018	10.15%	4.50%	5.50%	20.15%

## LOCAL GOVERNMENT DIVISION

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	10.00%	2.20%	1.50%	13.70%
Jan 2011	10.00%	2.20%	1.50%	13.70%
Jan 2012	10.00%	2.20%	1.50%	13.70%
Jan 2013	10.00%	2.20%	1.50%	13.70%
Jan 2014	10.00%	2.20%	1.50%	13.70%
Jan 2015	10.00%	2.20%	1.50%	13.70%
Jan 2016	10.00%	2.20%	1.50%	13.70%
Jan 2017	10.00%	2.20%	1.50%	13.70%
Jan 2018	10.00%	2.20%	1.50%	13.70%

## STATE TROOPERS

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	12.85%	2.20%	1.50%	16.55%
July 2010	10.35%**	2.20%	1.50%	14.05%
Jan 2011	10.35%**	2.60%	2.00%	14.95%
Jan 2012	10.35%**	3.00%	2.50%	15.85%
July 2012	12.85%	3.00%	2.50%	18.35%
Jan 2013	12.85%	3.40%	3.00%	19.25%
Jan 2014	12.85%	3.80%	3.50%	20.15%
Jan 2015	12.85%	4.20%	4.00%	21.05%
Jan 2016	12.85%	4.60%	4.50%	21.95%
Jan 2017	12.85%	5.00%	5.00%	22.85%
Jan 2018	12.85%	5.00%	5.00%	22.85%

## JUDICIAL DIVISION

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	13.66%	2.20%	1.50%	17.36%
July 2010	11.16%**	2.20%	1.50%	14.86%
Jan 2011	11.16%**	2.20%	1.50%	14.86%
Jan 2012	11.16%**	2.20%	1.50%	14.86%
July 2012	13.66%	2.20%	1.50%	17.36%
Jan 2013	13.66%	2.20%	1.50%	17.36%
Jan 2014	13.66%	2.20%	1.50%	17.36%
Jan 2015	13.66%	2.20%	1.50%	17.36%
Jan 2016	13.66%	2.20%	1.50%	17.36%
Jan 2017	13.66%	2.20%	1.50%	17.36%
Jan 2018	13.66%	2.20%	1.50%	17.36%

\* 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.

\*\* As mandated in Senate Bill 10-146. Senate Bill 11-076 extended this provision for members of the State and Judicial Divisions, including State Troopers, through June 30, 2012. Percentages illustrated reflect the reductions.

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

This fact sheet provides general information about member and employer contributions. 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.

