



# PERA OVERVIEW FOR NEW MEMBERS

HIRED ON OR AFTER JANUARY 1, 2020,  
IN THE PERA DEFINED BENEFIT PLAN

REVISED JANUARY 2023





*Colorado Public Employees' Retirement Association (PERA) was established by state law in 1931 and continues to provide retirement and other benefits to more than 660,000 current and former school teachers, employees of the State of Colorado, State Troopers, judges, corrections officers, and countless other public employees who provide valuable service to all of Colorado. Serving our members—both past and present—is at the core of what we do as we focus on ensuring retirement security for so many Coloradans who depend on PERA for their financial future.*







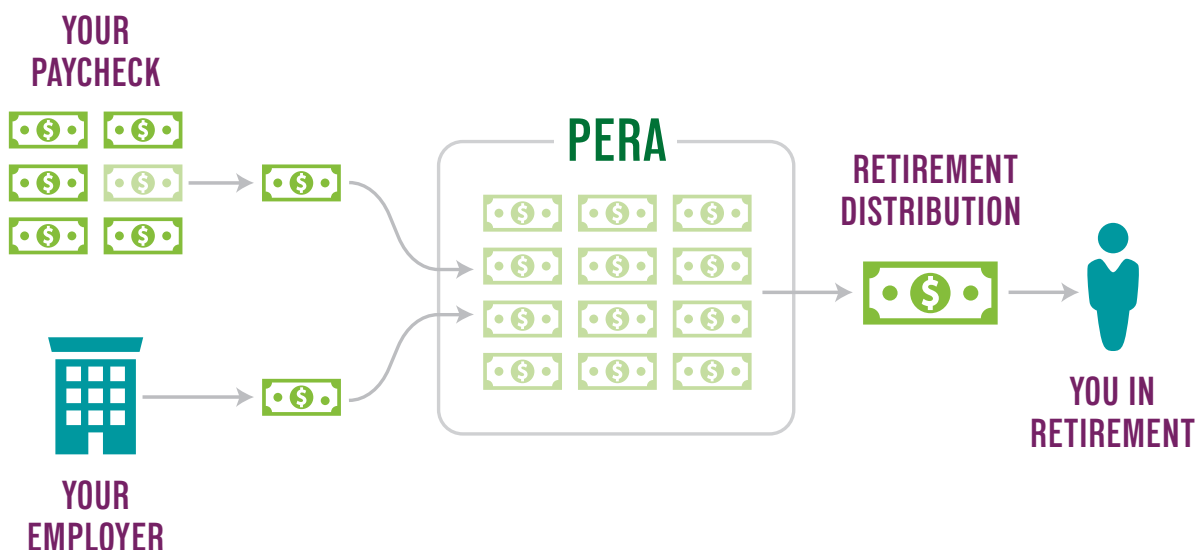
# WELCOME TO PERA

*As the retirement plan for the many thousands of Coloradans who work in the public sector, we are proud to be your partner as you plan for your financial future. Whether you are three years away from retirement or 30, it's always good to have a plan and that's where PERA can help.*

*This booklet will give you a quick overview of the many important benefits and services available to you as a PERA member.*

## THE BASICS OF PERA

Most PERA members are in the PERA Defined Benefit (DB) Plan, which is also called a pension plan. Every time you get paid, a portion of your paycheck goes to your PERA account. Your employer also contributes money to PERA. When you retire, you receive a monthly check (a pension) for the rest of your life.



# PERA DEFINED BENEFIT PLAN

The PERA DB Plan provides benefits to you when you retire or are disabled, or to your survivors after your death. You are automatically a PERA member if you work for the following:

- » The State of Colorado
- » Any school district
- » Colorado judicial system
- » Many municipalities, special districts, public health departments, and other local government entities

## DEFINED BENEFIT PLAN FEATURES

- » Lifetime retirement benefits
- » Ancillary benefits such as disability and survivor coverage
- » Plan invests for all beneficiaries, and individual members do not control the amount of their contributions nor their investments

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*Note: If you are a Safety Officer, Judge, or selected the PERA Defined Contribution (DC) Plan, please see the corresponding [PERA Overview](#) on [copera.org](https://copera.org) for benefits that pertain specifically to you.*

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## ACCESSING YOUR PERA ACCOUNT ONLINE

Accessing your PERA account online puts all your PERA information right at your fingertips. You can see how much money you've contributed so far, estimate your future retirement check, update your contact information, and more.

### To create an online user profile:

- » Click the **“Member Login/Registration”** button on [copera.org](https://copera.org)
- » Click **“Register as a new user”**
- » Enter your personal information, verify your identity, and set up your User ID and password

You will also be required to enroll in multifactor authentication. With multifactor authentication, you access your information online using not only your User ID and password, but also a security code or push notification sent to your home or mobile phone.



# YOUR RETIREMENT BENEFIT

Working for a PERA employer means you will become eligible to receive a monthly retirement benefit when you meet the age and service credit requirements for retirement as noted below.

## SERVICE RETIREMENT ELIGIBILITY

MEMBERS (OTHER THAN SAFETY OFFICERS) HIRED ON OR AFTER JANUARY 1, 2020

Minimum Age	Minimum Service Credit
Any age	35 years
64	30 years
65	Any years

If you meet the eligibility requirements for a service retirement, your retirement benefit will be 2.5% of your Highest Average Salary (HAS) for each year of service credit up to 100%. The amount of your PERA retirement benefit is not based on your account balance in retirement, but rather depends on your HAS, your years of service credit, and your age at retirement and is calculated using the following formula:

**Your HAS x 2.5% x Years of Service  
= Your Retirement Benefit**

See the HAS table on page 10.

## REDUCED SERVICE RETIREMENT ELIGIBILITY

MEMBERS (OTHER THAN SAFETY OFFICERS) HIRED ON OR AFTER JANUARY 1, 2020

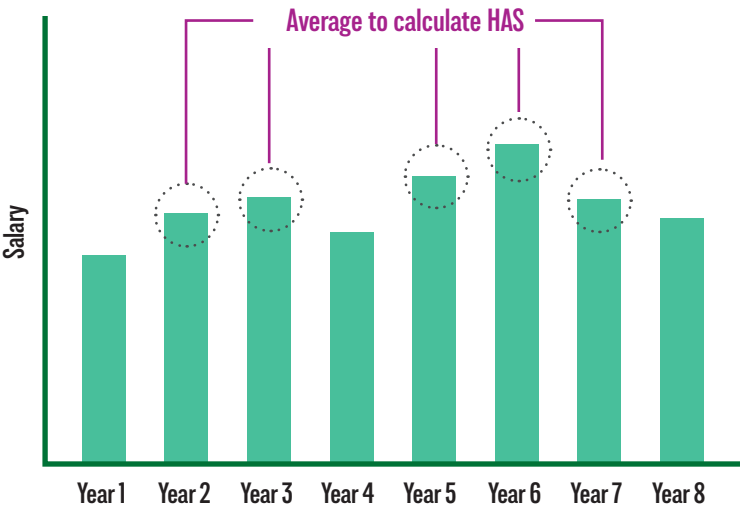
Minimum Age	Minimum Service Credit
55	25 years
60	5 years

A reduced service retirement means you can retire earlier but with reduced benefits based on your service credit, age, and HAS. See the shaded area on the HAS table on page 10.



## HIGHEST AVERAGE SALARY (HAS)

A key component in calculating your retirement benefit is your HAS, which is an average monthly salary figure that is determined by averaging several years of your highest salaries. Each year used in the calculation is a period of 12 consecutive months of service credit during which PERA contributions were paid. As a new PERA member beginning membership on or after January 1, 2020, **five years of your highest salaries will be used to calculate your HAS.**







### SERVICE CREDIT

The amount of service credit you accrue is used to determine eligibility for the amount of the benefits paid by PERA. In most cases, you receive a month of service credit for each month of employment when your earned salary is greater than or equal to 80 times the federal minimum wage hourly rate in effect at the time of service. For salary that is less than this amount, service credit is prorated. Currently, the federal minimum wage rate is \$7.25 per hour. Any member whose salary is at least \$580 ( $\$7.25 \times 80$ ) during the month would generally receive one month of service credit. You cannot earn more than 12 months of service credit in a 12-month period.

## PURCHASING SERVICE CREDIT

*You may increase your service credit by purchasing service credit based on a refunded/rolled over DB Plan account or by purchasing service credit for any employment not covered by PERA or another retirement program. You can read more about purchasing service credit at [copera.org](https://copera.org).*



### CONTRIBUTIONS

As a PERA member, you contribute a percentage of your monthly salary to your PERA DB account through payroll deduction. Your contribution dollars are always yours even if you leave your PERA-covered job.

#### MEMBER CONTRIBUTION RATES

	State, School, and DPS Divisions	Safety Officers	Local Government Division	Judicial Division
July 2022	11.00%	13.00%	9.00%	11.00%

Under state law, member and employer contributions can adjust to ensure PERA stays on-track to achieving full funding, resulting in a stronger and more resilient retirement plan for current and future retirees. Contribution rates can each increase (or decrease) by up to 0.5% per year and cannot exceed certain limits set in law. Changes to contribution rates are based on PERA's funded status and determined each June, a year before any changes are implemented.

Member contributions earn a fixed rate of interest that is set by the PERA Board and subject to change annually. The current interest rate is 3% compounded annually.

Your PERA contributions are tax-deferred and not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit.

Your employer also contributes a percentage of its total payroll to PERA according to state law. A portion of employer contributions goes to the Health Care Trust Fund to pay health care premium subsidies for benefit recipients. The remaining amount is deposited in pension trust funds to pay benefits. See [copera.org](https://copera.org) for current employer contribution rates.



## ADDITIONAL BUILT-IN BENEFITS

As you progress through your career in public service and your pension grows, you become eligible for extra built-in financial protection at no additional cost. This includes survivor benefits and disability coverage.

### SURVIVOR BENEFITS

PERA's survivor benefits bring financial protection to loved ones if you die before retirement. You are automatically eligible for survivor benefits after earning one year of service credit. Should you die while working at a PERA employer, PERA may provide monthly survivor benefits to your qualified survivors. State law determines who your qualified survivors are and the order in which they would receive a monthly payment.

> See the *Survivor Benefits* booklet for more information.

### DISABILITY PROGRAM

After you have earned five years of service credit, you may apply for the PERA disability program if you cannot perform your job duties because of a physical or mental disability. Based on your medical condition, you may qualify for either short-term disability or disability retirement. Coverage is part of the PERA DB Plan and no premiums are required.

**You must apply for the PERA disability program within 90 days after you terminate employment.**

> See the *Colorado PERA Disability Program* booklet for more information.

## SELECTING A BENEFICIARY

PERA encourages members to select and name a beneficiary. In most situations, if you die before retirement, your PERA survivor benefits will kick in, but to reduce any uncertainty, it's still important to plan and name beneficiaries ahead of time. It's quick and protects your assets.

Naming your beneficiary is easy. Just log in to your PERA account with your User ID and password and choose "**View/Edit Beneficiaries.**" Be sure that you have the full name, Social Security number, birthdate, and address for any beneficiaries you want to add. Any changes you make are effective as soon as PERA receives them.

## SOCIAL SECURITY

The majority of PERA members do not contribute to Social Security, so you will likely not receive Social Security benefits for your PERA-covered employment. If you expect to receive a future Social Security benefit through other employment or your spouse, two federal rules, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), could reduce or possibly eliminate your benefit. Your PERA benefit will not be reduced by these offsets.

> See the *PERA and Social Security* fact sheet for more information.







## ENDING PERA-COVERED EMPLOYMENT BEFORE RETIREMENT

If you leave your PERA-covered job before retirement, you have the following two options regarding your DB Plan account:

- » Leave your money with PERA for a future monthly retirement benefit

Or

- » Request a refund/rollover of your DB Plan account

If you leave your DB Plan account with PERA, it will remain tax deferred and continue to accrue interest, and you may receive a monthly benefit when you are eligible to retire. If you decide to do a refund/rollover of your DB Plan account, you forfeit any future right to PERA benefits.

- > See the *Refund/Rollover Request* booklet for more information.

## VOLUNTARY PROGRAMS

As a PERA member, you can also participate in some optional programs to help you strengthen your financial future and become more prepared for retirement.

### PERAPLUS 401(K)/457 PLANS

PERA encourages you to save more toward your future retirement by enrolling in the voluntary PERAPlus 401(k) and 457 Plans. (The PERAPlus 457 Plan is only available to members who work for PERA employers who have affiliated with the PERAPlus 457 Plan.)

Both Plans offer a variety of investment choices—from conservative, lower risk/lower return funds to more aggressive, higher risk/higher return funds. You may enroll, discontinue contributions, or make changes in your contributions or investment funds at any time. A Roth option is also available if your employer has adopted it.

- > More information about the PERAPlus 401(k) and 457 Plans can be found on [copera.org](http://copera.org).

### LIFE INSURANCE PROGRAM

You may purchase group, decreasing-term life insurance (available through Unum), within 90 days after you first become a PERA member or during the annual open enrollment period, which is April 1 through May 31. You may also enroll at other times with evidence of good health. Coverage for your spouse and dependent children is included with your coverage.

- » If you leave PERA employment and leave your DB Plan account(s) with PERA, you may continue participation in the life insurance program.
- » If you retire, your life insurance coverage will automatically continue unless you cancel it in writing.

- > Information about the life insurance program is sent to all new members and is available on [copera.org](http://copera.org).







## PERA RESOURCES

Be sure to take advantage of PERA resources to help you understand your benefits and plan for your financial future. Keep in mind that PERA representatives are available by secure messaging or phone to answer your questions.

### WEBINARS

PERA has a variety of webinars (live and on-demand) to help you learn more about your PERA benefits at all stages of your career. Find descriptions and register at [copera.org/members/webinars](https://copera.org/members/webinars).

### CALCULATORS

Use PERA calculators to help develop your financial plans or to estimate your retirement benefit. Log in to your PERA account at [copera.org](https://copera.org) and these calculators will automatically populate your personal information.

### MEMBER COMMUNICATIONS

Stay current on PERA news by subscribing to our emails and receive PERA news and updates right to your inbox.

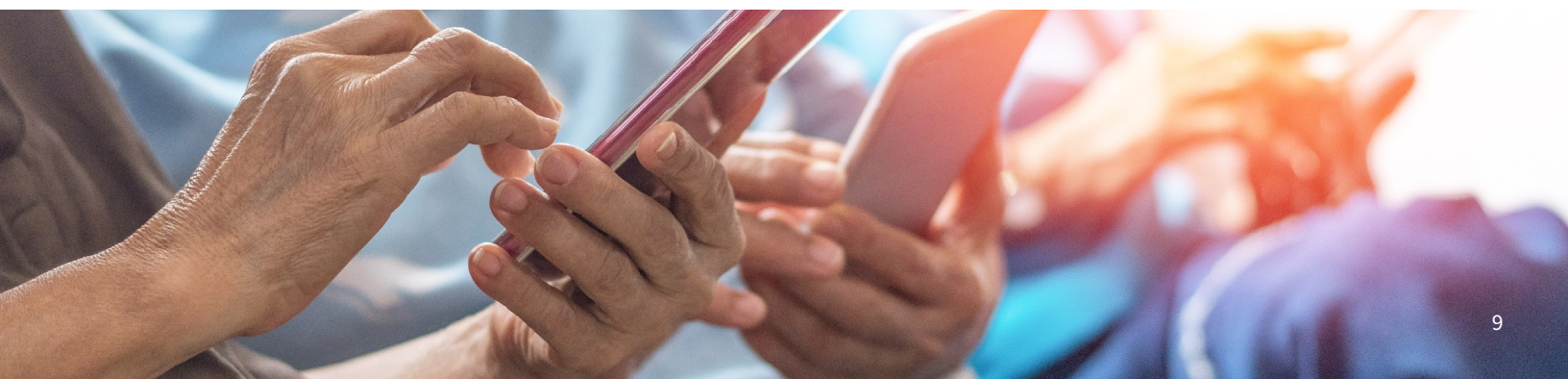
### SOCIAL MEDIA

Connect with us on Twitter, Facebook, YouTube, and LinkedIn to be in the loop with PERA news and happenings.

## KEEP IN TOUCH

If you move, please keep your address current with PERA. Here are three easy ways to update your contact information:

- » Log in to your PERA account and update your information.
- » Call PERA's Customer Service Center at 1-800-759-7372. The best times to call are Tuesday, Wednesday, or Thursday, between 7:00 a.m.–10:00 a.m. (MT) or 2:00 p.m.–4:30 p.m. (MT)
- » Complete a *Member Information Form—Defined Benefit Plans* (available to download and print from [copera.org](https://copera.org)) and mail it to PERA.





# HAS PERCENTAGE TABLE

PERA's HAS percentage tables show you, based on your age and years of service at retirement, what percentage of your HAS will be used to calculate your monthly retirement benefit. As a new PERA member (excluding Safety Officers) with a membership start date on or after January 1, 2020, you will use table PERA 9. The shaded area on the table indicates reduced retirement percentages to ensure that, as of your effective date of retirement, your reduced retirement benefit is the actuarial equivalent of your full service retirement benefit. These reduced percentages are subject to change based on actuarial experience.

## PERA Benefit Structure Highest Average Salary Percentages for Retirement Benefit Option 1

Use this table if you began PERA membership on or after January 1, 2020.

Years of Service	Age at Retirement															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65+
5	No retirement benefits payable.										7.9	8.7	9.5	10.4	11.4	12.5
6											9.5	10.4	11.4	12.5	13.7	15.0
7											11.1	12.1	13.3	14.5	15.9	17.5
8											12.7	13.9	15.2	16.6	18.2	20.0
9											14.3	15.6	17.1	18.7	20.5	22.5
10											15.9	17.3	19.0	20.8	22.8	25.0
11											17.5	19.1	20.9	22.8	25.0	27.5
12											19.1	20.8	22.8	24.9	27.3	30.0
13											20.6	22.5	24.7	27.0	29.6	32.5
14											22.2	24.3	26.6	29.1	31.9	35.0
15											23.8	26.0	28.5	31.2	34.2	37.5
16											25.4	27.8	30.3	33.2	36.4	40.0
17											27.0	29.5	32.2	35.3	38.7	42.5
18											28.6	31.2	34.1	37.4	41.0	45.0
19											30.2	33.0	36.0	39.5	43.3	47.5
20											31.8	34.7	37.9	41.5	45.5	50.0
21											33.3	36.4	39.8	43.6	47.8	52.5
22											34.9	38.2	41.7	45.7	50.1	55.0
23											36.5	39.9	43.6	47.8	52.4	57.5
24											38.1	41.6	45.5	49.8	54.6	60.0
25						28.5	30.9	33.7	36.7	40.0	41.6	43.4	47.4	51.9	56.9	62.5
26						29.6	32.2	35.0	38.1	41.6	45.3	47.3	49.3	54.0	59.2	65.0
27						33.7	33.4	36.4	39.6	43.2	47.1	51.4	53.7	56.1	61.5	67.5
28						38.3	38.0	37.7	41.1	44.7	48.8	53.3	58.3	61.0	63.8	70.0
29						43.3	43.1	42.8	42.5	46.3	50.6	55.2	60.4	66.1	69.3	72.5
30						49.0	48.7	48.5	48.2	47.9	52.3	57.1	62.5	68.4	75.0	75.0
31						55.2	55.0	54.8	54.6	54.3	54.1	59.0	64.6	70.7	77.5	77.5
32						62.1	62.0	61.8	61.6	61.4	61.2	60.9	66.6	73.0	80.0	80.0
33						69.8	69.6	69.5	69.4	69.2	69.1	68.9	68.7	75.2	82.5	82.5
34						78.2	78.1	78.1	78.0	77.9	77.8	77.7	77.6	77.5	85.0	85.0
35	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5

The shaded areas indicate reduced retirement percentages. These percentages ensure that, as of your effective date of retirement, your reduced retirement benefit is the actuarial equivalent of your full service retirement benefit. These percentages are subject to change based on actuarial experience.

For 35+ years, add 2.5% to 87.5 for each year over 35 up to 100%. Final calculations are made to the exact amount of service you earn, not necessarily even years.



# NEW MEMBER CHECKLIST

- ☐ Create a user profile to access your PERA account online
- ☐ Add a beneficiary for your PERA DB Plan account
- ☐ Consider enrolling in the PERAPlus 401(k)/457 Plans
- ☐ Follow PERA on social media





# CONTACT PERA



Visit PERA's website at  
[copera.org](http://copera.org)

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Call PERA's Customer Service  
Center at 1-800-759-7372

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Send mail to PERA at  
PO Box 5800  
Denver, CO 80217-5800

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Forms and publications can be  
found on PERA's website (copies can  
also be requested by calling PERA's  
Customer Service Center)

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Connect with PERA on  
social media:

- » [Twitter](#)
- » [Facebook](#)
- » [LinkedIn](#)
- » [YouTube](#)



This booklet provides general information about PERA membership benefits for new members. Some of the information does not apply to Safety Officers, members of the Judicial Division (judges), and members of the PERA Defined Contribution Plan. Special booklets for these members are available. 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 booklet.