

# Colorado PERA Contribution Rates



## Member Contributions

As a Colorado PERA member, you contribute a percentage of your monthly salary to your PERA account (see Member Contribution Rates 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which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit. Also, you earn tax-deferred interest on your member contributions and any 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.

### Member Contribution Rates

	State, School, and DPS Divisions	Safety Officers	Local Government Division	Judicial Division
January 2024	11.00%	13.00%	9.00%	11.00%

## Changes to Member and Employer Contribution Rates

Under state law, member and employer contributions can adjust 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. Please see PERA's "What is the Automatic Adjustment Provision?" fact sheet for more information.

## Employer Contributions

Your employer contributes a percentage of its total payroll to PERA according to state law (see Employer Contribution Rates on page 2). The majority of the employer contribution is deposited in pension trust funds established for each division to pay benefits. 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.

### Safety Officers

For the purposes of PERA benefits, "Safety Officers" include the following employees:

- Peace officers with the Colorado State Patrol and Colorado Bureau of Investigation.
- County sheriffs, undersheriffs, deputy sheriffs, noncertified deputy sheriffs, and detention officers in the Local Government Division whose PERA membership began on or after January 1, 2020.
- Corrections officers classified as I through IV in the State Division whose PERA membership began on or after January 1, 2020.
- Firefighters classified as I through VII employed with the Colorado Division of Fire Prevention and Control, beginning with service earned on or after July 1, 2020.
- Wildlife officers and parks and recreation officers employed with the Colorado Division of Parks and Wildlife whose employment in these roles began on or after January 1, 2011, beginning with service earned on or after July 1, 2023.

## Employer Contribution Rates

### State Division

	Employer Base Rate	AED	SAED	Automatic Adjustment	DC Supplement	Total Contribution
January 2023	10.40%	5.00%	5.00%	1.00%	0.17%	21.57%
January 2024	10.40%	5.00%	5.00%	1.00%	0.21%	21.61%

### State Division—Safety Officers

	Employer Base Rate	AED	SAED	Automatic Adjustment	DC Supplement	Total Contribution
January 2023	13.10%	5.00%	5.00%	1.00%	0.17%	24.27%
January 2024	13.10%	5.00%	5.00%	1.00%	0.21%	24.31%

### School Division

	Employer Base Rate	AED	SAED	Automatic Adjustment	Total Contribution
January 2023	10.40%	4.50%	5.50%	1.00%	21.40%
January 2024	10.40%	4.50%	5.50%	1.00%	21.40%

### DPS Division<sup>1</sup>

	Employer Base Rate	AED	SAED	Automatic Adjustment	Total Contribution
January 2023	10.40%	4.50%	5.50%	1.00%	21.40%
January 2024	10.40%	4.50%	5.50%	1.00%	21.40%

<sup>1</sup> Actual DPS employer contributions into the DPS Division vary based upon DPS payments toward its pension obligation bonds.

Note: 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.

### Local Government Division

	Employer Base Rate	AED	SAED	Automatic Adjustment	DC Supplement	Total Contribution
January 2023	10.00%	2.20%	1.50%	1.00%	0.06%	14.76%
January 2024	10.00%	2.20%	1.50%	1.00%	0.08%	14.78%

### Local Government Division—Safety Officers

	Employer Base Rate	AED	SAED	Automatic Adjustment	DC Supplement	Total Contribution
January 2023	13.10%	2.20%	1.50%	1.00%	0.06%	17.86%
January 2024	13.10%	2.20%	1.50%	1.00%	0.08%	17.88%

### Judicial Division

	Employer Base Rate	AED	SAED	Automatic Adjustment	Total Contribution
January 2023	13.91%	5.00%	5.00%	1.00%	24.91%
January 2024	13.91%	5.00%	5.00%	1.00%	24.91%

## AED and SAED

The Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) are additional contributions remitted by employers. The SAED is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED is not credited to member accounts.

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 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%.

## Defined Contribution Supplement

Beginning January 1, 2021, and every year after, employer contribution rates in the State and Local Government Divisions will be adjusted to include a defined contribution (DC) supplement. This supplement represents the employer contribution amount paid to PERA DC Plan participant accounts for members who began PERA membership on or after January 1, 2019, that would have otherwise gone to the Defined Benefit (DB) trusts. The DC supplement is deposited into PERA's DB trusts to pay down the unfunded liability. The amount of the DC supplement is calculated each June by PERA's actuaries.