COLORADO PERA

Annual Increases for Benefit Recipients

Eligible Colorado PERA retirees and benefit recipients receive annual increases (AI) to their monthly benefits in retirement. The AI is paid in July and the amount for 2026 is listed in the chart below. Future AI amounts are based on the automatic adjustment provision and subject to change.

The chart below highlights eligibility requirements for the AI based on no previous AI paid prior to May 1, 2018, your benefit structure, membership start date, effective date of retirement, and the type of benefit you are receiving (full service, reduced service, disability, or survivor).

AI Overview

	PERA Benefit Structure Members *(Membership began before January 1, 2007)* **All DPS Benefit Structure Members**	**PERA Benefit Structure Members** *(Membership began on or after January 1, 2007)*
AI Amount for 2026	1.0%	1.0% *(Please see the "AI Calculation Provision" for details on how the AI is calculated for this category of PERA Membership)*
AI Applied/Payable	The AI will be paid with the July 31, 2026, benefit.	The AI will be paid with the July 31, 2026, benefit.
First AI for Full Service, Disability, or Survivor Benefits	**For retirement dates on or after January 1, 2011:** » You must receive a benefit for 36 months before you receive your first AI in retirement. *AND* » You must receive benefits for 12 consecutive months prior to July. **For retirement dates before January 1, 2011:** » You must receive benefits for seven consecutive months prior to July.	**For retirement dates on or after January 1, 2011:** » You must receive a benefit for 36 months before you receive your first AI in retirement. *AND* » You must receive benefits for the full preceding calendar year prior to July.

Annual Increases for Benefit Recipients

	PERA Benefit Structure Members *(Membership began before January 1, 2007)* All DPS Benefit Structure Members	PERA Benefit Structure Members *(Membership began on or after January 1, 2007)*
First AI for Reduced Service Retirement	**All of the following must be met before receiving your first AI:** » You must receive benefits for 36 months before you receive your first AI in retirement. » You must receive benefits for 12 consecutive months prior to July. » You must reach age 60 or the age and service combination for an unreduced benefit by January 1 of the year in which the AI will be paid.	**All of the following must be met before receiving your first AI:** » You must receive benefits for 36 months before you receive your first AI in retirement. » You must receive benefits for the full preceding calendar year prior to July. » You must reach age 60 or the age and service combination for an unreduced benefit by January 1 of the year in which the AI will be paid.
Lump-Sum Payment	You may receive a lump-sum payment with your first AI to recognize the months when you first became eligible for the AI to July of the year that you will receive your first AI.	Does not apply.

AI Calculation Provision

The AI for PERA benefit structure members beginning membership on or after January 1, 2007, is the lesser of the AI cap or the average of the monthly CPI-W for the previous calendar year, and cannot exceed 10% of the divisional AI reserve.

The Consumer Price Index (CPI) is published by the federal Bureau of Labor Statistics as a measure of the average change over time in the prices paid for consumer goods and services. The CPI-W stands for the Consumer Price Index for Urban Wage Earners and Clerical Workers and is a subset of the CPI.

Automatic Adjustment Provision

The automatic adjustment provision responds to economic or demographic events that could cause a deviation in the path toward PERA's full funding, which helps ensure long-term fund stability. The automatic adjustment has four components: member contributions, employer contributions, State direct distribution, and 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%.

Please refer to PERA's *Automatic Adjustment Provision* fact sheet for more information.

Your PERA membership rights, benefits, and obligations are governed by Title 24, Article 51, of the Colorado Revised Statutes, PERA Rules, and other governing laws, which prevail over any interpretations in this fact sheet.