

What is a Member Contribution?

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

Effective July 1, 2010, Senate Bill 10-146 (SB 146) requires members in the State and Judicial Divisions to pay 2.5 percent additional member contributions through June 30, 2011. Employer contributions for members in these two divisions will be reduced by 2.5 percent. This additional 2.5 percent contribution does not apply to judges working under the Senior Judge Program.

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which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn through a refund or monthly benefit.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 1984 and 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 the reverse side). 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 monies 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 will be capped at the 2010 levels—2.20 percent (AED) and 1.50 percent (SAED).

Employer contribution, AED, and SAED rates are on the following pages

The contribution rates listed below are as provided under Senate Bill 10-001

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%
July 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%	4.60%	4.50%	19.25%
Jan 2017	10.15%	5.00%	5.00%	20.15%

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%

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	13.75%	4.20%	4.00%	21.95%
Jan 2016	13.75%	4.50%	4.50%	22.75%
Jan 2017	13.75%	4.50%	5.00%	23.25%
Jan 2018	13.75%	4.50%	5.50%	23.75%

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%

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

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

** As mandated in Senate Bill 10-146.

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

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%
July 2011	12.85%	2.60%	2.00%	17.45%
Jan 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%

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%
July 2011	13.66%	2.20%	1.50%	17.36%
Jan 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%

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

** As mandated in Senate Bill 10-146.

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.