

## **CU's PERA contributions to rise for sixth consecutive year**

[1]

December 15, 2014 by [\(not verified\)](#) [2]

Starting Jan. 1, the university will contribute more money toward supporting the Public Employees Retirement Association (PERA), which provides pension plans for nearly 8,000 CU employees.

In 2015, CU will contribute 18.35 percent—0.90 percentage points more than it has in 2014—toward PERA's Retirement Savings Plan. The amount of money PERA requires its employee participants to contribute annually toward their pensions—8 percent of their salary—has not changed.

The new contribution amount is a percentage of the total pay earned by three groups: CU employees who are active PERA members; PERA retirees who work for the university; and CU employees who were eligible to participate in PERA with the university but opted out.

Since 2009, CU has increased its annual contributions to PERA to comply with two Colorado laws mandating that employers that offer PERA support the organization's financial future via yearly funding increases. To support its employee members, CU makes two types of gradually increasing contribution types: Amortization Equalization Disbursements (4.2 percent in 2015) and Supplemental Amortization Equalization Disbursements (4 percent in 2015).

CU places all benefits-eligible employees into one of two retirement plans: PERA's Retirement Plan or the CU 401(a) Retirement Plan. Participants of the 401(a) Plan automatically contribute 5 percent of their salary to the Plan, while the university contributes an additional 10 percent—among the nation's largest higher education employer contribution rates. 401(a) Plan participants also contribute 6.2 percent of each paycheck to Social Security, and CU contributes that same amount. PERA participants, however, are not eligible to contribute to Social Security.

State law guarantees that CU's contributions to PERA will increase through 2018. There are currently no changes to CU's 401(a) Plan contribution rates.

[PERA](#) [3]

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