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New PERA legislation introduced, employee monthly contribution rates change still set for July 1 [1]

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In response to the state budget impacts caused by the COVID-19 pandemic, the Colorado legislature is considering changes to the contribution schedule for the Public Employees' Retirement Association (PERA).

Mandatory employee and employer retirement plan contributions are scheduled to increase on July 1. This increase is required by a 2018 bill (SB 18-200 [3]) intended to shore up PERA's funding over a 30-year period.

CU employees who participate in PERA Defined Benefit or PERA Defined Contribution plans will see their contributions to the program increase from 8.75% to 10% of their salary. CU's PERA contribution will increase by 0.5% to 20.9%.

Currently, this increase is still slated to go into effect and will be reflected in those employees' July 31 pay checks.

The House voted June 3 to advance a bill (HB 20-1379 [4]) which would suspend a scheduled $225 million payment from the Colorado treasury to the PERA program outlined in the 2018 PERA funding bill.

Should this year's bill pass, it could result in unrealized investment gains and trigger further increases in employee and employer contributions in following years.

It has been reported [5] that a possible suspension of this year's employee contribution increase has been discussed, among other strategic changes to the 2018 PERA funding bill, but no legislation applicable to CU employees has yet been introduced.

PERA [6]
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