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Employee monthly contribution to PERA plans set to increase July 1, while new PERA funding bill advances in legislature [1]

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All CU employees participating in the Colorado Public Employees' Retirement Association (PERA) retirement plan will see an increase in their mandatory contribution beginning July 1.

CU employees who participate in PERA Defined Benefit (DB) or PERA Defined Contribution (DC) plans will see their contributions to the program increase from 8.75% to 10% of their salary. CU's contribution to PERA will increase by 0.5% to 10.9%. (CU also contributes to 5% to PERA AED and 5% to PERA Supplemental AED to total 20.9% of an employee's PERA-includable salary.)

Mandatory employee and employer retirement plan contributions are scheduled to increase in accordance with a 2018 bill (SB 18-200) [3] intended to shore up PERA's funding over a 30-year period.

Currently, this increase is still slated to go into effect July 1, and will be reflected in those employees' July 31 pay checks.

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).

The House voted June 3 to advance a bill (HB 20-1379) [4] which would suspend one 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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