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# PERA Defined Contribution (DC) Plan [1]

The University of Colorado aims to empower all employees to secure their financial stability in retirement. All eligible employees must participate in one of three mandatory plans, and as a state employer, some CU employees are eligible to participate in a Public Employees' Retirement Association (PERA) plan.

PERA offers two plan options, a Defined Benefit (DB) plan and a Defined Contribution (DC) plan. This page covers the Defined Contribution plan, but you can read more about the Defined Benefit (DB) plan [2].

## What is the PERA DC Retirement Plan?

The PERA DC plan is a defined contribution plan where an employee's benefit amount at retirement is limited to the balance in their retirement account from all contributions and investment earnings or losses over the lifetime of their account (minus fees).

Both the employee and employer contribute to the account, and all funds are invested according to the directive of the employee.

## Who is eligible for a PERA DC plan?

First, you need to know your job type. For retirement plan purposes, CU has two types of staff: Faculty and University Staff or Classified Staff. If you're unsure what your job classification is, you can find it on your offer letter or you can contact your supervisor or the Employee Services Benefits office.

### Classified Staff

For Classified Staff with no prior PERA-covered employment, you have 60 days to choose between the PERA DB or PERA DC plan. Once you've chosen, this selection cannot be reversed.

For Classified Staff with prior PERA-covered employment, you will default into whichever plan you were previously enrolled in unless you have not contributed to that plan in the previous 12 months. If you have not contributed to your PERA plan in at least 12 months, you will have 60 days to choose which type of PERA plan to enroll in.

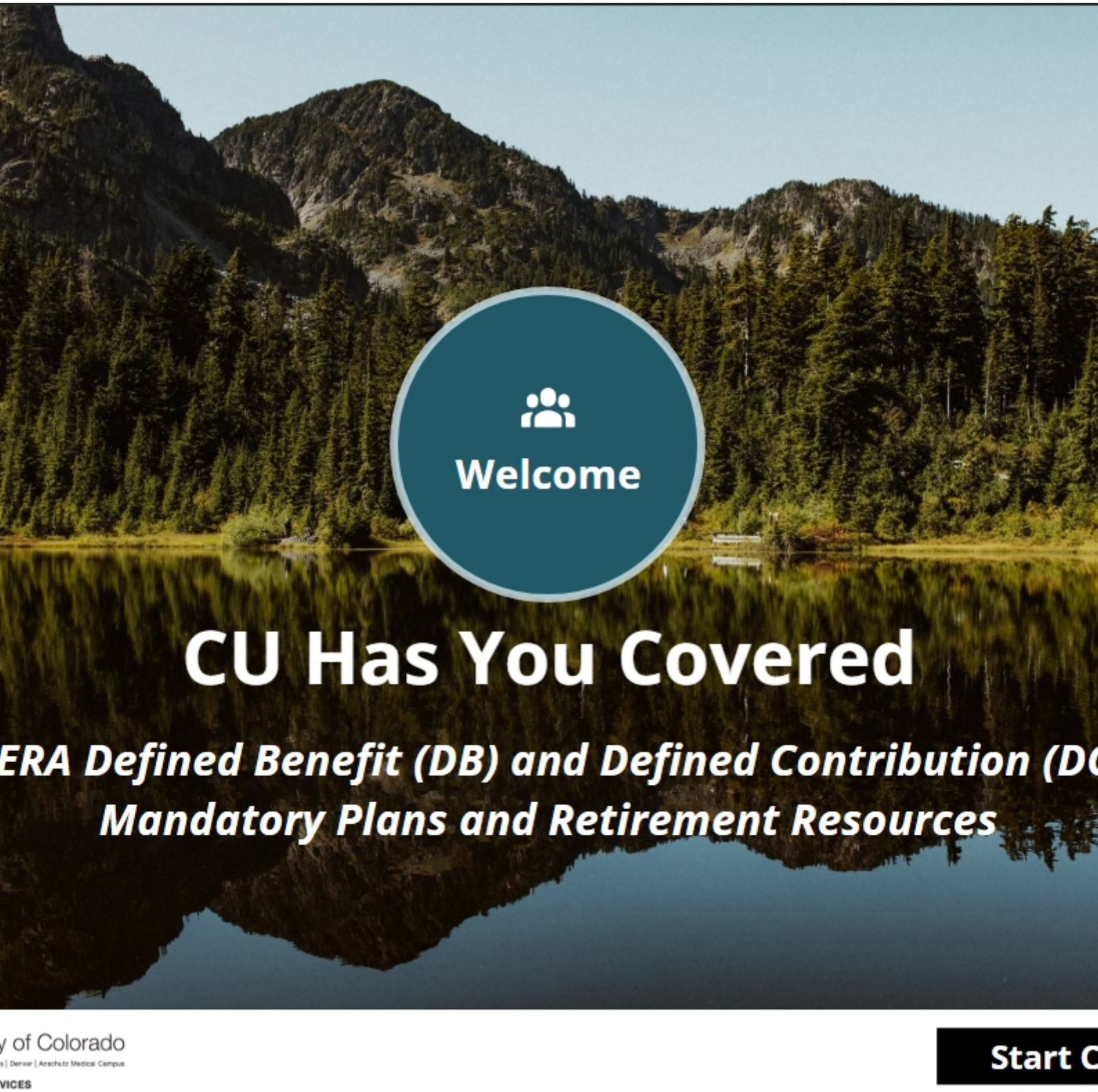
For placement details, see the Classified Staff Placement Guide [3].

## Faculty and University Staff

Faculty and University Staff are not eligible for PERA DC.

For placement details, see the Mandatory Retirement Plan Placement Guide for Faculty and University Staff [4].

## PERA Mandatory Plan and Retirement Resources Course




[5]

**Conceptos Basicos de PERA**




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**Plan resources**

- Mandatory Retirement Plan Placement Guide for Classified Staff [3]
- PERA Defined Contribution Mandatory Retirement Plan Guide [7]

**Use your account**

- PERA member website [8]
- PERA Defined Contribution webpage [9]
- PERA calculators [10]
- PERA webinars [11]

## PERA DC Plan at-a-glance

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| **Plan administrator** | Public Employees' Retirement Association (PERA) [12] |
| **Who can participate?** | Eligible Classified Staff |
| **Employee contributions** | 11% of PERA includable salary (gross income less any IRS Section 125 plan deductions, based upon your PERA membership)<br><br>Employee contributions are not subject to Social Security taxes, and they are tax-deferred, which means they are not considered taxable income for federal and state income tax purposes until they are withdrawn. |
| **Employer contributions** | In 2026, 11.65% of gross salary to employee's account. The university will also contribute 5.0% to PERA AED, plus 5.0% PERA Supplemental AED, which equals 21.65% of an employee's PERA-includable salary for 2026. |

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| **Salary Limitation** | The annual compensation limit that can be considered for contributions is $360,000 for calendar year 2026. |
| **Vesting** | The vesting schedule is determined by number of years of participation, not PERA service credit.<br>• Employee Contributions: 100% immediately<br>• Employer's Contributions:<br>  ○ 50% immediately**<br>  ○ 60% at the end of 1 year of participation**<br>  ○ 70% at the end of 2 years of participation**<br>  ○ 80% at the end of 3 years of participation**<br>  ○ 90% at the end of 4 years of participation**<br>  ○ 100% at the end of 5 years of participation**<br>***Plus/minus investment gains/losses, minus fees* |
| **Investments** | Employees can choose their investments by going to the PERA website Defined Contribution (DC) Plan page [9] . From there, click on the "Log into your PERA DC Plan Account" to determine how your contributions will be invested.<br>**Default investment:** If you do not select investments options, your money will automatically be placed into a Target Retirement Date fund based on your date of birth and an expected retirement date. PERA follows industry standard and assumes the expected retirement age is 65. |
| **Fees** | This plan includes administrative fees [13]. Please contact PERA for more details. |

**Groups audience:**
Employee Services
**Right Sidebar:**
ES: Benefits & Wellness - PERA DC Webinars
ES: Benefits & Wellness - Contact PERA
ES: Benefits & Wellness - Contact
ES: Benefits & Wellness - TIAA/PERA Financial Webinars

**Source URL:**https://www.cu.edu/employee-services/benefits-wellness/current-employee/retirement-plans/pera-defined-contribution-dc

**Links**
[1] https://www.cu.edu/employee-services/benefits-wellness/current-employee/retirement-plans/pera-defined-contribution-dc [2] https://www.cu.edu/employee-services/benefits-wellness/current-employee/retirement-plans/pera-defined-benefit-db-plan [3] https://www.cu.edu/docs/mandatory-retirement-plan-placement-guide-classified-staff [4] https://www.cu.edu/docs/mandatory-retirement-plan-placement-guide-faculty-and-university-staff
[5] https://www.cusys.edu/plans/2025/ret_plan_PERA_DB/story.html
[6] https://www.cusys.edu/plans/2025/ret_plan_PERA_DB_esp/story.html [7] https://www.cu.edu/docs/pera-defined-contribution-%E2%80%93-mandatory-plan-guide
[8] https://copera.org/welcome-pera-members [9] https://www.copera.org/defined-contribution-dc-plan
[10] https://secure.copera.org/secure/calcs/Menu.jsp [11] https://www.copera.org/webinars
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