



Frequently Asked Questions About COLORADO PERA FOR ACTIVE MEMBERS

Q. How many years of service credit will I need to qualify for a monthly benefit?

- A. The amount of service credit needed to qualify for a monthly benefit depends on when you began membership and which benefit structure you retire under, either PERA or Denver Public Schools (DPS). The service requirement for retirement eligibility varies with age.



See the appropriate Highest Average Salary (HAS) table in the *Your PERA Benefits* booklet.

Q. How is service credit calculated?

- A. You receive a month of service credit for each month of employment your earned salary is greater than or equal to 80 times the federal minimum wage hourly rate in effect at the time of service. For salary that is less than this amount, service will be prorated. Given the current minimum wage rate of \$7.25, your PERA-includable salary must be \$580 or more to receive one month of service credit ($\$7.25 \times 80 \text{ hours} = \580). Service credit for members of the DPS benefit structure was calculated differently prior to the merger with PERA on January 1, 2010.

Q. How is my PERA benefit calculated?

- A. In most cases, your age, service credit, and Highest Average Salary (HAS) will determine your lifetime monthly PERA benefit. However, an alternative calculation called the money purchase calculation under the PERA benefit structure and the minimum benefit calculation under the DPS benefit structure may be used if such calculation yields a higher benefit.

Q. If I choose a monthly retirement benefit, how will it be paid?

- A. Under both the PERA and DPS benefit structures, you may choose from several benefit options. Both benefit structures have an option that provides a lifetime monthly benefit for you only and two options that provide a lifetime monthly benefit for you and a continuing monthly benefit to a cobeneficiary of your choice. The DPS benefit structure also has a benefit option that provides a lifetime monthly benefit to you and a continuing benefit to a beneficiary(ies), if there are payments remaining in the guarantee payment period at the time of your death.



See PERA's *Retirement Process* booklet for more information.

- ▶ **Highest Average Salary—PERA Benefit Structure**
Highest Average Salary (HAS) is one-twelfth of the average of the highest annual salaries on which PERA contributions were paid that are associated with three periods of 12 consecutive months of service credit. The three 12-month periods do not have to be consecutive or the last three years of employment. There is an annual limit in salary increases, which is 8 percent for most members and 15 percent for members eligible to retire on January 1, 2011, and who began membership on or before December 31, 2006.

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- ▶ **Highest Average Salary—DPS Benefit Structure**
Highest Average Salary (HAS) is the average monthly salary of the 36 months of earned service having the highest salaries for members eligible to retire on January 1, 2011. For members not eligible to retire on January 1, 2011, the PERA HAS on page 1 applies with an 8 percent annual limit in salary increases.

Q. Will I receive annual increases to my PERA benefit in retirement?

- A. Yes. The timing of when you begin receiving your annual benefit increase, and the amount you will receive, is dependent on when you began membership and when you retire.



See the *Annual Increases* fact sheet for more information.

Q. Previously, I refunded my account; can I get that service credit back?

- A. Yes, you can purchase service credit based on your refunded account. The eligibility and cost to purchase is dependent on the benefit structure of the refunded account and your current benefit structure (PERA or DPS benefit structure). The details on purchasing service credit are complex; please review the *Purchasing Service Credit* booklet for more information.

- ▶ Purchasing service credit based on a refunded account will not entitle you to the benefit rights associated with the refunded account.

Q. Can I add to my service credit for any other work experience?

- A. Yes, however, there are different requirements to be eligible to purchase, different costs depending on the member's age, limits on the amount of time that can be purchased, and other requirements related to the purchase.



See the *Purchasing Service Credit* booklet for more information.

Q. How is my retirement date determined?

- A. You are eligible to retire when you meet the age and service requirements on the appropriate HAS Percentages table applicable to you. You are not required to retire when you are first eligible. You must terminate active employment and submit a complete *Retirement Application*. Retirement is always effective on the first day of the month following the last day on the job.



See the *Retirement Process* booklet for more information.

Q. What happens to my account if I die before retirement?

- A. Depending on your benefit structure (PERA or DPS), your qualified survivors or named beneficiaries may be eligible for a monthly survivor benefit. If there are no qualified survivors, a lump-sum payment of your member contribution account will be paid to your designated account beneficiary(ies) or your estate. Under the PERA benefit structure, the lump-sum payment will include a 100 percent match on your contributions and interest. See the *Survivor Benefits* booklet for more information.

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Q. Does PERA offer disability benefits?

A. Yes. To be eligible to apply for PERA disability benefits you must have at least five years of earned service credit, of which a minimum of six months must have been earned during your current membership period, and you must not have refunded your account. PERA must receive your application within 90 days after you terminate PERA employment, otherwise you will not be eligible. You may apply before you terminate employment. You are not eligible for disability benefits if you are eligible for service retirement. See the *Colorado PERA Disability Program* booklet for more information.

Q. What are PERA's disability benefits?

A. PERA provides vested members with a two-tier Disability Program consisting of short-term disability (STD) insurance and a disability retirement benefit. Following a 60-day waiting period for non-permanent, non-total disabilities, short-term disability benefits are paid at 60 percent of your pre-disability earnings for up to 22 months. Disability retirement benefits (for those who are totally and permanently disabled from regular and substantial gainful employment) are based on your HAS and earned, purchased, and, in some cases, projected service credit and are payable as long as you remain totally and permanently disabled.



See the *Colorado PERA Disability Program* booklet for more information.

▶ Other PERA Resources

- » Visit PERA's website at www.copera.org
- » Email PERA through the PERA website; click on the "Contact Us" link
- » Call PERA at 303-832-9550 or 1-800-759-7372

Q. What are my choices if I leave employment before I'm eligible to retire?

- A. You may leave your account with PERA for a future monthly benefit or do a rollover/refund of your account. If you do a rollover/refund of your account, you have the following options:
- » Do a rollover of your account to another tax-deferred plan or IRA, or
 - » Refund your account as payment to you, or
 - » A combination of a rollover/refund.



See the *Terminating PERA-Covered Employment* booklet for more information.

Q. If I leave PERA-covered employment and elect to take a rollover/refund of my account rather than a monthly benefit, do I get any of the employer's contributions?

- A. You may be eligible for a portion of the employer's contributions depending on your benefit structure, years of service credit, and if you are eligible for retirement at the time of your rollover/refund. See the *Terminating PERA-Covered Employment* booklet for more information.

Q. Does PERA offer life insurance?

- A. Yes. PERA offers decreasing-term group life insurance. The premiums are fixed and the death benefit amounts decrease with age. You are eligible to enroll while you are an active member and you may continue your life insurance into retirement.



See the Life Insurance Program information on PERA's website at www.copera.org.

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Q. Does PERA offer tax-sheltered investments to its members?

- A. Yes. PERA offers the PERAPlus 401(k) Plan and the PERAPlus 457 Plan (if your employer participates). You may enroll at any time.



See PERA's website at www.copera.org for more information.

Q. How are PERA benefits coordinated with Social Security benefits?

- A. Your PERA benefit is not affected by Social Security. However, your Social Security benefit may be reduced if you are receiving a PERA benefit. See the *PERA & Social Security* brochure for more information. For specific information about a reduction to your Social Security benefit, contact Social Security by calling 1-800-772-1213 or visiting their website at www.ssa.gov.

Q. Will I be eligible for Medicare as a PERA retiree?

- A. Yes. You will be eligible for Medicare when you turn age 65. Medicare is the federal health insurance program for everyone age 65 and older. See Social Security's booklet #05-10043, *Medicare*, for information about enrolling in Medicare.

Everyone qualifies for Medicare Part B and pays a premium for Part B. Most PERA retirees also qualify for premium-free Medicare Part A, but if you do not, you do not have to purchase it if you are enrolled in one of PERACare's Medicare plans.



For more information on Medicare and PERACare, review the *PERACare Health Benefits Program—Medicare Coverage* booklet.

Q. Do I need to inform my employer about my plans to retire?

- A. Yes. Three to four months before you expect to retire, notify your employer of your anticipated date of retirement and request a benefit estimate and a *PERA Retirement Application Kit* from PERA. The *Kit* will include a *Final Six Months' Salary Report* form for you to give to your payroll office as soon as possible. Return the *Retirement Application* and other tax withholding, direct deposit, and PERACare forms to PERA about 90 days in advance of your anticipated retirement date.

► Applying for Retirement

You must apply for your PERA retirement benefit—it will not begin automatically. Call PERA to request a *Retirement Application Kit* and send your completed *Retirement Application* to PERA 60 to 90 days before your last day on the job.

If you change or cancel your planned retirement date, you should notify both PERA and your employer promptly.

You may also complete all retirement forms online at www.copera.org using your PERA PIN/User ID and password.