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**Colorado  
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# Your PERA Benefits

***PERAChoice Provisions***

July 2009

## **Membership**

As a State employee hired on or after January 1, 2006, or a community college employee hired on or after January 1, 2008, you had the opportunity to enroll in either PERA's Defined Benefit (DB) Plan or PERA's Defined Contribution (DC) Plan. If you were a State DC Plan participant prior to July 1, 2009, your DC account was transferred to the PERA DC Plan. PERA's DB Plan benefits are the same as explained in *Your PERA Benefits*, except as noted in this insert. PERA's DC Plan benefits are detailed in this insert and online at [www.copera.org](http://www.copera.org) (click on the DC Plan link from the PERA home page).

## PERA DC Plan Membership and Contributions

In PERA's DC Plan, your contribution of 8 percent (10 percent for State Troopers) and your employer's contribution (10.15 percent) are invested according to your investment elections. If you did not make an initial investment election, your contributions are automatically invested in the Dodge and Cox Balanced Fund.

## Vesting Schedule PERA DC Plan

You are immediately 100 percent vested in your employee contributions. Employer contributions are vested as follows:

- 50 percent immediately
- 60 percent at the end of your first year of membership
- 70 percent at the end of two years of membership
- 80 percent at the end of year three
- 90 percent at the end of year four
- 100 percent at the end of year five

If you were previously a member of one of the State's DC Plans and were transferred to PERA in 2009, you will retain your 100 percent vesting in employer contributions. If you either take a distribution of your entire account or you have a break in employment that is 12 months or longer, any future employer contributions to the DC Plan will vest in accordance with the schedule above.

For details on DB Plan provisions, see the *Your PERA Benefits* booklet.

## Switching Between DC and DB/DB and DC

After one year of membership in PERAChoice, you are eligible to make a one-time, irrevocable switch between the PERA DC and PERA DB Plans or between the DB and DC plans. After your fifth year of membership, you will no longer be eligible to switch between the two plans. If you wish to switch between the two plans, complete the *PERAChoice Years 2–5 Change/Transfer Form*. (If you were previously a member of one of the State's DC Plans and were transferred to PERA in 2009, you do not have the option to switch plans.)

## Purchasing Service Credit

If you switch from the DC Plan to the DB Plan, you begin to earn service credit in the DB Plan on the day the switch is effective. You may use your DC account to purchase service credit for the time you were in the DC Plan once you earn one year of service credit in the DB Plan.

The cost to purchase service credit is based on the actuarial cost of providing the future benefit resulting from the purchase. The actuarial cost is determined by your age at the time of purchase, salary, and the division of your membership. For more information, see the *Purchasing Service Credit* booklet.

## Rollovers into the DC Plan

As a PERA DC Plan participant, you may roll over a PERA DB member contribution account (member contributions and interest only) to the PERA DC Plan. If you have a PERA 401(k) Plan, you may roll over all or a portion of a qualified pension, profit sharing, 401(k), or stock bonus plan to your PERA 401(k). You may also roll over all or a portion of an Individual Retirement Account (IRA) to the PERA 401(k) Plan, provided the entire balance is attributable to pre-tax funds and earnings on those funds. For more information, see the *401(k) Plan Rollover* form.

## Making DC Plan Changes

You may move money between investment options or move money across all investment options (reallocate your balances) any time by calling 1-800-759-7372 and selecting the 401(k) and DC Plan option. Participant service representatives are available Monday through Friday from 6:00 a.m. to 6:00 p.m. (Mountain time), excluding New York Stock Exchange holidays. To make changes online, click on Account Access from the PERA home page at [www.copera.org](http://www.copera.org), enter your Social Security number and your PERA PIN, and then choose PERA DC Plan Account Access. Some restrictions on frequent trading are imposed by the mutual fund provider.

## Terminating PERA-Covered Employment Under the DC Plan

If you leave PERA-covered employment and are a participant in the PERA DC Plan, you may leave your account in the PERA DC Plan or you may roll over the balance to another qualified retirement plan. You may not roll over your DC Plan account to the PERA 401(k) Plan.

If you return to PERA-covered employment for an employer offering retirement choice within 12 months of terminating, you are required to return to the PERA DC Plan.

If you refund your DC account, you will be subject to the vesting schedule in place at the time of your return to the DC Plan.

### Distribution Options

When you leave PERA-covered employment, you may take a one-time (“lump-sum”) distribution of your account balance, or you may request monthly installment payments or partial distribution payments until the account is depleted if you are eligible. You may also request a lifetime annuity which is available through an outside provider. You will want to contact a tax adviser about the tax consequences of withdrawing your DC Plan account. If you are interested in withdrawing your DC Plan account, call PERA’s Customer Service Center to order the correct form.

For details on DB Plan provisions, see the *Your PERA Benefits* and the *Terminating PERA-Covered Employment* booklets.

This insert provides information about benefits specific to PERAChoice participants. Your rights, benefits, and obligations as a PERA member are governed by Title 24, Article 51 of the Colorado Revised Statutes and the Rules of the Colorado Public Employees’ Retirement Association, which take precedence over any interpretations in this insert.

Colorado Public Employees’ Retirement Association  
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5/113 (REV 7-09)