

# PERA Defined Contribution (DC) Retirement Plan Employee Guide

The university philosophy is to do as much as it can to assure the financial well-being of its employees in retirement. CU helps you save for retirement by enrolling each qualifying employee in a mandatory retirement plan. For more information visit the [PERA Defined Contribution Plan website](#). CU contributes generously to each mandatory plan and provides you with the opportunity to increase your retirement savings with voluntary plan options. For more information on voluntary plans visit [CU Voluntary Plans website](#).

This guide can help you navigate your Public Employer's Retirement Association (PERA) Defined Contribution (DC) mandatory retirement plan.

*\*If you are unsure which mandatory plan you're eligible for, or already enrolled in, please see the [CU Mandatory Retirement Plan Placement Guide for Faculty and University Staff](#) or the [CU Mandatory Retirement Plan Placement Guide for Classified Staff](#).*

## PERA Defined Contribution (DC) Mandatory Retirement Plan

The PERA DC Plan is a defined contribution plan where each employee's retirement benefit is based solely on the money that has been contributed and the investment earnings or losses incurred (minus fees) over the lifetime of the account. Employees make their own investment elections, and employee and employer contributions are invested according to their directives.

This plan may be attractive to employees who are interested in working in PERA-covered employment for only a small portion of their careers.

### Placement

**If you are Classified Staff:** The PERA DC Plan may be offered to newly hired/newly eligible Classified Staff if they meet the eligibility requirements for the [PERA Classified options under CU's PERAChoice](#). Please see the [Classified Staff Mandatory Retirement Plan Placement Guide](#).

**If you are Faculty or University Staff:** The PERA DC Plan is not offered to Faculty/University Staff. Please see the [Faculty and University Staff Mandatory Retirement Plan Placement Guide](#).

### Enrollment

If you meet the criteria to be enrolled under this plan, you will be automatically enrolled. If you have a choice between two plans through the CU Classified Options, you will be enrolled when we receive your election form. If the election form is not received, you will be automatically enrolled in the default plan stated in your letter.

### Contributions

Your contributions will be effective as of the date of hire and will be made via automatic payroll deductions. If contributions are not taken on the first month of employment due to payroll timing, adjustments will be made the following payroll cycle to fulfill your required contribution. You may access your account, name beneficiaries and learn more on the [PERA website](#) at [www.copera.org](http://www.copera.org).

## Plan Features

Plan Feature	Plan Detail
<b>Plan type</b>	Defined Contribution Plan
<b>Employee contributions</b>	<p>11% of PERA includable salary (gross income less any IRS Section 125 plan deductions, based upon your PERA membership).</p> <p>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.</p>
<b>Employer contributions</b>	<p>In 2025, 11.61% of gross salary to employee's account with an additional DC Supplemental adjusted increase of 0.02%, totaling 11.63%.</p> <p>The university will also contribute 5.0% to PERA AED, plus 5.0% PERA Supplemental AED, which equals 21.613% of an employee's PERA-includable salary for 2025.</p>
<b>Salary limitation</b>	The annual compensation limit that can be considered for contributions is \$350,000 for calendar year 2025.
<b>Vesting</b>	<p>The vesting schedule is determined by number of years of participation, not PERA service credit.</p> <ul style="list-style-type: none"> <li>• Employee contributions: 100% immediately</li> <li>• Employer's contributions:             <ul style="list-style-type: none"> <li>○ 50% immediately**</li> <li>○ 60% at the end of 1 year of participation**</li> <li>○ 70% at the end of 2 years of participation**</li> <li>○ 80% at the end of 3 years of participation**</li> <li>○ 90% at the end of 4 years of participation**</li> <li>○ 100% at the end of 5 years of participation**</li> </ul> </li> </ul>

\*These are additional contributions remitted by employers. See [Colorado PERA Contributions Rates website](#) for more information.

\*\*Plus/minus investment gains/losses, minus fees

## IRS Contribution Limits

The IRS imposes two limitations on contributions to defined contribution retirement plans:

Limit on the amount of salary that can be considered for contributions:

- **For 2025** calendar year, the salary limit is \$350,000.

Limit on the total amount of contributions by employer and employee, combined:

- **For 2025** calendar year, the total combined cannot exceed \$70,000.

## Investments

Employees can choose their investments by going to the [PERA website](#) and selecting “Defined Contribution (DC) Plan Information” from the “members” menu. From there, click on the “Determine how your PERA DC Plan contributions will be invested.”

**Default investment:** If you do not select investments options, your money will automatically be placed into a PERAdvantage Target Retirement Date fund based on your date of birth and an expected retirement date. PERA follows industry standards and assumes the expected retirement age for all participants is 65.

For more information on the DC Plan, see the [PERAChoice Provisions Brochure](#).

## Financial Guidance

**PERA:** Investment advice is available through the PERA Plan recordkeeper, Empower Retirement. Members can also access a web-based financial advice tool at no additional cost. For an additional fee, members can enroll in Professional Management to develop and individualize investment plans and manage allocations. Contact PERA for more information.

**TIAA:** All CU employees have access to personalized, no cost, general financial guidance with licensed financial planners from TIAA. Please call 1-800-732-8353 or visit the [TIAA website](#) to schedule an appointment.

## Distributions/Withdrawals

Under the PERA Defined Contribution (DC) Plan, the only time that members can withdraw funds is when they terminate PERA-covered employment with the university.

### In-service distribution (while working)

- No in-service distributions are allowed for CU employees who are in a PERA mandatory plan.

### Loans and hardship withdrawals

- No loans or hardship withdrawals are allowed under the PERA mandatory plans.

### Leaving CU

- Distributions are allowed when employee terminates employment with the university.
- The employee has the option to:
  - have their PERA mandatory plan account remain at PERA
  - request a refund - refunds may be subject to taxes and penalties
  - request a rollover of their accumulated funds to another retirement account

### Qualified Domestic Relations Order (QDRO)

The term "QDRO" refers to a court order that is made under a state's domestic relation law or community property law, which may involve assigning all or a portion of an employee's university retirement plan account accumulations to an alternate payee. Alternate payees are typically the employee's spouse or ex-spouse but may be another person such as a child or other dependent. A QDRO may also name more than one alternate payee.

For more information, please contact PERA by visiting the [PERA website](#) at [www.copera.org](http://www.copera.org) or by calling 1-800-759-7372.

## How to Request a Distribution or Rollover

How to request a refund/rollover when terminating employment:

1. If you elect to have the PERA DC account refunded or rolled over, you will need to complete the PERA Refund/Rollover Request Form, which can be found at [www.copera.org](http://www.copera.org). After completing the member sections, the form must be submitted directly to PERA.
2. You must notify Employee Services Retirement that the form has been submitted to PERA. The university will verify your termination date and the last contribution submitted to PERA. The PERA Termination Certification will be submitted electronically to PERA.

For more information, please contact PERA by visiting the [PERA website](#) or by calling 1-800-759-7372.

## Contact Information

**Plan Service Provider:** PERA

**Plan:** PERA Mandatory Plans

**Phone Number:** 1-800-759-7372

**Web Address:** [www.copera.org](http://www.copera.org)

**By Mail or In Person:** University of Colorado  
Employee Services-Retirement  
1800 Grant Street, Suite 400  
Denver, CO 80203-1187

**By Phone or Fax:** Phone: 303-860-4200, option 3 Fax: 303-860-4299 (Attn: ES Retirement)

## Definitions

### PERA Classified Option for Classified Staff Members

PERA Classified Option is the option some CU Classified Staff must choose between the PERA Defined Benefit Plan and the PERA Defined Contribution Plan through the PERA's PERAChoice. See the [PERAChoice Comparison Plan brochure](#) from PERA.

### In-service distribution

Refers to an active employee who meets a required age (typically 59 ½, 62 or 70 ½) and is requesting a distribution that consists of a total or partial cash withdrawal or rollover. For employees who have retired from the university and return to employment with the university, they must follow in-service distribution requirements.

### Leaving CU

Refers to termination of employment. This includes resignations, retirement, disability or by cause.

## Resources

[CU Benefits Eligibility Matrix](#)

[Classified Staff Mandatory Retirement Plan Placement Guide](#)

[Faculty and University Staff Retirement Plan Placement Guide](#)

[What is the difference between a Defined Benefit Plan and a Defined Contribution Plan? website](#)

[CU Voluntary Retirement Plans website](#)

[PERA website](#)

[PERA DC Plan website](#)