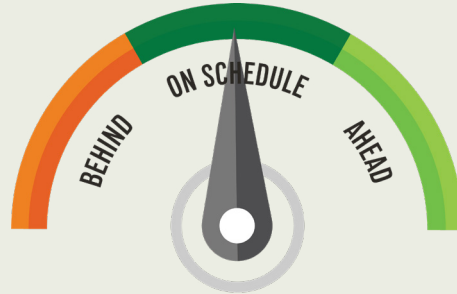


What is the **AUTOMATIC ADJUSTMENT** Provision?

The automatic adjustment provision is an innovative approach to pension funding that keeps PERA on a path to full funding. Under this approach, changes are included in statute that make automatic adjustments to four components: member contributions, employer contributions, the annual increase (AI) paid to retirees, and the direct distribution from the State. Every June, PERA reviews the progress toward its funding goal.

**PERA IS ON SCHEDULE
TO MEET ITS
FUNDING GOAL**



The automatic adjustment provision is reviewed on an annual basis to help ensure the long-term stability of benefits today and in the future.

As indicated in its 2023 Annual Comprehensive Financial Report (ACFR), PERA is on schedule to meet its funding goal. This means the automatic adjustment provision will not trigger any additional changes in 2025.

Current Provisions



Member contributions will not be affected by the automatic adjustment provision in July 2025.

	State, School, and DPS Divisions	Safety Officers	Local Government	Judicial Division
As of July 1, 2024	11.00%	13.00%	9.00%	11.00%

See copera.org for more information on contribution rates.



Employer contributions will not be affected by the automatic adjustment provision in July 2025.

	State Division	Safety Officers (State)	School and DPS Divisions	Local Government	Safety Officers (Local Govt.)	Judicial Division
As of July 1, 2024	21.61%	24.31%	21.40%	14.78%	17.88%	24.91%

Actual DPS employer rate will be subject to the PCOPs offset. The DC Supplement may also affect rates in the State and Local Government Divisions effective January 1, 2025. See copera.org for more information on contribution rates.



The AI will not be affected by the automatic adjustment provision in July 2025. The AI paid to eligible benefit recipients in July 2024 will be 1.0%. The AI paid in July 2025 for most eligible benefit recipients will be 1.0%.







PERA will receive a direct distribution from the State budget for 2024.

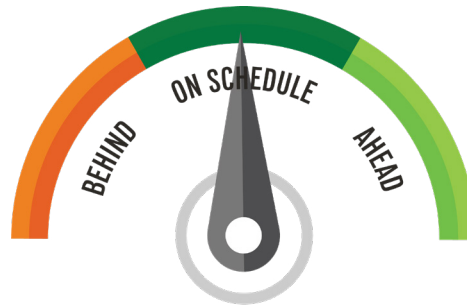
(Continued on reverse)

How Does the Automatic Adjustment Keep PERA on Schedule?





IF PERA IS BEHIND SCHEDULE

-  Decrease AI percentage by up to 0.25% in one year, not to fall below 0.5%
-  Increase employer contributions by up to 0.5% in one year, not to exceed an additional 2%
-  Increase member contributions by up to 0.5% in one year, not to exceed an additional 2%
-  Increase the direct distribution from the State budget by up to \$20 million in one year, not to exceed \$225 million

PERA'S PROGRESS TOWARD FUNDING GOAL



IF PERA IS AHEAD OF SCHEDULE

-  Increase AI percentage by up to 0.25% in one year, not to exceed 2%
-  Decrease employer contributions by up to 0.5% in one year, not to fall below 2018 levels
-  Decrease member contributions by up to 0.5% in one year, not to fall below 2018 levels
-  Decrease the direct distribution from the State budget by up to \$20 million in one year

When Do Automatic Adjustment Provisions Take Effect?

PERA announces the progress toward its funding goal each year in June, along with any automatic adjustments to contributions or the AI, which would take effect the next July.

June 2024

PERA's 2023 *ACFR* indicates PERA is on schedule and adjustments are not needed in 2025 to stay on track



June 2025

PERA's 2024 *ACFR* is released and it will be determined whether adjustments are needed in 2026 to stay on track



Annually

Process occurs again

