



## **Breaking News!**

**Bulletin from the Colorado School and  
Public Employees Retirement Association**



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### **PERA Changes Likely Ahead How Would YOU Adjust the PERA Plan?**

In a recent *Breaking News!*, we listed the PERA Board's recommendations for reducing the School Division's projected years to full funding from the current 78 years to 30 years.

The PERA Board's recommendations are **not** final. It's expected that much discussion will happen through the fall months and into the legislative session, which begins in January. The PERA Board, itself, cannot change the plan. The State Legislature and the governor are ultimately responsible for passing into law any changes to the PERA retirement plan.

To give one a sense of the process undertaken by the PERA Board as it decided its recommendations for change, SecurePERA developed the "M&M Game." That simulation follows here. Give it a try. We feel it will add to your ability to think about the proposed changes, and perhaps comment to the PERA staff and to your senator and representative about the changes you support or oppose.

#### **Try SecurePERA's "M&M GAME"**

Experience for yourself the conversations and the difficult deliberations that likely happened among PERA Board Trustees as they decided plan change recommendations.

The goal: reduce PERA School Division's troubling 78 years to full funding to 30 years.

**Here's the game...** Place 78 M&Ms (or any small objects) on a table top. Those M&Ms represent the School Division's currently-estimated 78 years to full funding. Then use the information below to make choices and take away M&Ms. **Win the game by reducing the**

**M&M count to a number at or very near 30.** Don't immediately consume removed M&Ms, because you may change your mind about option selections as you move through the choices!

- For each 0.5% in foregone employee raises, take away 8 M&Ms.
- For each 0.5% of payroll that you increase employer contributions, take away 9 M&Ms.
- If you increase age of retirement to 67 years of age, take away 18 M&Ms.
- If you increase age of retirement to 65 years of age, take away 15 M&Ms.
- If you change Highest Average Salary factor from 3 years to 5 years, take away 4 M&Ms.
- If you change Highest Average Salary factor from 3 years to 7 years, take away 7 M&Ms.
- If you change Highest Average Salary to a whole-career average, take away 30 M&Ms.
- For each year that you skip a COLA payment, take away 4 M&Ms.
- If you reduce the annual COLA from the current 2% to 1.75%, take away 13 M&Ms.
- If you reduce the annual COLA from the current 2% to 1.5%, take away 22 M&Ms.
- If you reduce the annual COLA from the current 2% to 1.25%, take away 28 M&Ms.
- If you reduce the annual COLA from the current 2% to 1.0%, take away 33 M&Ms.
- If you reduce the annual COLA from the current 2% to 0%, take away 48 M&Ms.

The impact numbers above are estimates, and there is, one can see, a multitude of intermediate actions between the listed steps. There are plan changes recommended by the PERA Board that are not listed here because we did not have information about their "M&M impact" on the funding issue.

**Do you have comments about how PERA's proposed changes would impact you?  
The PERA staff is coming to hear from you!**

The PERA Board is interested in your views and is coming to (or near) your town to hear them! Go to [www.PERAtour.org](http://www.PERAtour.org) and click on "Track The Tour" to find the schedule of when the PERA staff will have a program in your town. That web site will also give access to a list of PERA's recommended plan changes.

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