

# Comparison of PROPOSALS

Both PERA and the Governor have proposals on how to return PERA to long-term sustainability. Review the information below to understand how the proposals differ.

	PERA's Proposal	Governor's Proposal
<b>INCREASE CONTRIBUTIONS</b>		
Current members and working retirees	Increase 3% effective 1/1/2020	Increase 2% effective 1/1/2019
Future/new members as of 1/1/2020	Increase 2% effective 1/1/2020	Increase 2% effective 1/1/2019
Employers	Increase 2% effective 1/1/2020	No increase
<b>MODIFY BENEFITS</b>		
Reduce Annual Increase (AI) cap	Decrease 0.5% to 1.5% AI	Decrease 0.75% to 1.25% AI
Suspend the AI for two years for current retirees	✓	✓
Extend the AI waiting period for first-time recipients from one year to three years	✓	✓
Increase eligibility requirements (age and service) for full service and reduced service retirements for future/new members as of 1/1/2020	✓	✓
Increase number of years used in the Highest Average Salary (HAS) calculation from three years to five years (Judicial Division will increase to a three-year HAS)	✓	✓
<b>ALIGN CONTRIBUTIONS WITH BENEFITS</b>		
Redefine PERA-includable salary as gross salary, before any deductions are made to tax-advantaged plans for all PERA members starting in January 2020	✓	✓
Redefine the basis for accruing service credit from a salary standard to an hourly standard for all future hires	✓	✓
<b>AUTOMATIC ADJUSTMENT PROVISION</b>		
Adjust the employer and employee contributions as well as the AI to keep PERA on a path to full funding in 30 years	✓	✓

**ACHIEVE FULL FUNDING IN 30 YEARS.**

Review the Board of Trustees' recommended changes to the PERA plan at [www.copera.org](http://www.copera.org).