What is the current Mines contribution to PERA?

For 2016 in addition to the 8% of salary that employees pay to PERA, Mines makes a 10.15% payment on behalf of the employee and an additional 9.1% payment to PERA as required by state statute. The total 2016 Mines payment to PERA is 19.25% of salary. This amount rises to 20.15% in 2017. A document that describes the PERA contribution rates is located on our web page.

Why was VALIC selected instead of TIAA?

After careful review of the proposals from VALIC and TIAA, the retirement plan committee selected VALIC over TIAA. Elements influencing the decision included a slight cost advantage offered by VALIC for its services and consideration of the proposed customer services and transition support. It is important to note that the investment fund choices that are included in the plan are independent of VALIC and TIAA. No proprietary funds are part of the investment options that will be available irrespective of whether VALIC or TIAA became the services administrator.

Have there been any meetings or discussion about whether this new plan might potentially jeopardize the long-term stability of PERA?

Yes, the concept was initially discussed with the Faculty Senate in October 2015. In the spring semester of 2016, multiple campus forums were offered discussing the project and plan. After the start of the fall 2016 semester, an update meeting with the Faculty Senate occurred in October. In the initial meeting and in the campus forums, the question of impact to PERA overall were discussed. In brief, Mines represents less than a half a percent of PERA’s participants. Mines annual contribution to PERA in 2015 was about .7% of the total contributions to PERA.

For the current 20% employer contribution\(^1\) to PERA, what percent actually goes to the employee’s retirement versus the general fund?

Technically, all EMPLOYER dollars contributed to PERA go to PERA’s general retirement benefits fund. The Mines EMPLOYER contributions for 2017 are 10.15% base contribution and 10% Amortization Equalization Distribution and Supplemental Amortization Equalization Distribution to PERA (totals 20.15%). Your ownership of EMPLOYER funds contributed to PERA (e.g., in the event you want to take a rollover of funds or a refund) depends on a number of factors that include your credited service, when those contributions were made to PERA, and your retirement eligibility at the time you request the funds. Please see the PERA publication on our web page entitled “Refund/Rollover Request.”

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\(^1\) The 2017 Mines employer contribution to PERA will be 20.15%. The 2016 Mines employer contribution to PERA is 19.25%.
Mines Defined Contribution Plan (MDCP) has a 3-year vesting period listed on Mines web page. Is this only for new employees to Mines, or would the vesting clock start over for current employees if we choose to switch plans?

The vesting period will consider your employment with Mines prior to the implementation of the MDCP; existing employees do not start a new vesting period.

Is there information that I can access that explains the current PERA benefits and plan? What is meant by a defined benefits plan?

A defined benefits retirement plan is a plan that provides a guaranteed amount of retirement income when you retire. Typically, the retirement income is guaranteed for life. The amount of retirement income a defined benefits plan will pay is usually based on a formula that accounts for the salary of the retiree while s/he was working, the years of credited service with the plan, and a percentage multiplier for each year of service. For detailed information about PERA’s defined benefits, please see the “Your PERA Benefits” document on our webpage. Also visit PERA’s website for more information about PERA.

I have a question about this new plan with regards to CSM retirees that continue working for Mines part time and draw PERA retirement. Right now I’m required to still pay into PERA with no additional benefit. Could I opt to MDCP and avoid further payments into PERA?

Yes. Retirees will have the option to choose PERA or the new Mines Defined Contribution Plan.