Investments & Pensions Oversight Committee

Representative Cynthia Borrego, Chair
Senator Roberto “Bobby” J. Gonzales, Vice Chair

Pension Plan Comparison / 2027 Legislative Proposal

November 9, 2026

David Archuleta
Executive Director



Highlights – Key Valuation Results

June 30, 2025	ERB	PERA	Difference
Contributions/Service Purchase	$ 1,259,132,808	$ 1,073,418,594	$ 185,714,214
Investment Income	$ 1,733,873,800	$ 1,789,201,405	$ (55,327,605)
Other Income		$ 5,114,510	$ (5,114,510)
Total	$ 2,993,006,608	$ 2,867,734,509	$ 125,272,099
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Benefit Payments	$ 1,437,061,890	$ 1,515,465,675	$ (78,403,785)
Refunds	$ 78,247,786	$ 60,944,643	$ 17,303,143
Admin Expenses	$ 15,058,649	$ 17,648,809	$ (2,590,160)
Total	$ 1,530,368,325	$ 1,594,059,127	$ (63,690,802)
Total Liabilities	$ 27,486,857,832	$ 27,948,988,860	$ (462,131,028)
Actuarial Value of Assets	$ 18,638,431,074	$ 18,231,855,135	$ 406,575,939
Unfunded Actuarial Accrued Liability	$ 8,848,426,758	$ 9,717,133,725	$ (868,706,967)
Funded Ratio	67.80%	65.20%	2.60%
Funded Period	19 years	50 years	31 years
Active Members	64,274	59,007	5,267
Retirees & Beneficiaries	56,764	49,238	7,526

Service Credit Accruals | Contribution Rates

ERB

- Tiers 1, 2, & 3 earn 2.35% of their Final Average Salary (FAS) per year of service
- Members hired on or after July 1, 2019, earn accruals based on the following schedule:

For Service In:	Years	Benefit Percentage
The first 10 years of service	1 - 10	1.35%
The next 10 years of service	11 - 20	2.35%
The next 10 years of service	21 - 30	3.35%
Service after 30 years	30+	2.40%

Employer Contribution: 18.15% | Employee Contribution: 10.7%

PERA

- Tier 1 earn 3% of their FAS per year of service
- Tier 2 earn 2.5% of their FAS per year of service

Employer Contrbution: 19.24% | Employee Contribution: 10.92%

Difference: -1.09% | -0.22%

Retirement Eligibility

ERB

Tier 1 – Hired prior to July 1, 2010

- 25 and out – no minimum age
- Rule of 75 – age + service credit = 75 or more
  - Under age 60 and less than 25 years of serviced credit – retirement benefit is reduced by 0.6% for each ¼ year or portion thereof that retirement occurs before age 60 but after the 55th birthday (equal to 2.4% per year), plus
  - 1.8% for each ¼ year, or portion thereof, that retirement occurs prior to age 55 (equal to 7.2% for each year under age 55)
- 65 and 5

Tier 2 – Hired on or after July 1, 2010 / Prior to July 1, 2013

- 30 and out – no minimum age
- Rule of 80 – age + service credit = 80 or more
  - Under age 65 and less than 30 years of service credit – retirement benefit is reduced by 0.6% for each ¼ year, or portion thereof that retirement occurs before age 65, but after the 60th birthday (equal to 2.4% per year), plus
  - 1.8% for each ¼ year or portion thereof, that retirement occurs prior to age 60 (equal to 7.2% per year
- 67 and 5 – age 67 and 5 or more years of service credit

PERA – State Plan 3

Tier 1 – Hired on or before June 30, 2013

- Age 65 w/5 or more years of service credit
- Age 60 or older w/20 more more years
- Age 61 or older w/17 or more years
- Age 62 or older w/14 or more years
- Age 63 or older w/11 or more years
- Age 64 or older w/8 or more years
- Any age w/25 or more years

Tier 2 – Hired on or after July 1, 2013

- Age 65 w/5 or more years of service credit
- Rule of 85 - age + service credit = 85 or more

Retirement Eligibility Cont.

ERB

Tier 3 – Hired prior to July 1, 2013, | Prior to July 1, 2019

- 30 and out – soft minimum age of 55 (reduction in benefits = to actuarial equivalent of the member retiring at age 55)
- Rule of 80 – age + service credit = 80 or more
  - Under age 65 and less than 30 years of serviced credit – retirement benefit is reduced by 0.6% for each ¼ year or portion thereof that retirement occurs before age 65 but after the 60th birthday (equal to 2.4% per year), plus
  - 1.8% for each ¼ year, or portion thereof, that retirement occurs prior to age 60th (equal to 7.2% for each year under age 60)
- 67 and 5 – age 67 and 5 or more years of service credit

Tier 4 – Hired on or after July 1, 2019

- 30 and out – soft minimum age of 58 (reduction in benefits = to actuarial equivalent of the member retiring at age 58)
- Rule of 80 – age + service credit = 80 or more
- Under age 65 and less than 30 years of service credit – retirement benefit is reduced by 0.6% for each ¼ year, or portion thereof that retirement occurs before age 65, but after the 60th birthday (equal to 2.4% per year), plus
- 1.8% for each ¼ year or portion thereof, that retirement occurs prior to age 60 (equal to 7.2% per year
- 67 and 5 – age 67 and 5 or more years of service credit

PERA – State Plan 3

Tier 1 – Hired on or before June 30, 2013

- Age 65 w/5 or more years of service credit
- Age 60 or older w/20 more more years
- Age 61 or older w/17 or more years
- Age 62 or older w/14 or more years
- Age 63 or older w/11 or more years
- Age 64 or older w/8 or more years
- Any age w/25 or more years

Tier 2 – Hired on or after July 1, 2013

- Age 65 w/5 or more years of service credit
- Rule of 85 - age + service credit = 85 or more

2027 Legislative Proposal

- One-time $250 million appropriation to ERB, annual distribution:
  - Year 1 - $33.5 million
  - Year 2 - $35.03 million
  - Year 3 - $36.53 million
  - Year 4 - $38 million
  - Year 5 - $39. million
  - Year 6 - $40.9 million
  - Year 7 – $42.15 million
  - Year 8 - $43.5 million
- Eight additional “supplemental” COLAs would be payable 2027 through 2034 (8 years)
- Payments equal to 2% of the annuitant's annual benefit
- Payment would not require eligibility for a COLA under the plan (applies to all)
- Average Benefit/Impact - $535
- Average 2026 ERB Change - $428 or $36 per month