

EXECUTIVE SUMMARY
2020 Retirement Plan Amendments

The following modifications to the Denver Employees Retirement Plan (“Plan” or “DERP”) would result from the enactment of this bill:

1) Actuarial assumption of investment return

Language in Section 18-409(h)(1) of the Revised Municipal Code of the City and County of Denver regarding the actuarial assumption of investment return would be decreased from 7.50% percent to 7.25%.

This change would take effect January 1, 2021.

2) Employer contribution rate

Language in Section 18-407(e) of the Revised Municipal Code of the City and County of Denver regarding the percentage of the employees’ gross salary the employer will be required to regularly contribute to the Plan would be increased from 14.75% to 15.75%. Language would also be added to this Section to allow for pre-payment of the required employer contribution, upon approval by the Retirement Board.

For 2020, the City and all other sponsoring employers were given the option of paying: (A) 1% of projected payroll in a one-time, lump sum payment on or before December 31, 2019, then 14.75% of employees’ gross salary throughout the year, or (B) increasing their respective regular employer contribution rate to 15.75%. For 2021, the total recommended contribution rate remains the same, but the one-time pre-payment option has expired.

The regular contribution rate would take effect with the first pay date in January, 2021.