

EXECUTIVE SUMMARY

2023 Contribution Rate Updates

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

1. Increase Employer Contributions.

Language regarding the percentage of gross salary the employers will be required to contribute to DERP would be increased from 16.75% to 17.95%.

2. Decrease Employee Contributions

Language regarding the percentage of gross salary the employees will be required to contribute to DERP would be decreased from 8.85% to 8.45%.

These changes, which result in a total increase in the required contribution rate of 0.8 percentage points, are being made in order to maintain the Plan on a sound actuarial basis. The impact of phasing in a lower assumed rate of return combined with a lower than expected payroll are the factors primarily responsible for the increase in the Actuarially Determined Contribution as calculated by the Retirement Board’s actuary.

The new contribution rates would take effect with the first pay date in January, 2023.