

Quadrennial Total Compensation Report

FY 2026-27





October 1, 2025

Honorable Jared Polis
Governor of Colorado
136 State Capitol Building
Denver, Colorado 80203

Honorable Senator Jeff Bridges
Chair, Joint Budget Committee
Colorado General Assembly
200 East 14th Avenue
Denver, Colorado 80203

Dear Governor Polis and Senator Bridges,

In accordance with C.R.S. §24-50-104(4)(a), the State Personnel Director (Director) is required to submit a Quadrennial Compensation Report (report) regarding the State's total compensation package on October 1. This report compares the total and component values of the total compensation package provided to State employees to the market. This report includes an analysis of and estimated costs for State employee compensation, covering the salary structure, State contributions for group benefit plans, and step pay. It is the State's policy to provide competitive total compensation, including pay and group benefit plans, in order to recruit, reward, and retain a qualified workforce.

In accordance with C.R.S. §24-50-104(10)(b) the State contracted with a third-party compensation consulting firm with actuarial expertise to perform this study. For Fiscal Year (FY) 2026-27 the State retained Mercer.

The results of the study indicate that the State lags the market for base salaries, but is above market for our benefits packages, which improves the competitiveness of our total compensation package. **When the State's total compensation package is valued, the State is 9% below the market.** Average base salaries are 9.5% below the market, total cash compensation is 12% below the market, and total benefits are 9% above the market.

The Department worked closely with the Governor's Office of State Planning and Budgeting and Colorado Workers for Innovative and New Solutions (COWINS) to develop recommendations for



the appropriate amount of funding for annual salary and benefit increases for FY 2026-27. The final recommendations reflect a consideration of the results of the quadrennial compensation survey, fiscal constraints, the ability to recruit and retain a qualified workforce, and pay adjustments negotiated with COWINS. The recommendations will be submitted for consideration in the Governor's November 1 Budget Request for FY 2026-27.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tony Gherardini".

Tony Gherardini

Executive Director, Colorado Department of Personnel & Administration and
State Personnel Director

cc: Joint Budget Committee Members, Cabinet Members, Office of State Planning and
Budgeting, Higher Education Presidents, Colorado WINS, Craig Harper, Mitch Burmeister

Tony Gherardini
State Personnel Director & Executive Director

Laura Koeneman
Statewide Chief Human Resources Officer



COLORADO
**Department of Personnel
& Administration**

About This Report

The State of Colorado (State) Fiscal Year (FY) 2026-27 Quadrennial Compensation Report includes study findings prepared by a third-party consulting firm with actuarial expertise, Mercer, with assistance from the Department of Personnel & Administration (Department), Division of Human Resources (Division). The report also provides an analysis of salary survey market data to determine any necessary adjustments to State employee salaries, State contributions for group benefit plans, and step pay.

The final recommendations reflect consideration of the results of the quadrennial compensation survey, fiscal constraints, the ability to recruit and retain a qualified workforce, and pay adjustments negotiated with Colorado Workers for Innovative and New Solutions (COWINS), the certified employee organization for covered State employees. Adjustments to the State's salary structure or components of total compensation are subject to approval and funding by the Governor and the General Assembly. Following the legislative process, the State Personnel Director (Director) will announce the final adjustments to compensation and benefits for implementation on July 1, 2026.

The State's philosophy (see C.R.S. §24-50-104(1)) is to provide an innovative total compensation package that meets or exceeds those provided by public or private sector employers, or a combination of both, to ensure that the State is able to recruit, motivate, and retain a qualified workforce. Salaries and benefits make up the majority of the total compensation package, and the State should strive to maintain competitiveness with the labor market. The Department always seeks to improve upon the quality of the information and data that is included in the Quadrennial Compensation Report. Therefore, Mercer and the Division have continued to enhance the State's benchmarking and analysis methodology by reviewing the set of benchmark job classes to more accurately reflect the value of and trends

regarding State employee compensation. Where applicable, this report provides additional metrics and context that provide a basis of comparison to the FY 2025-26 Annual Compensation Report.

How to Use This Report

This report serves as a roadmap of analysis and recommendations regarding total compensation. For base salaries and pay ranges, the report reflects the market competitiveness of approximately 16,000 employees in a set group of benchmark jobs. The report contains data that has been aggregated to show overall State competitiveness, as well as data for certain critical roles or other jobs which may not be competitive with the labor market. Typically, some benchmark jobs will be above the market while others will be below. This report also gives the State a comparison to the market in areas such as leave, medical benefits, and retirement. This helps the State with plan design and helps guide the allocation of State dollars. The State must look at all features, including base salary, to determine the total compensation package.

Table of Contents

FY 2026-27 Quadrennial Compensation Report	2
Introduction	2
Total Compensation Elements	3
Executive Summary	3
Philosophy	6
Methodology & Data Sources	7
Total Compensation Package	14
State Patrol Troopers	23
Critical Staffing Roles	26
Total Cash Compensation & Incentive Pay	27
Premium Pay	29
Medical Benefits	32
Dental Benefits	35
Additional Benefits	37
Retirement	48
FY 2026-27 Cost Projections	55
Appendix	57

FY 2026-27 Quadrennial Compensation Report

Introduction

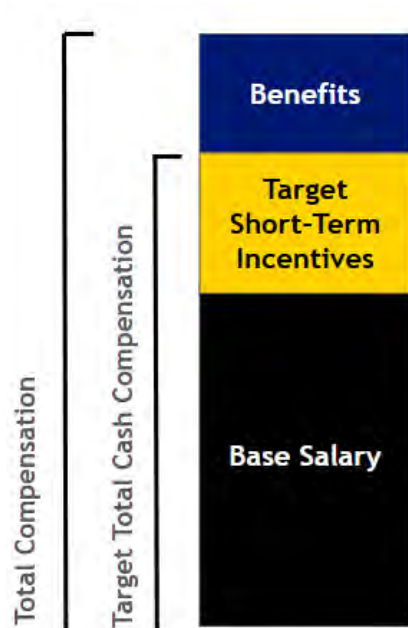
To ensure the State is able to recruit, motivate, and retain a qualified workforce, C.R.S. §24-50-104(4) requires the Director to quadrennially review the results of appropriate surveys by public and private organizations for purposes of comparing employee compensation to the market, covering the salary structure, State contributions for group benefit plans, step pay, and other components of total compensation. The State evaluates its total compensation programs to ensure they are both internally equitable as well as competitive with the external market.

The total compensation package includes, but is not limited to, salary, group benefit plans, retirement benefits, step pay, incentives, premium pay practices, and leave.

- Direct compensation refers to an employee's annual base salary. It does not include bonuses, shift differentials, overtime pay, call-back pay, or critical staffing incentives.
- Indirect compensation refers to compensation that is not paid directly to an employee. Indirect compensation includes, but is not limited to, medical, dental, disability, life insurance, accidental death and dismemberment insurance, retirement, and leave.

The components of the total compensation package that were reviewed this year include total cash compensation (including base salaries and cash incentives), group benefit plans such as medical, life, vision and dental insurance, and retirement benefits. The report also includes market comparisons regarding the State's paid leave programs and other forms of compensation, such as shift differentials and on-call pay. The FY 2026-27 report methodology is based on recent market data from public and private employers. When possible, at least three employer matches are made for each benchmark class.

Total Compensation Elements



Total Compensation = Target Total Cash Compensation + Benefits

- Includes Total Cash Compensation, Retirement, Medical, Dental, Disability, Life, Accidental Death and Dismemberment Insurance, and Leave

Target Total Cash Compensation = Base Salary + Short-Term Incentives

- Includes Base Salary plus value of any target short-term awards, annualized

Base Salary

- Base Salary, annualized

Executive Summary

Competitiveness to Market

While competitiveness varies by job, in aggregate:

- Base salary is 9.5% below the market
- Total cash compensation is 12% below the market
- Medical and retirement are 9% above the market
- The total compensation package is 9% below the market

	Base Salary	Target Total Cash	Benefits	Total Compensation Package
Public Sector	9.0% below	10.4% below	0.5% above	9.3% below
Private Sector	10.8% below	14.8% below	17.5% above	10.4% below
Composite Market	9.5% below*	12.1% below	9.1% above	8.7% below

*Note: when reviewing salaries for jobs that were reviewed for both the FY 2025-26 and FY 2026-27 reports, the analysis showed that the State is currently 8.2% below market (an improvement from 11.5% below market from the previous year).

Comparison of State of Colorado Employee Benefits to the Market

State of Colorado	Retirement	Retiree Medical	Medical	Dental	Vision	Life Insurance	Short-Term Disability	Long-Term Disability	Paid Leave
Public Sector	Aligned with market	Aligned with market	Above market	Aligned with market	Above market	Above market	Above market	Below market	Below market
Private Sector	Above market	Above market	Above market	Above market	Above market	Below market	Above market	Below market	Above market

Retirement

- Offering a Defined Benefit (DB) plan is consistent with the public sector, but above market for the private sector.
- The State's 2.5% benefit multiplier is aligned with the 75th percentile for the public sector, but offset by higher mandatory employee contributions which are above the market 75th percentile.

Retiree Medical

- Providing employer-subsidized coverage is generally aligned with public sector and above market for the private sector.

Medical

- The State is aligned with market in offering multiple plan options: Health Maintenance Organization (HMO), High Deductible Health Plan (HDHP), Preferred Provider Organization (PPO). Competitiveness of plan provisions varies by plan type.
- The State's generous employee cost-sharing drives the overall medical value near the 75th percentile of both sectors.

Dental

- Both the Basic and Basic Plus plans feature more generous employee cost-share and competitive annual maximums and coinsurance, but require a higher deductible for family.

- The overall value of the State's Basic Plus plan is aligned with public sector median and above the private sector 75th percentile.

Vision

- Providing fully employer-paid coverage is above typical market practice for both sectors.

Life Insurance

- Providing multiple of pay coverage is more generous than the flat benefit provided by the majority of the public sector. However, the State's 1 times (x) pay benefit is below the private sector median of 1.5x pay.

Short-Term Disability

- Providing employer-paid coverage is above market practice for the public sector. However, plan provisions are generally competitive with market practice.
- Supplementing the standalone plan with employer-paid Paid Family Medical Leave (PFML) results in above-median positioning against the private sector.

Long-Term Disability

- The lack of employer-paid long-term disability coverage for employees in the defined contribution plan under the Colorado Public Employees' Retirement Association (PERA) is below market practice. However, the disability benefit for the defined benefit plan is competitive with market practice.

Paid Leave

- The State provides two to six more total days off than the private sector, but three to five days less than the public sector.

Philosophy

Total Compensation

The State of Colorado's compensation philosophy, defined in C.R.S. §24-50-104(1)(a)(I), requires the State to provide an innovative total compensation package that meets or exceeds those provided by public or private sector employers or a combination of both, to ensure that the State is able to recruit, motivate, and retain a qualified and competent workforce.

Innovative total compensation that meets or exceeds those provided by public and private sector employers reflects the State's commitment to provide direct and indirect compensation that is competitive with its defined labor market, including employers within and outside of the Denver metropolitan area. This methodology is applied for all classified jobs with the exception of the State Patrol Trooper class series, as required by C.R.S. §24-50-104(1)(a)(III)(A).

Colorado Revised Statute §24-50-104

(1) Total compensation philosophy. (a) (I) It is the policy of the state to provide innovative total compensation that meets or exceeds total compensation provided by public or private sector employers or a combination of both, to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent workforce. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, step pay, incentives, premium pay practices, and leave as specified in statute or in policies of the state personnel director.

Methodology & Data Sources

Compensation Survey Benchmark (Base Salaries & Pay Ranges)

As part of the quadrennial survey process, a group of job classifications within the State's classified personnel system are identified as benchmarks that are compared against the market to determine competitiveness. For the FY 2026-27 report, the benchmark list included a total of 250 job classifications. Benchmark jobs are selected using the following guidelines:

- Jobs that represent all occupational groups and levels throughout the organization
- Highly populated jobs
- Jobs found in most other organizations
- Jobs with recruitment or retention issues (including those roles identified as critical staffing positions)

To provide a complete picture of the State's competitive market position, a set of common benchmark jobs are evaluated year over year for market comparison. For the FY 2025-26 report, 129 benchmark jobs were evaluated for both FY 2024-25 and FY 2025-26. For the FY 2026-27 report, 173 jobs were evaluated for both FY 2025-26 and FY 2026-27. The year-over-year market variance for those jobs are identified in the "Common Benchmarks" columns in the Base Salaries and Pay Range Midpoints sections of this report.

In future years, the annual compensation study will include a market comparison of a set of core job classifications. These jobs will be analyzed every year to ensure an understanding of trends in the market competitiveness of the State's salaries and pay ranges.

In addition to the common benchmark jobs, the remaining jobs were selected with the intention of ensuring all job classifications will be included in the market analysis at least every four years and will be rotated with other non-core jobs on an annual basis. Since the benchmark jobs change year over year, the analysis may show fluctuations in the market position of certain occupational groups. For the complete list of the 250 benchmark jobs, refer to the Appendix.

Compensation Survey Data Collection & Job Matching

The survey process for base salaries and pay ranges analyzed a group of 250 jobs within the State's personnel system to be used as benchmarks for conducting salary data comparisons

with other employers in the market. Survey data was collected by reviewing survey jobs and comparing them to the State's official class descriptions to determine accurate comparisons.

In accordance with standard compensation best practices as outlined by WorldatWork, Mercer utilized only those jobs that match at least 80% of the duties, responsibilities, and functions as outlined in each benchmark job summary. Where possible, at least three matches were used to assess competitiveness.

Compensation Labor Market

The compensation survey process first identifies the labor market for collecting and comparing salary and benefits data, market trends, and salary budget planning information. The State's primary labor market, as mandated by C.R.S. §24-50-104(4)(a), includes both public and private sector employers and jobs, including areas outside of the Denver metropolitan area. In addition, data is collected from employers outside of Colorado when insufficient data is available within the state. Mercer defines the primary labor market for which market data is collected using credible published survey sources.

Compensation Survey Sources

Pursuant to C.R.S. §24-50-104(4)(a), the quadrennial total compensation study is based on an analysis of surveys published by public or private organizations that include a sample of public and private sector employers. The following criteria were used to identify and approve survey sources:

- Surveys are conducted by a reputable salary survey firm
- Surveys are conducted on a continual basis instead of a one-time event
- Surveys are less than two years old, unless where necessary to assess a job class
- For certain targeted analyses, such as those completed during system maintenance studies, analysis may also include additional market data sources or data gathered directly from publicly available sources, such as government websites

For this report, all market salary data was aged to a common effective date of July 1, 2026, to reflect the standard fiscal year, using standard aging factors described in this report.

Published Surveys Used for the Market Salary Comparison

- Bureau of Labor Services Occupational Employment and Wage Statistics, 2023
- CompData Accounting - January - US, 2024

- CompData Benchmark Pro - National - January - US, 2024
- CompData Colleges & Universities - January - US, 2024
- CompData Health Care - National - January - US, 2024
- CompData Insurance - National - January - US, 2024
- CompData Legal - January - US, 2024
- CompData Manufacturing - National - January - US, 2024
- CompData Not-For-Profit - National - January - US, 2024
- Employers Council Benchmark - Arizona Colorado Utah & Wyoming - US (STAT62), 2024
- Mercer Independent Health Network (IHN) Module 5 - Healthcare Individual Contributors - US, 2024
- Mercer IHN Module 7 - Healthcare Middle Management - US, 2024
- Mercer Benchmark - United States, 2024
- National Compensation Association of State Governments (NCASG) - US (STAT62), 2024
- Willis Towers Watson (WTW) Health Care Middle Management, Professional and Support - US, 2024
- WTW General Industry Office and Business Support - Job-Level Report - US, 2024
- WTW General Industry Professional Administrative & Sales - Job-Level Report - US, 2024
- WTW General Industry Professional Technical & Operations - Job-Level Report - US, 2024
- WTW General Industry Supervisory & Middle Management - Job-Level Report - US, 2024
- WTW General Industry Technical Support & Production - Job-Level Report - US, 2024

Survey Data Cuts

Job matches from published surveys consist of hundreds to thousands of participating organizations. These organizations are a representative sample across labor markets representing both public and private sectors. Survey participants are known by company or organization name only. It is not known which organizations matched each specific benchmark job. To ensure a robust sample size and diminish the impact of year-over-year changes to survey data reporting, Mercer reviewed national as well as local and regional data for each survey job, and blended public and private data cuts where available.

Geographical Adjustments

Because wage and income levels are different across the nation and even within local (state) labor markets, differentials that factor in economic variations at the national and state level are calculated and considered when making individual pay range recommendations and for system maintenance studies. Geographic differential data provided by both Mercer and Economic Research Institute (ERI), a geographic assessor, are used to identify the appropriate geographic differences.

Aging Adjustments

For all survey data to have a common effective date, all market salary data was aged to July 1, 2026, using the Mercer market trend of a 3.5% increase per year.

Survey Scopes

In accordance with professional standards, appropriate market data for job matches and data cuts for each benchmark job were collected by Mercer. To accurately reflect market rates, the State's methodology utilized a blend of for-profit and public sector/not-for-profit scopes, where available.

- Market data reflects a common effective date of July 1, 2026; and
- Benchmark summary matches were reviewed, and data was shared with the State to ensure the appropriate scope and level were represented.

Data Analysis & Variance

For each benchmark comparison, the percentage difference (variance) was calculated between:

- The State's average salary for that job class and the market median in terms of actual salary; and
- The State's pay range midpoint for that job class and the average pay range midpoints in the market.

These variances can be utilized for comparing individual benchmark job average base salaries and pay ranges. Factors such as performance, turnover, and longevity will impact actual market salaries and may explain some of the differences between the State and the market actual salaries for individual jobs, especially in job classes with relatively few employees.

Organizational strategy and compensation philosophy may drive target thresholds for measuring competitiveness with the market.

In the instance that an individual job classification's salary or pay range shows a variance of +/- 15%, the State may recommend pay grade changes or conduct a system maintenance study to identify trends in the labor market. There are many factors that impact fluctuations in data and values each year, including, but not limited to:

- Market shifts due to low/high unemployment, competition for talent, or cost of labor
- Outdated job classes or misaligned job classes, as well as broad banded classes
- Changes in benchmarks or the addition/removal of benchmarks
- Granting of across-the-board increases and structure adjustments

Benefits Market Comparison Groups

The State and Mercer determined two market comparison groups, public and private, for collecting and comparing market information necessary to calculate annualized benefit values. Market data was gathered using a combination of custom survey solicitation and research from organizations in Mercer's *US Benefits Benchmarking Database* for the following:

- Public sector (other local, state, and federal government agencies)
- Private sector (companies headquartered in Colorado)

Public Sector Comparison Groups

Other local, state, and federal government agencies

- | | |
|--------------------------------|---------------------------|
| • City and County of Denver | • State of Florida |
| • City of Boulder | • State of Georgia |
| • City of Colorado Springs | • State of Hawaii |
| • City of Grand Junction | • State of Kansas |
| • City of Pueblo | • State of Louisiana |
| • Colorado State University | • State of Michigan |
| • Denver Public Schools | • State of Missouri |
| • Federal Agencies of Colorado | • State of Nebraska |
| • State of Alabama | • State of New Mexico |
| • State of Arizona | • State of North Carolina |
| • State of California | • State of Oklahoma |

- State of Oregon
- State of South Carolina
- State of Tennessee
- State of Texas
- State of Utah
- State of Washington
- State of West Virginia
- State of Wyoming
- University of Colorado, Boulder

Private Sector Comparison Groups

Companies headquartered in Colorado

- Ball Corporation
- Boulder Community Health
- Brown and Caldwell
- CoBank, ACB
- Cochlear Americas
- Colorado Rockies Baseball Club
- CommonSpirit Mountain Region
- Danone North America Public Benefit Corp.
- DaVita, Inc.
- ERC Pathlight
- Intermountain Healthcare Peaks Region
- Newmont Corporation
- National Renewable Energy Laboratory
- Ovintiv, Inc.
- SM Energy Company
- Sproule, Inc.
- TTEC Holdings, Inc.
- Vermilion Energy USA
- VF Corporation

Benefits data reflects employer-paid benefits provided to employees (i.e. legacy benefits provided to a closed group of employees are not included).

Mercer reviewed the benefits provided to employees, analyzing both plan features and benefit levels for:

- Retirement (Defined Benefit/Defined Contribution plans)
- Health Group (Medical, Dental, Vision)
- Life & Disability Insurance
- Paid Leave (not included in the total compensation package, assessed on a total days off basis)

Valuation of Retirement Benefits

The State provides retirement benefits for employees through the Colorado Public Employees Retirement Association (PERA). Neither the State nor employees contribute to Social Security.

Newly hired State employees have the choice between two basic PERA retirement plans: the defined benefit (DB) plan or the defined contribution (DC) plan.

For each job, Mercer calculated projected retirement benefits based on the actual salary/age characteristics based on the State's census; in addition, Mercer used the following assumptions:

- Salary increases of 3% annually
- Cost-of-living adjustment (COLA, also known and applied as across-the-board increase) of 2.5%
- Pre-retirement investment return of 6%
- Post-retirement investment return of 5%
- Internal Revenue Service (IRS) Pension Protection Act (PPA) 2024 Mortality Table
- Standard employee contribution of 11% (13% for Safety Officers)

Social Security is fully considered for purposes of this study. This means that, when comparing the State to market organizations, both the benefits and cost of Social Security are being valued when applicable for respective organizations.

Total Compensation Package

Total Compensation Value

The Total compensation package includes, but is not limited to, salary, group benefit plans, retirement benefits, step pay, incentives, premium pay practices, and leave. Mercer's valuation focuses on the value provided to State employees, which may be different from the cost to the State for other purposes (e.g., accounting).

Overall, the State's total compensation package is 9% below market levels.

The following table shows the State's base salary, total cash compensation, total benefits, and total compensation positioning versus (vs.) the market median.

Base Salary	Total Target Cash Compensation	Total Benefits*	Total Compensation Package
9.5% below*	12.1% below	9.1% above**	8.7% below

*Note: when reviewing salaries for jobs that were reviewed for both the FY 2025-26 and FY 2026-27 reports, the analysis showed that the State is 8.2% below market (an improvement from 11.5% below market from the previous year).

**For benefits, against the private sector, the State is 18% above the market. Against the public sector, the State is 1% above the market. The 9% figure is a composite of the private and public sector.

The following table shows the State's total compensation by occupational group versus (vs.) the market median.

Occupational Group	Total Compensation
Enforcement & Protective Services	0% (in line with market)
Healthcare Services	5% above
Labor, Trades & Crafts	4% below
Administrative Support & Related	9% below
Professional Services	14% below
Physical Science & Engineering	12% below
Information Technology	10% below
Overall	9% below

Base Salaries and Pay Ranges

Out of the State's 250 benchmark jobs (33% of the State's total number of classifications), market base salary information was available for 243 jobs, and pay range information was available for 221 jobs. Data included both public and private sector participants, where available. Due to the professional practice of maintaining survey data confidentiality, it is not possible to verify the number of private and public sector participants for data cuts.

To provide a complete picture of the State's competitive market position, benchmark jobs are evaluated every year. For FY 2026-27, the State maintained a "core" group of 124 benchmark jobs that will be reviewed every year as well as a set of additional jobs which will be rotated with other non-core jobs on an annual basis. This ensures that all job classifications will be included in the market analysis at least every four years.

In addition, survey jobs that are identified as market comparators to the State's jobs are reviewed and adjusted each year to ensure accurate job matches.

For FY 2026-27 the base salary market comparison for all benchmarked jobs is 9.5% below, while the salary range midpoints are 8.2% below. Last year's analysis showed that the State's salaries were 9.1% below the market while salary range midpoints were 9.8% below the market.

For jobs that were reviewed in both last year's annual report and this year's quadrennial report, this year's analysis showed the State's salaries are 8.2% below market and pay range midpoints are 6.7% below market. Last year's analysis for those same jobs showed that salaries were 11.5% below market and pay range midpoints were 8.9% below market.

In accordance with industry standards, a range of around 10% above or below is considered competitive when evaluating the current pay structure and base salaries for State employees. Overall, the analysis showed that the State is competitive with the market for both salaries and pay range midpoints and has remained relatively stable compared to FY 2025-2026. Fluctuations are due to changes to the group of benchmark jobs as well as updates to Mercer's methodology in comparing the State's jobs to survey jobs.

Step Pay

The State implemented a Step Pay Program on July 1, 2024. The Step Pay Program sets a minimum pay rate (Step) for each employee based on their time-in-job series as of June 30 of the prior fiscal year. Step rates are calculated as follows:

- 3 Years (Step 3): 5% above the pay grade range minimum
- 5 Years (Step 5): 5% above Step 3
- 8 Years (Step 8): 5% above Step 5
- 10 Years (Step 10): Midpoint of the pay grade range
- 12 Years (Step 12): 2% above Step 10
- 15 Years (Step 15): 2% above Step 12
- 20 Years (Step 20): 2% above Step 15
- 25 Years (Step 25): 2% above Step 20

Pursuant to Article 31.2 of the Partnership Agreement, the State and COWINS have convened a Steps 2.0 Workgroup to ensure the design of the step pay plan meets the best interests of Employees, the State, and Coloradans who rely on the State to deliver high quality and cost-effective services. The State and COWINS will finalize plan design and costing by March 31, 2026, in preparation for the October 1, 2026 Annual Compensation Report.

Base Salaries

For each benchmark comparison, the percentage difference was calculated between the State's average salary for that job class and the market median in terms of actual salary. The table on the following page shows aggregate variances with the market of all benchmark positions within each occupational group.

State Average Base Salary Comparison with Market Median Base Salary

Occupational Group	All Benchmark Jobs		Common Benchmarks* FY 2025-26 to FY 2026-27	
	% Difference from Market Median FY 2026-27	% Difference from Market Median FY 2025-26	% Difference from Market Median FY 2026-27	% Difference from Market Median FY 2025-26
Enforcement & Protective Services	0.7% below	9.6% below	1.6% below	13.1% below
Healthcare Services	4.2% above	2.5% below	5.9% above	2.3% above
Labor, Trades & Crafts	6.2% below	9.1% below	4.7% below	9.4% below
Administrative Support & Related	11.9% below	16.3% below	6.5% below	8.9% below
Professional Services	14.5% below	11.0% below	13.4% below	14.1% below
Physical Science & Engineering	11.7% below	10.8% below	12.3% below	14.2% below
Information Technology	9.1% below	11.6% below	9.2% below	11.2% below
State of Colorado Overall	9.5% below	9.1% below	8.2% below	11.5% below

*Common Benchmarks refers to jobs that were reviewed in both FY 2025-26 and FY 2026-27.

Pay Range Midpoints

For each benchmark comparison, the percentage difference was calculated between the State's pay range midpoints and the market's average pay range midpoints. The table below shows aggregate variances with the market of all benchmark positions within occupational groups.

State Pay Range Midpoints Comparison with Market Pay Range Midpoints

Occupational Group	All Benchmark Jobs		Common Benchmarks* FY 2025-26 to FY 2026-27	
	% Difference From Market Median FY 2026-27	% Difference From Market Median FY 2025-26	% Difference from Market Median FY 2026-27	% Difference from Market Median FY 2025-26
Enforcement & Protective Services	2.4% below	13.4% below	2.6% below	14.3% below
Healthcare Services	16.1% above	6.4% above	15.0% above	6.7% above
Labor, Trades & Crafts	5.8% below	6.6% below	4.7% below	8.6% below
Administrative Support & Related	5.7% below**	23.9% below	7.5% below	10.5% below
Professional Services	10.8% below	9.6% below	10.8% below	10.0% below
Physical Science & Engineering	13.2% below	16.1% below	11.3% below	17.6% below
Information Technology	10.3% below	13.7% below	9.9% below	12.8% below
State of Colorado Overall	8.2% below	9.8% below	6.7% below	8.9% below

*Common Benchmarks refers to jobs that were reviewed in both FY 2025-26 and FY 2026-27.

**Changes to the list of benchmark jobs within the Administrative Support and Related occupational group resulted in a significant increase in the results of the analysis for pay range midpoints.

Range Spread

Next, the State compared the overall range spread of the State's FY 2025-26 salary structure with the average full market range spread for all benchmark classifications. Range spread is calculated by finding the percentage difference between the minimum and maximum of a pay range. The market's average range spread is wider than the State's average range spread. This is consistent with prior findings. Such variation can be attributed to different organizations' funding levels, funding sources, and compensation philosophies that determine the width of the ranges.

When the FY 2023-24 pay plan was implemented, the State implemented more consistent pay range spreads for each occupational group. In most cases, the ranges were narrowed, which has a positive overall effect on minimums but a negative overall effect on maximums.

Average Range Spread

State of Colorado	Market
52%	67%

Employee Salary Distribution

The following tables show the distribution of salaries within the pay ranges by occupational group from both the current and previous fiscal years for all classified employees, excluding State Patrol Troopers.

Occupational Group	Employee Count	Average Range Progression (Percentage in Range)	July 2025 Quartile Distribution			
			Quartile 1	Quartile 2	Quartile 3	Quartile 4
Enforcement & Protective Services	6,468	28%	48%	26%	22%	3%
Healthcare Services	2,819	33%	40%	28%	28%	4%
Labor, Trades & Crafts	2,393	32%	41%	27%	28%	4%
Administrative Support & Related	1,177	31%	47%	24%	23%	5%
Professional Services	12,108	34%	40%	32%	25%	3%

Occupational Group	Employee Count	Average Range Progression (Percentage in Range)	July 2025 Quartile Distribution			
			Quartile 1	Quartile 2	Quartile 3	Quartile 4
Physical Sciences & Engineering	2,332	37%	33%	40%	24%	3%
Information Technology	348	58%	8%	19%	60%	13%

Occupational Group	Employee Count	Average Range Progression (Percentage in Range)	July 2024 Quartile Distribution			
			Quartile 1	Quartile 2	Quartile 3	Quartile 4
Enforcement & Protective Services	6,454	26%	52%	24%	22%	1%
Healthcare Services	2,757	32%	42%	26%	28%	3%
Labor, Trades & Crafts	2,360	36%	34%	29%	34%	3%
Administrative Support & Related	1,167	29%	50%	22%	24%	4%
Professional Services	11,860	32%	43%	31%	23%	3%
Physical Sciences & Engineering	2,265	38%	30%	42%	25%	3%
Information Technology	370	55%	11%	20%	57%	12%

The average range progression by occupational group has increased from 35.4% in July 2024 to 36.1% in July 2025, with more employees' salaries shifting to the higher quartiles of the range. The continued improvement may be attributable to salary increases associated with the Step Pay Program.

Within any given occupational group, fluctuations in salary distribution can occur not only due to salary increases for employees, but also due to changes in the employee population. For example, if a highly tenured employee (who may be paid relatively high in the range) is replaced by an employee who is new to the State (and may therefore be paid relatively low in

the range), there would be downward pressure on the average salary distribution within the pay ranges for that occupational group.

The following table indicates the year-over-year change from FY 2024-25 to FY 2025-26 in the percentage of employees in each quartile within each occupational group.

Occupational Group	Average Range Progression (Percentage in Range)	% of Employees in Each Quartile Year-Over-Year Change (FY 2024-25 to FY 2025-26)			
		Quartile 1	Quartile 2	Quartile 3	Quartile 4
Enforcement & Protective Services	2% increase	4% decrease	2% increase	No change	2% increase
Healthcare Services	1% increase	2% decrease	2% increase	No change	1% increase
Labor, Trades & Crafts	4% decrease	7% increase	2% decrease	6% decrease	1% increase
Administrative Support & Related	2% increase	3% decrease	2% increase	1% decrease	1% increase
Professional Services	2% increase	3% decrease	1% increase	2% increase	No change
Physical Sciences & Engineering	1% decrease	3% increase	2% decrease	1% decrease	No change
Information Technology	3% increase	3% decrease	1% decrease	3% increase	1% increase

Projected Increases to Base Salaries

Organizations determine annual salary increase budgets based on merit, cost of living, market adjustments or other mechanisms to ensure they are competitive with the market, recognize inflation, reward individual performance, and ensure employee retention.

According to the 2025 Mercer QuickPulse Compensation Planning Survey, employers plan to provide the following salary increases in 2026.

2026 Salary Increase Projections in the Market

Survey Source	2026 Base Salary Increase Projections
Gallagher 2025-26 Salary Planning Survey	3.0%
Payscale 2025-26 Salary Budget Survey	3.5%
WorldAtWork 2025-26 Salary Budget Survey	3.5%
2025 Mercer QuickPulse Compensation Planning Survey	3.5%

The State recommends a 3.1% COLA, which is in line with the COLA negotiated with COWINS. The Department further recommends the continuation of the Step Pay Program in FY 2026-27.

Projected Increases to Overall Salary Structure

According to Mercer's *US Compensation Planning Pulse Surveys* and Gallagher's *2025-26 Salary Planning Survey*, employers plan to increase their overall pay structures by 2% to 3% in 2025.

The Department recommends the State adjust the pay plan with steps by 2% to maintain competitiveness with the market and to remain compliant with the Partnership Agreement negotiated with COWINS.

State Patrol Troopers

Methodology

C.R.S. §24-50-104(1)(a)(III)(A) requires that the compensation methodology for State law enforcement officers employed by the Colorado State Patrol shall be the same as the methodologies established for other classes, except that the amount of the salary shall be at least ninety-nine percent of the actual average salary provided to the top three law enforcement agencies within the State that have both more than 100 commissioned officers and the highest actual average salary.

The agencies that meet these criteria may change from one year to the next. For the State Trooper classes, individual salary data was summarized by calculating the weighted average of actual salaries (by class size).

Data Sources

In compliance with statute, the State reviewed the job duties of each classification and identified comparable matches in the market. Market data was collected for the State Trooper classifications directly from the highest-paid law enforcement agencies throughout the state. All participant organizations were ranked within the identified job matches by highest annual actual average salary. Next, the top three law enforcement jurisdictions within Colorado with the highest paid actual average salary having more than 100 commissioned officers were identified in compliance with the prescribed methodology.

Benchmark	Top Three Law Enforcement Jurisdictions
State Patrol Trooper Cadet	Arvada, Ft Collins, Longmont
State Patrol Trooper I	Ft Collins, Jefferson Co Sheriff, Loveland
State Patrol Trooper II	Ft Collins, Jefferson Co Sheriff, Lakewood
State Patrol Trooper III	Boulder, Littleton, Longmont
State Patrol Supervisor I	Commerce City, Ft Collins, Littleton
State Patrol Supervisor II	Commerce City, Ft Collins, Littleton
State Patrol Admin I	Aurora, Ft Collins, Larimer
State Patrol Admin II	Aurora, Denver, Lakewood

Data Adjustments

All market salary data was aged to a common effective date of July 1, 2026, using Mercer's market trend of 3.5% for salary increases.

Findings & Analysis - State Troopers

Overall, the comparison shows the State's pay range minimums are 3.9% below the weighted market average (weighted by class size) for the top three law enforcement jurisdictions within the State of Colorado. To comply with C.R.S. §24-50-104(1)(a)(III)(A), salaries for State Patrol Trooper classifications must be adjusted. The following table provides the individual State Trooper classification comparison with the market.

State vs. Market Top Three Law Enforcement Agencies

State FY 2025-26				Market FY 2026-27	
Class Title	Grade	# of EEs	Current Average Monthly Salary	Avg Monthly Top 3 Respondents	% Diff State from Market Avg
State Patrol Cadet	A91	37	\$6,754	\$7,172	5.8% below
State Patrol Trooper I	A92	201	\$8,018	\$8,046	0.4% below
State Patrol Trooper II	A93	88	\$9,276	\$9,406	1.4% below
State Patrol Trooper III	A94	185	\$10,022	\$10,178	1.5% below
State Patrol Supervisor I	A95	62	\$11,104	\$11,106	0% (in line with market)
State Patrol Supervisor II	A96	110	\$12,331	\$12,579	2.0% below
State Patrol Admin I	A97	32	\$14,102	\$14,122	0.1% below
State Patrol Admin II	A98	10	\$15,277	\$14,883	2.6% above
Overall (weighted average)	N/A	725	\$9,904	\$10,023	1.2% below

Proposed FY 2026-27 Pay Structure Minimums for State Patrol

Job Class	FY 2025-26 Minimum	FY 2026-27 Minimum
State Patrol Trooper Cadet	\$6,754	\$7,172
State Patrol Trooper I	\$7,635	\$8,046
State Patrol Trooper II	\$9,026	\$9,406
State Patrol Trooper III	\$9,735	\$10,178
State Patrol Supervisor I	\$10,544	\$11,106
State Patrol Supervisor II	\$12,030	\$12,579
State Patrol Admin I	\$13,758	\$14,122
State Patrol Admin II	\$14,904	\$14,904

The Department recommends that employees in the State Patrol class series receive the 3.1% COLA, and that employees who are not at the new pay range minimum after receiving the 3.1% COLA increase be increased to the proposed pay range minimum.

Critical Staffing Roles

For FY 2026-27, the State also reviewed certain critical staffing jobs including Corrections Officers, Nurses, Teachers, Social Workers, Legal Assistants, Client Care Aides, Health Professionals, and Health Care Technicians to ensure that their pay ranges are competitive with the market due to challenges with recruiting and retaining staff. Overall, the State's base salaries and pay range midpoints for these jobs are above the market.

Series	Average Compa-ratio*	Average FY 2026-27 Midpoints Variance w/ Market Rate	Average Actual Salaries Variance with Market
Corrections Officers	88.5%	1% above	11% above
Nurses	88.6%	11% above	6% above
State Teachers**	87.2%	11% above	--%
Social Worker/Counselor	86.8%	33% above	3% above
Legal Assistants	88.3%	4% above	4% below
Client Care Aides	86.5%	41% above	26% above
Health Professionals***	93.6%	--%	--%
Health Care Technicians	93.3%	32% above	16% above

*Compa-ratio is defined as salary divided by pay range midpoint. This value provides a measurement of an employee's position within their pay range (i.e. a compa-ratio of 100% means the employee is paid at midpoint while a compa-ratio of 90% means the employee is paid 10% below midpoint).

**In Mercer's analysis, the State's base salaries are compared to the 50th percentile, or median, of the market's salaries. For this job series, only average salary data was available, so results were not reported for the State's variance with the market.

***Accurate comparator jobs for this series are not available in survey data.

Total Cash Compensation & Incentive Pay

In addition to base salaries, total cash compensation includes other cash compensation that is considered to be a regular, expected opportunity each year for an employee (i.e. target bonuses). As the use of incentive plans is at agency discretion, there is no statewide formal incentive plan that would be considered a regular incentive opportunity each year. However, the State does offer the following incentive plans:

- The State Employee Cost Savings Program rewards innovative ideas that result in specific, identifiable cost savings to the State. Under the program, an employee may be eligible to receive 5% of the cost savings, up to \$5,000.
- The Incentive, Rewards, and Recognition Program allows agencies to award incentives to employees in recognition of performance, special accomplishments or contributions throughout the year (i.e. on-the-spot cash awards, work-life options, or administrative leave). The earnings of awards for performance are measured by pre-defined performance measures or criteria and are non-base building cash awards.

Mercer calculated the overall average market incentive pay as a percentage of market base salary for all benchmark jobs. Incentive pay data was collected using the published survey sources. The following table illustrates the overall average market incentive pay (as a percent of market base salary) at the 25th percentile, 50th percentile, and 75th percentile.

Overall Average Market Incentive Pay (as a Percentage of Base Salary)

Market 25th Percentile	Market 50th Percentile	Market 75th Percentile
3.1%	3.7%	4.4%

The overall market trend indicates that incentive pay is 3.7% of base salary in the market. The variance in the incentive pay percentage is related to the position levels in the organization. For example, management positions would have a higher percentage of incentive pay compared to individual contributor positions.

State Total Cash Compensation Comparison with Market Total Cash
Compensation by Occupational Group

Occupational Group	% Difference from Market Median
Enforcement & Protection Services	2.0% below
Healthcare Services	3.5% above
Labor, Trades & Crafts	7.8% below
Administrative Support & Related	13.4% below
Professional Services	17.5% below
Physical Science & Engineering	15.4% below
Information Technology	13.0% below
Overall	12.1% below

Premium Pay

Shift Differentials

The tables below present common shift differentials from Mercer's 2024 US Compensation Policies and Practices Survey.

Market Afternoon (2nd) Shift Differential

Market Practice	50th Percentile	Average
Flat Dollar Amount	\$1.90	\$2.00
Percent of Base Salary	10%	8.8%

Market Night (3rd) Shift Differential

Market Practice	50th Percentile	Average
Flat Dollar Amount	\$2.40	\$2.30
Percent of Base Salary	10%	11.4%

The State provides 2nd and 3rd differentials as a percentage of salary for eligible classes. The following table reflects the premium pay rates for shift differential and on-call for these classes.

State of Colorado Shift Differentials

Shift	Weekday	Weekend/Holiday
1 st	N/A	20%
2 nd	7.5%	20%
3 rd	14%	20%

On-call Pay

The median on-call pay amount reported in Mercer's survey was \$2.50 per hour. The most prevalent on-call pay practice in the market is a flat rate per hour (vs. flat rate per day or per week).

The State provides \$5.00 per hour for on-call pay, which is greater than on-call pay offered by surveyed employers. The table below shows the market median rates for different methods of providing on-call pay.

On-call Pay

Market Practice	Market 50th Percentile
Pay a flat rate per hour	\$2.50
Pay a flat rate per day	\$75
Pay a % of base	75%

Call Back Pay

27.6% of organizations reported that the most common minimum time paid for called back is 2 hours. This is consistent with the State's call back pay of 2 hours.

Call Back Pay

Minimum Time Paid When Called	Percentage Of Organizations
No minimum	26.5%
1 hour	7.4%
2 hours	27.6%
3 hours	4.8%
4 hours	11.8%
More than 4 hours	0.4%
Number of organizations responding	272

Overall, the State is consistent with respondents by providing shift differentials for 2nd and/or 3rd shift. Additionally, the State is consistent with the market in providing on-call pay and call back pay for eligible classifications.

Medical Benefits

The State offers employees the choice between two Preferred Provider Organization (PPO) plans, two Health Maintenance Organization (HMO) plans, or two High Deductible (HDHP) plans through CIGNA and Kaiser Permanente.

Mercer compared the major plan provisions (e.g., cost-share, deductibles, out-of-pocket maximums, coinsurance/copayments) to the market median, by plan type and plan election: employee only, employee + child, employee + spouse, and family. Mercer also calculated an annual value for the most prevalent State plan of each type (e.g., Kaiser Copay Plus HMO Plan, Cigna Copay Plus PPO Plan, Cigna HDHP Plan) and compared it to the median market value of all plans. For the total compensation valuation, Mercer utilized the plan with the highest enrollment (Cigna Copay Plus PPO Plan).

Mercer valued the medical plans utilizing actual claims experience from a sample distribution, assuming primarily in-network claims, where applicable. Utilization rates and mean prices per utilization were used for each covered charge. Adjustments for age, gender, and administrative expenses were then applied. Where employee contributions are required, either for individual or family coverage, the value is adjusted for the employee contributions.

Annual Value of Total Medical Benefits

	State of Colorado PPO Plan	State of Colorado HDHP Plan	State of Colorado HMO Plan	Public Sector			Private Sector		
				25th %ile	50th %ile	75th %ile	25th %ile	50th %ile	75th %ile
Overall Plan Value	\$13,300	\$14,000	\$14,300	\$12,200	\$12,900	\$14,100	\$11,300	\$12,200	\$13,400

Note: The values above reflect the annualized value of the State's plans (Cigna Copay Plus Plan, Cigna HDHP Plan, and Kaiser Copay Plus HMO Plan) compared to the highest enrollment plan among peers, regardless of plan type.

State Medical Plan Components Comparison

Plan Type	Cost Share*	Deductibles*	Limits*	Coinsurance*	Overall Position**
PPO	More favorable than both sectors	Less favorable than both sectors	More favorable than public sector	Aligned with both sectors	Public Sector 3% above median
			Less favorable than private sector		Private Sector 9% above median
HDHP	More favorable than both sectors	Aligned with public sector	Less favorable than both sectors	Less favorable than both sectors	Public Sector 9% above median
		More favorable than private sector			Private Sector 15% above median
HMO	More favorable than both sectors	Less favorable than both sectors	More favorable than public sector	Aligned with both sectors	Public Sector 11% above median
			Less favorable than private sector		Private Sector 17% above median

* Position reflects the State's medical plan features compared to those of like plans only across the peer group.

** Overall position reflects the State's medical plan value compared to the peer group's highest enrollment medical plan, regardless of plan type.

Findings

The State's overall medical plan values are most closely aligned with the 75th percentile of both sectors, primarily due to the generous employee cost-share. Providing multiple plan options (HMO, PPO, and HDHP plans) is aligned with market practice.

- The State's employee cost-share is more favorable than the median for both sectors, with employees paying less of the total premiums for all plan types.
- The State's deductibles are typically less generous than median, except the HDHP deductibles are more favorable compared to the private sector.

- Positioning of the State's out-of-pocket maximums varies by plan type and sector.
- The State's plan with the highest enrollment (Cigna Copay Plus PPO Plan) is positioned 3% above the public sector median and 9% above the private sector median.
- Providing coverage for part-time employees is more generous than market practice and offering these benefits at the same cost as full-time employees is exceptional.

Dental Benefits

The State offers employees the choice between the Basic Plan and Basic Plus Plan. Mercer compared the major plan provisions (e.g., cost-share, deductibles, plan maximums, coinsurance) to the market median for the Basic Plus Plan, which has the highest enrollment. Mercer also calculated an annual value and compared it to the median market value.

Mercer valued the State and market dental plans using a standard insurance organization manual rating technique and then normalized to market rates. Where employee contributions are required, either for individual or family coverage, the value is adjusted.

Annual Value of Total Dental Benefits

	State of Colorado Plus Plan*	Public Sector			Private Sector		
		25th %ile	50th %ile	75th %ile	25th %ile	50th %ile	75th %ile
Overall Plan Value	\$650	\$570	\$690	\$770	\$480	\$530	\$610

*Value shown reflects the plan with the highest enrollment.

Dental Plan Provision Market Comparison*

Plan Provision	State of Colorado		Public Sector		Private Sector	
	Single	Family	Single	Family	Single	Family
Employee Cost-Sharing	23%	35%	42%	88%	31%	44%
Deductibles	\$50	\$150	\$50	\$75	\$50	\$100
Annual Maximum	\$3,000	\$3,000	\$1,500	\$1,500	\$1,500	\$1,500

*Details shown are for the Basic Plus Plan which has the highest employee enrollment. Public and private sector values reflect median in-network, where applicable.

Findings

- Compared to the public sector, the Basic Plus Plan offers a below market family deductible offset by more favorable employee cost-share and a more favorable plan maximum.
- Compared to the private sector, the Basic Plus Plan offers a below market family deductible offset by a more favorable employee cost-share and a more favorable plan maximum.
- Overall, the value of the State's plan is 6% below the public sector median and 23% above the private sector median. The value of the Basic Plus Plan to employees is \$650, while the public sector and private sector values are \$690 and \$530 respectively.

Additional Benefits

Vision Benefits

The State offers two vision options, Basic and Enhanced. Basic is free for employees and dependents while the enhanced plan requires a small employee premium contribution.

Vision Plan Market Comparison

State of Colorado

- **Vision Basic:** Basic Plan is 100% employer-paid
- **Vision Enhanced:** Enhanced Plan employee cost-share is 58% for all coverage tiers

Public Sector

- 74% require the employee to pay the full cost
- 19% provide partially subsidized coverage
- 6% provide fully employer-paid coverage

Private Sector

- 63% require the employee to pay the full cost
- 32% provide partially subsidized coverage
- 5% provide fully employer-paid coverage

Findings

Providing fully employer-paid vision coverage is above typical market practice.

Additional Benefits, Continued

Life and Accidental Death and Dismemberment (AD&D) Insurance

The State provides 100% employer-paid coverage equal to 1x base pay up to \$250,000 (minimum benefit is \$50,000). This is generally aligned with market practice, although slightly below the private sector median.

Life Insurance Market Comparison

State of Colorado

- Employer-paid group coverage equal to 1x pay up to a maximum of \$250,000 (\$50,000 minimum benefit)

Public Sector

- Of the 84% of organizations that provide 100% employer-paid coverage:
 - o 58% provide a flat benefit with median of \$25,000
 - o 42% provide multiple of pay coverage with median of 1.5x pay up to \$350,000

Private Sector

- All provide fully employer-paid coverage
- 95% offer multiple of pay coverage with a median of 1.5x pay up to \$625,000
- 5% provide a flat benefit

Findings

Providing multiple of pay coverage is more generous than the flat benefit provided by the majority of the public sector; however, the State's 1x pay benefit is below the private sector median of 1.5x pay.

Additional Benefits, Continued

Disability Benefits

Through PERA, the State provides a two-tiered disability benefit consisting of short-term disability insurance and disability retirement for eligible vested employees (those with at least five years of service) as a part of the overall retirement benefit for the DB plan. In addition, the State offers an employer paid short-term disability benefit and voluntary (fully employee paid) long-term disability plan to supplement the disability benefit offered through PERA.

Mercer valued the employer-paid benefit as the annual premium needed to provide equivalent coverage, assuming consistent rates for the State and the market. If an organization provides short-term disability benefits that extend beyond the first six months of disability, the value is included in the long-term disability value.

Short-Term Disability Insurance Market Comparison

State of Colorado

- Employer-paid coverage for all employees of 22 weeks at 60% of base pay, up to \$3,000 per week after a 30-day elimination period
- Vested DB participants: additional employer-paid disability benefit of 22 months at 60% of base pay after a 60-day elimination period

Public Sector

- 77% provide coverage, of these:
 - 46% provide fully employer-paid coverage and 54% require employees to pay full plan costs
 - 25% offer short-term disability benefits through a DB plan
- Median is 60% of pay for up to 26 weeks
- Median elimination period is 14 days
- Median weekly maximum is \$1,500

Private Sector

- 100% provide coverage, of these:
 - 87% provide fully employer-paid coverage
 - 13% require employees to pay full plan costs
- Median is 67% of pay for up to 26 weeks
- Median elimination period is seven days
- Median weekly maximum is \$2,900

Long-Term Disability Insurance Market Comparison

State of Colorado

- Employee-paid coverage equal to 60% of base pay up to \$10,000 per month
- Vested DB Participants: employer-paid coverage through PERA

Public Sector

- 87% provide coverage, of these:
 - 63% provide fully or partially employer-paid coverage
 - 37% require employees to pay full plan costs
- Median coverage is 60% of pay up to \$6,500 per month

Private Sector

- 100% provide coverage, of these:
 - 95% provide fully employer-paid coverage
 - 5% require employees to pay full plan costs
- Median coverage is 60% of pay up to \$12,000 per month

Findings

- Providing employer-paid short-term disability is above market practice for the public sector, and plan provisions are generally aligned with market practice.
- Supplementing the standalone short-term disability plan with employer-paid Paid Family Medical Leave (PFML) results in above-median positioning against the private sector.

- The lack of employer-paid long-term disability coverage for employees not covered under the PERA benefit is below market practice. However, the PERA disability benefit is competitive with market practice.

Additional Benefits, Continued

Sick Leave, Annual (Vacation/Paid Time Off) Leave, and Other Leave Types

The State currently offers employees a comprehensive leave program that includes, but is not limited to, annual (vacation), sick, holiday, family medical, and military leave types.

Employees earn annual leave at varied accrual rates, based on years of service; full-time employees begin earning annual leave at an accrual rate of eight hours per month. Employees earn sick leave at a flat rate of 6.66 hours per month. Leave for a part-time employee is earned on a prorated basis.

Note: for purposes of this analysis, one day is equal to eight hours.

Vacation/Paid Time Off (PTO) Market Comparison

State of Colorado

- Provides a traditional vacation policy that varies by length of service, known as annual leave
- Carryover allowed up to 48 days max

Public Sector

- 87% provide a traditional vacation policy with separate accruals for holidays, personal, and/or sick leave
- 100% allow carryover – median max carryover is 43 days

Private Sector

- 53% provide a traditional vacation policy; 47% provide a PTO policy that combines paid leave into one bank of days
- 5% provide an unlimited PTO policy to employees
- 84% allow carryover – median max carryover is 30 days

State of Colorado		Public Sector		Private Sector		
Years of Service	Vacation Days	Years of Service	Median Vacation	Years of Service	Median Vacation	Median PTO
0	12	0	13	0	15	22
3	13.5	3	15	3	15	23
5	16.5	5	17	5	15	26
10	19.5	10	20	10	20	30.5
15+	24	15+	21	15+	20	31.5

Sick Leave Market Comparison

For those that provide traditional vacation policy with separate accruals.

State of Colorado

- 10 days per year
- Carryover allowed up to 45 days

Public Sector

- Median: 13 days per year
- 100% allow carryover
- 76% allow unlimited carryover

Private Sector

- Median: six days per year
- 60% allow carryover
- Median max carryover is nine days

Holiday Leave Market Comparison

For those that provide traditional vacation policy with separate accruals.

State of Colorado

- 11 days per year

Public Sector

- Median: 12 days per year
- 19% offer Floating Holidays (median is one day)

Private Sector

- Median: 10 days per year
- 25% offer Floating Holidays (median is two days)

Total Days Off Market Comparison*

State of Colorado		Public Sector		Private Sector	
Years of Service	Total Days	Years of Service	Median Total Days	Years of Service	Median Total Days
0	33	0	38	0	30
3	34.5	3	39	3	31.5
5	37.5	5	42	5	35
10	40.5	10	44	10	38.5
15+	45	15+	48	15+	39

* Total days off includes annual (vacation/personal) leave, sick leave, and holidays (State), and PTO and personal days (other public and private Sector employers).

Findings

- The State provides two to six more total days off than the private sector and provides three to five days less than the public sector at all service levels.
- The leave accrual methodology for annual and sick leave is a traditional system, prevalent in the public sector, compared to the combined bank, pooled leave systems in the private sector.
- The number of vacation days offered to employees is generally aligned with the market median for most years of service.
- Carryover maximum is above market median for both the public sector and the private sector.
- Sick Leave is below market practice for the public sector but above for the private sector.

- Holidays offered are one day below the public sector median and one day above the private sector median.
- Total days off are below market median for the public sector, but above market median for the private sector.

Additional Benefits, Continued

Parental and Paid Family Medical Leave Market Comparison

The State's Paid Family Medical Leave (PFML) benefit provides employees 100% of pay up to four-weeks (160 hours and prorated for part-time) for employees who are on Family and Medical Leave Act (FMLA) qualified leave. This ensures that the employee is paid for the first four weeks of FMLA-qualified unpaid leave instead of the employee supplementing their own accrued leave as required by the State's leave policy.

Parental (Bonding) Leave Market Comparison

State of Colorado

- Not specifically provided, but may be covered under PFML (see below)

Public Sector

- 58% provide paid coverage, all of which provide for both the birth and non-birth parents at 100% replacement
- Median is six weeks at 100% pay replacement
 - 75th percentile is 12 weeks at 100% pay

Private Sector

- 68% provide paid coverage, all of which provide for both the birth and non-birth parents
 - Of those, 92% provide 100% pay replacement
- Median is four weeks at 100% pay replacement
 - 75th percentile is seven weeks at 100% pay

Paid Family Medical Leave (PFML) Market Comparison

State of Colorado

- 160 hours (prorated for part-time employees) per rolling lookback year
- 100% salary replacement
- Qualifying events under FMLA (including parental leave) and when an employee or family member is a victim of domestic abuse, stalking, sexual assault, or any other crime related to domestic violence

Public & Private Sectors

- PFML is increasing in the public sector. Currently, 15 states have a PFML program, and a 16th state will begin payments under their program January 1, 2026
- The Colorado Family and Medical Leave Insurance (FAMLI) program began issuing partial wage replacement benefits January 1, 2024 and is available to all workers in Colorado, with some exceptions for local governments and self-employed individuals
- Workers may utilize the FAMLI program for qualifying events under FMLA, including parental leave, in addition to other qualifying conditions covered by the FMLA as well as safe leave (leave related to domestic violence situations)

Findings

Although the State does not offer formal Paid Parental Leave, employees may use PFML, which offers up to four weeks of 100% salary. This is aligned with the private sector but slightly below the public sector.

Retirement

Valuation of Retirement Benefits

A portion of the State contribution to PERA goes to the Health Care Trust Fund to pay healthcare premium subsidies to benefit recipients who participate in the PERACare Health Benefits Program (i.e., post-retirement medical).

Mercer reviewed the provisions of all plans: DB, DC, and post-retirement medical (PRM). For the total compensation analysis, Mercer included the value of the DB plan and PRM plan. While the DC plan was reviewed and valued, the plan with the highest enrollment, the DB plan, is used for the total compensation analysis.

Total Annualized Employer-paid Value (as a % of pay)

The State's average 15% of pay (varies depending on service) is within 1% of the public sector median, and between the 50th and 75th percentiles for the private sector.

	State of Colorado*	Public Sector **			Private Sector **		
		25th	50th	75th	25th	50th	75th
Total Annual Value (% of pay)	Avg. 15% (ranges from 14% to 18% based on service) Police/Fire: Avg. 17%	14%	16%	20%	11%	12%	16%

* The State's total retirement value reflects the average of the greater of the DB or DC plan value across all jobs.

**Market values include a 6.2% employer Social Security contribution for organizations that participate in Social Security.

Defined Benefit (DB) Plan Market Comparison

State of Colorado

The State requires employees to choose between enrolling in the PERA DB or DC plan.

Note: benefit formula (<5 years of service) is money purchase benefit (employee contribution account value + employer matching amount of 100% of employee contributions + interest).

- PERA Retirement Plan
 - o Mandatory employee contributions: 11% of base pay
 - o Benefit formula (5+ years of service): greater of 2.5% x highest average 5-year pay x credited service up to 40 years, or the money purchase benefit
 - o Normal retirement: age 65 with five years of service
 - o Unreduced early retirement: age 64 with 30 years of service, or 35 years of service at age 50+
 - o Cost-of-living adjustment (COLA): tied to Consumer Price Index (CPI) up to a maximum 1% per year

Public Sector

- 84% provide an active DB plan
 - o 88% are final average pay plans
 - o 12% are cash balance plans
- Final average pay multiplier:
 - o 75th percentile = 2.5% multiplier
 - o 50th percentile = 2.0% multiplier
 - o 25th percentile = 1.6% multiplier
- 96% require employees to contribute:
 - o 75th percentile = 9% mandatory employee contribution %
 - o 50th percentile = 6% mandatory employee contribution %
 - o 25th percentile = 5% mandatory employee contribution %
- Typical normal retirement: age 65 with five years of service
- For those that offer unreduced early retirement, the median is age 55 with 30 years of service
- 73% provide a COLA, typically based on CPI, with a median maximum increase of 2%

Private Sector

- 11% provide an active DB plan

Defined Benefit (DB) Plans for Safety Officers Market Comparison

For the purposes of PERA benefits, “safety officers” include the following employees otherwise defined as troopers in statute: Peace officers with the Colorado State Patrol and Colorado Bureau of Investigation. Corrections officers classified as I through IV in the State Division whose PERA membership began on or after January 1, 2020. Firefighters classified as I through VII employed with the Colorado Division of Fire Prevention and Control, beginning with service earned on or after July 1, 2020. Wildlife officers and parks and recreation officers employed with the Colorado Division of Parks and Wildlife whose employment in these roles began on or after January 1, 2011, beginning with service earned on or after July 1, 2023. Duly sworn employees of the Division of Fire Prevention and Control in the Department of Public Safety whose duties include structural or wildfire management, wildfire response, life-fire-training, or wildfire leadership, beginning with service earned on or after July 1, 2025.

State of Colorado

The State requires employees to choose between enrolling in the PERA DB or DC plan.

- PERA Retirement Plan
 - o Mandatory employee contributions: 13% of base pay
 - o Benefit formula (5+ years of service): greater of 2.5% x highest average 5-year pay x credited service up to 40 years, or the money purchase benefit
 - o Normal retirement: age 65 with five years of service
 - o Unreduced early retirement: age 55 with 25 years of service, or 35 years of service
 - o Cost-of-living adjustment (COLA): tied to CPI up to a maximum 1% per year

Public Sector

- 74% provide an active plan for police
 - o 96% are final average pay plans
 - o 4% are cash balance plans
- 74% provide an active plan for firefighters

- o 91% are final average pay plans
 - o 9% are cash balance plans
- Final average pay multiplier
 - o 75th percentile = 2.4% police multiplier
 - o 50th percentile = 2.2% police multiplier
 - o 25th percentile = 1.8% police multiplier
 - o 75th percentile = 2.5% fire multiplier
 - o 50th percentile = 2.3% fire multiplier
 - o 25th percentile = 1.8% fire multiplier
- Nearly all require employees to contribute to the plan
 - o Median: 8% of pay for police and 7% for firefighters
 - o 75th percentile: 10% of pay for police and 11% for firefighters
- Typical normal retirement: age 60 with 10 years of service

Defined Contribution (DC) Plan Market Comparison

State of Colorado

- PERA DC Plan
 - o Employer non-matching contribution equal to 11.4% of base pay (14.1% for Police/Fire)
- 401(k) Plan
 - o Allows for pre-tax and Roth employee deferrals only
 - o No employer contributions
- 457 Deferred Comp Plan
 - o Allows for pre-tax and Roth employee deferrals only
 - o No employer contributions

Public Sector

- 58% provide DC employer contributions
 - o Of these, 44% offer a hybrid DB/DC plan, 28% require employees to choose between plan options, and 28% offer DC only
- 35% provide DC employer contributions to police and/or firefighters
 - o Of these, 73% offer a hybrid DB/DC plan, 9% require employees to choose between plan options, and 18% offer DC only

- Prevalence of DC contribution type
 - o Match Only = 28%
 - o Non-Match Only = 56%
 - o Match & Non-Match = 16%
- Total DC employer contributions
 - o 75th percentile
 - 11% total contribution
 - 13% police/fire total contribution
 - o 50th percentile
 - 7% total contribution
 - 11% police/fire total contribution
 - o 25th percentile
 - 5% total contribution
 - 7% police/fire total contribution

Private Sector

- 95% provide employer contributions
- Prevalence of contribution type
 - o Match Only = 56%
 - o Match & Non-Match = 44%
- Total employer contributions
 - o 75th percentile
 - 9% total contribution
 - o 50th percentile
 - 6% total contribution
 - o 25th percentile
 - 5% total contribution

Findings

DB Plan

- Providing a DB plan is consistent with market practice for the public sector, but above market for the private sector where only 11% provide a DB plan.

- The State's 2.5% benefit multiplier is aligned with the 75th percentile for the public sector, but offset by higher mandatory employee contributions of 11% (13% for safety officers) which are above the market 75th percentile of 9% (10% for police and 11% for fire).

DC Plan

- Offering a DC plan with employer contributions is consistent with market practice for both sectors.
- 26% of the public sector provide employer contributions to a DC plan in addition to a DB plan.
- The State's 11.4% employer contributions (14.1% for police/fire) are positioned above the 75th percentile for both sectors.

Post-Retiree Medical (PRM) Market Comparison

State of Colorado

- The State offers both pre-65 years of age and post-65 years of age structured plans through PERA
- Employer subsidizes coverage after 1 year of service, and subsidies varied by service
 - o Pre-65 Coverage: Employee receives \$11.50 per year of service up to \$230/month
 - o Post-65 Coverage: Employee receives \$5.75 per year of service up to \$115/month

Public Sector

- 87% provide coverage:
 - o Of these, 70% subsidize coverage (5% subsidize pre-65 coverage only, 11% subsidize post-65 coverage only, and 84% subsidize both pre and post- 65 coverage)

Private Sector

- Only 21% provide coverage, and it is more common to provide pre-65 and access-only coverage

Findings

- Providing subsidized coverage is aligned with market for the public sector and above market practice for the private sector.
- While the State is generally aligned with the public sector in offering both pre-65 and post-65 coverage, the value of the State's plan is below the public sector median among those that offer a subsidized plan.

FY 2026-27 Cost Projections

The Department used July 2025 salaries for all classified employees (excluding employees at institutes of higher education), fully loaded (i.e. includes indirect compensation components, excluding leave, also commonly referred to as POTs), to develop the figures presented here. The Department will work with the Office of State Planning & Budgeting to develop the final pay recommendations to be presented in the Governor's November 1 Budget Request for FY 2026-27. Recommendations reflect consideration of the results of the quadrennial compensation survey, fiscal constraints, the ability to recruit and retain a qualified workforce, and pay adjustments negotiated with COWINS.

Final adjustments to compensation and benefits approved by the Governor and the General Assembly will be announced following the legislative session. The Director will implement approved adjustments on July 1, 2026.

Recommended Adjustment	Cost
3.1% Cost of Living Adjustment (COLA)	\$86,371,005
+2% Salary Structure Adjustments to the Pay Plan*	\$0
Step Pay Increases*	\$9,086,218
State Troopers*	\$343,960
Total	\$95,801,183

*Assumes the 3.1% COLA and 2% Structure Adjustment

Salary Structure Adjustments to the Pay Plan

The Department recommends the State adjust the classified pay plan by +2%. This recommendation is in line with anticipated market movements, as well as the pay plan adjustment negotiated with COWINS. If, because of this adjustment, an employee's salary falls below the revised range minimum, they will be brought to the new range minimum.

For FY 2026-27 the Department estimates that the overall cost of a +2% structure adjustment, if the 3.1% COLA is applied, is \$0.

If the 3.1% COLA is not applied, the Department estimates that the upward movement of the pay plan will cost \$4,628,549.

Cost of Living Adjustments (COLA)

The Department recommends a 3.1% COLA. This recommendation is slightly lower than the anticipated market movement, and in line with the COLA negotiated with COWINS.

The Department estimates that the overall cost to implement a 3.1% COLA for all State classified employees is \$86,371,005.

Step Pay Increases

The estimated cost for the Step Pay Program based on time-in-job series for eligible classified employees in the State Personnel System effective July 1, 2026, and the proposed FY 2026-27 Step Pay Plan is \$9,086,218. This assumes a +2% salary structure adjustment and a 3.1% COLA.

State Patrol Trooper Minimums

For FY 2026-27, the Department estimates that the cost of moving State Troopers to new pay range minimums is \$343,960. This assumes a 3.1% COLA.

Insurance Benefits

Pursuant to the Partnership Agreement with COWINS, the State shall maintain medical, dental, and vision insurance for employees for the duration of the agreement. If the cost of these benefits increases for FY 2026-27, the State must request 100% of the incremental cost per the Partnership Agreement.

The Department will finalize the cost of increases in healthcare, dental and life benefits following the finalization of cost projections in the market. This will be submitted in the Governor's budget request as soon as it is available.

Appendix

Benchmark Titles

The following table indicates the number of jobs in each occupational group that were included in the market analysis for FY 2025-26 and FY 2026-27.

Occupational Group	# of Benchmarks in FY 2025-26	# of Benchmarks in FY 2026-27
Administrative Support & Related	14	18
Enforcement & Protective Services	31	26
Health Care Services	49	35
Information Technology	55	12
Labor, Trades & Crafts	40	30
Physical Science & Engineering	30	27
Professional Services	148	103
Overall	367	250

The following list contains the name of each job classification that was included in the FY 2026-27 analysis. Classifications labeled as New were not included in prior fiscal year's analysis.

Administrative Support & Related

- Admin Assistant I
- Admin Assistant II (New)
- Admin Assistant III
- Collections Rep II
- Data Entry Operator I
- Data Specialist (New)
- Data Supervisor (New)
- Library Technician I
- Library Technician II (New)
- Library Technician III (New)
- Medical Records Tech I (New)
- Medical Records Tech II
- Medical Records Tech III (New)
- Office Manager I
- Police Communication Supv (New)
- Police Communication Tech
- Service Dispatcher
- Systems Monitoring Coord II (New)

Enforcement & Protection Services

- Community Parole Off
- Community Parole Supv
- Community Parole Team Ldr
- Corr Supp Trades Supv III (New)
- Corr/Yth/Clin Sec Off I
- Corr/Yth/Clin Sec Off II
- Corr/Yth/Cln Sec Spec III
- Corr/Yth/Cln Sec Supv III
- Criminal Investigator III
- Criminal Investigator V (New)
- Fire Marshal III (New)
- Fire Marshal V (New)
- Firefighter I
- Firefighter II
- Firefighter III
- Firefighter VI
- Forensic Scientist Agent II (New)
- Forensic Scientist Agent III (New)
- Forensic Scientist Agent V (New)
- Police Officer I
- Police Officer II

- Police Officer III
- Police Officer Intern (New)
- Safety Security Off I
- Safety Security Off III

Healthcare Services

- Addiction Specialist II
- Client Care Aide I (New)
- Client Care Aide II
- Clinical Behav Spec II
- Clinical Team Leader
- Clinical Therapist II
- Clinical Therapist IV
- Diag Proced Technol II
- Diag Proced Technol IV
- Health Care Tech I
- Health Care Tech II (New)
- Health Care Tech III
- Health Care Tech IV (New)
- Laboratory Support I
- Laboratory Technology I
- LPN I
- LPN III
- Mental Hlth Clinician I
- Mental Hlth Clinician II
- Mental Hlth Clinician III (New)
- Mid-Level Provider
- Nurse I
- Nurse II (New)
- Nurse III
- Nurse V
- Psychologist I
- Social Work/Counselor I
- Social Work/Counselor II
- Social Work/Counselor III
- Social Work/Counselor IV
- Therapy Assistant II
- Therapy Assistant Iii
- Veterinarian I
- Veterinary Technology II (New)
- Veterinary Technology Iv (New)

Information Technology

- Cyber Security III
- Cyber Security V
- Database Services III
- Database Services V
- IT Business Analyst V
- IT Developer III
- IT Developer V
- IT Infrastructure III (New)
- IT Infrastructure V (New)
- IT Project Management V
- IT Support Services II
- IT Support Services Vi

Labor, Trades & Crafts

- Custodian I
- Custodian II (New)
- Custodian III
- Dining Services II
- Dining Services III
- Dining Services V
- Electrical Trades II
- Electrical Trades III
- Engr/Phys Sci Asst III
- Equipment Mechanic II
- Equipment Mechanic III (New)
- Equipment Mechanic IV
- Equipment Operator I (New)
- Equipment Operator II
- General Labor I
- Grounds & Nursery I
- Grounds & Nursery III
- Inspector II (New)
- Ltc Operations I
- Machining Trades II
- Machining Trades III (New)
- Materials Handler I
- Materials Supervisor
- Pipe/Mech Trades II
- Project Planner I
- Security I
- Structural Trades II
- Structural Trades III (New)
- Transportation Mtc I
- Transportation Mtc III

Physical Science & Engineering

- Actuary II (New)
- Architect III (New)
- Civil Eng Proj Manager I
- Civil Eng Proj Manager II
- Electronics Engineer II (New)
- Electronics Engineer IV (New)
- Electronics Spec II
- Electronics Spec IV
- Engineer-In-Training II (New)
- Engr/Phys Sci Tech II (New)
- Engr/Phys Sci Tech III
- Environ Protect Spec II
- Environ Protect Spec IV (New)
- Environ Protect Spec V
- Laboratory Coord II (New)
- Landscape Architect II (New)
- Phy Sci Res/Scientist II (New)
- Phy Sci Res/Scientist IV
- Prof Land Surveyor II (New)
- Professional Engineer I
- Professional Engineer II
- Statistical Analyst II
- Statistical Analyst IV
- Telecommunications Engineer I
- Telecommunications Engineer III
- Telecommunications Engineer IV (New)
- Telecommunications Specialist II (New)

Professional Services

- Accountant I
- Accountant II
- Accountant III
- Accountant IV
- Accounting Technician II
- Accounting Technician Iii
- Admin Law Judge II (New)
- Arts Professional IV (New)
- Auditor I
- Auditor II
- Auditor III
- Auditor IV
- Budget & Policy Anlst III
- Budget & Policy Anlst IV
- Budget & Policy Anlst V
- Budget Analyst I

- Budget Analyst II
- Business Application Support Specialist II (New)
- Collections Rep III (New)
- Community & Econ Devt III
- Community & Econ Devt V
- Community Prog Spec III
- Comp Insurance Spec II
- Comp Insurance Spec V (New)
- Compl Investigator I (New)
- Compl Investigator II
- Compl Investigator III (New)
- Compl Investigator Int (New)
- Compliance Specialist II
- Compliance Specialist III (New)
- Compliance Specialist V
- Contract Administrator II
- Contract Administrator III (New)
- Contract Administrator V (New)
- Contract Administrator VI
- Controller I
- Controller II
- Controller III
- Data Management III
- Data Management V (New)
- Fin/Credit Examiner II
- Fin/Credit Examiner IV
- Food Serv Mgr I
- Food Serv Mgr IV
- Grants Specialist III (New)
- Grants Specialist V (New)
- Human Resources Spec III
- Human Resources Spec V
- Human Resources Spec VI
- Investment Officer I (New)
- Investment Officer III
- Legal Assistant I (New)
- Legal Assistant II
- Librarian II (New)
- Media Specialist I (New)
- Mktg & Comm Spec III
- Mktg & Comm Spec V
- Planning Specialist III
- Planning Specialist IV
- Planning Specialist VI (New)
- Policy Advisor III
- Policy Advisor IV
- Port Of Entry I
- Program Assistant I
- Program Coordinator (New)
- Program Management I
- Program Management II
- Program Management III
- Project Manager I
- Project Manager II
- Pub Hlth & Cmty Out II (New)
- Pub Hlth & Cmty Out V
- Purchasing Agent III
- Purchasing Agent V
- Rate/Financial Anlyst I
- Rate/Financial Anlyst II
- Rate/Financial Anlyst Iii
- Rate/Financial Anlyst IV
- Rate/Financial Anlyst V
- Real Estate Spec III
- Real Estate Spec V
- Rehabilitation Couns I
- Rehabilitation Supv I
- Revenue Agent II
- Revenue Agent III
- Safety Specialist III
- Scint Prgmr/Anlst II
- Scint Prgmr/Anlst IV
- Soc Services Spec III (New)
- Soc Services Spec V (New)
- State Teacher I
- State Teacher II (New)
- State Teacher III (New)
- Student Services Spec II (New)
- Student Services Spec Iv (New)
- Tax Compliance Agent I (New)
- Tax Compliance Agent III (New)
- Tax Examiner I
- Tax Examiner III
- Training Specialist II (New)
- Training Specialist III (New)
- Training Specialist V
- Youth Serv Counselor II (New)