



House and Senate Joint Finance Committee

January 14, 2009

Attachment A

303-832-9550
www.copera.org

What is Colorado PERA?

- Instrumentality of the state, founded on August 1, 1931
- Substitute for Social Security in most cases
- Qualified under IRC 401(a)
- Hybrid defined benefit retirement plan
- Administers Defined Benefit Plan, 401(k) Plan, DC Choice Plan, Health Care Plan, as well as Life and Long Term Care Insurance Plans
- Largest pension fund in Colorado, 23rd largest public plan in U.S.

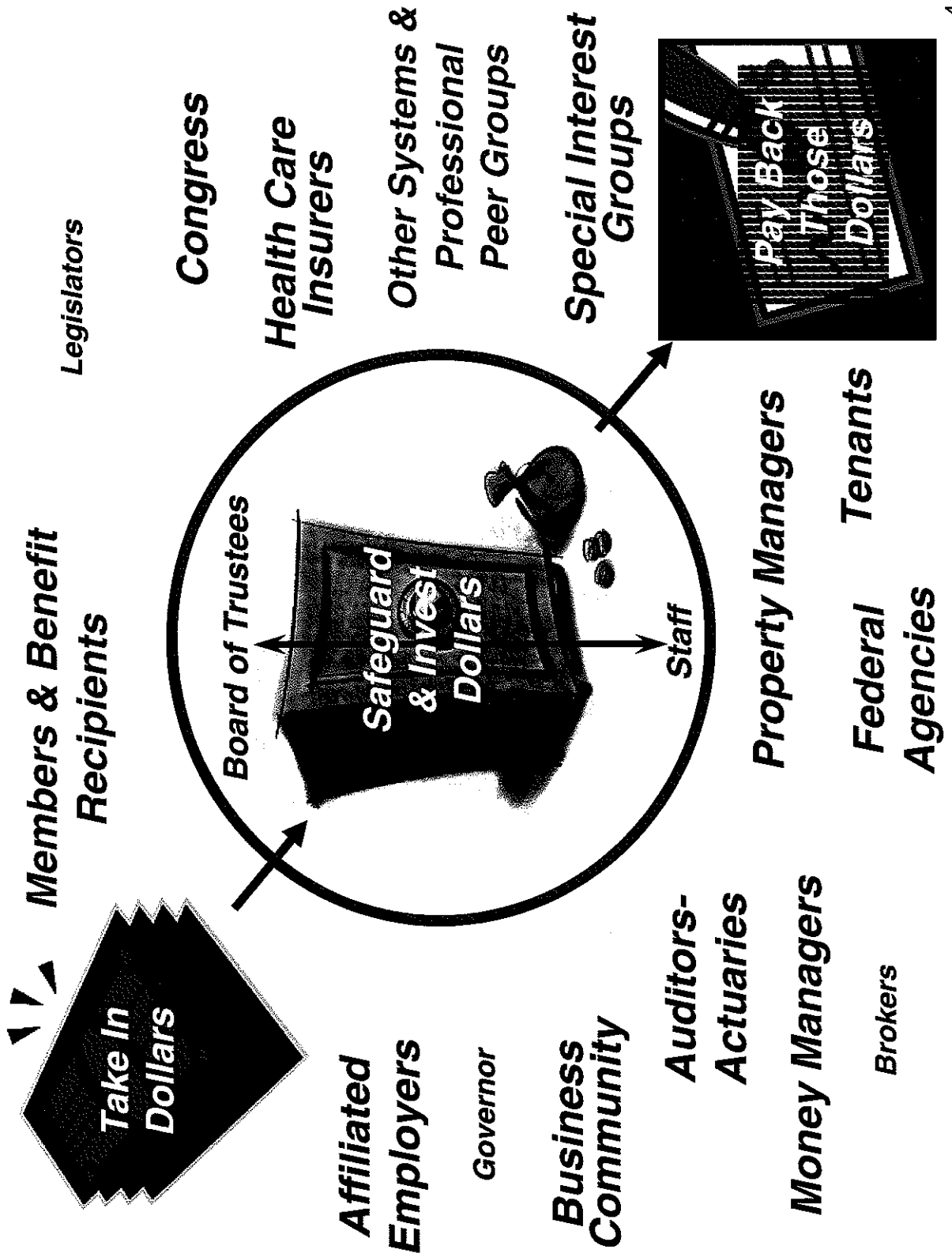
What Do We Do?

Take In Dollars

Safeguard & Invest Dollars

Pay Back Those Dollars

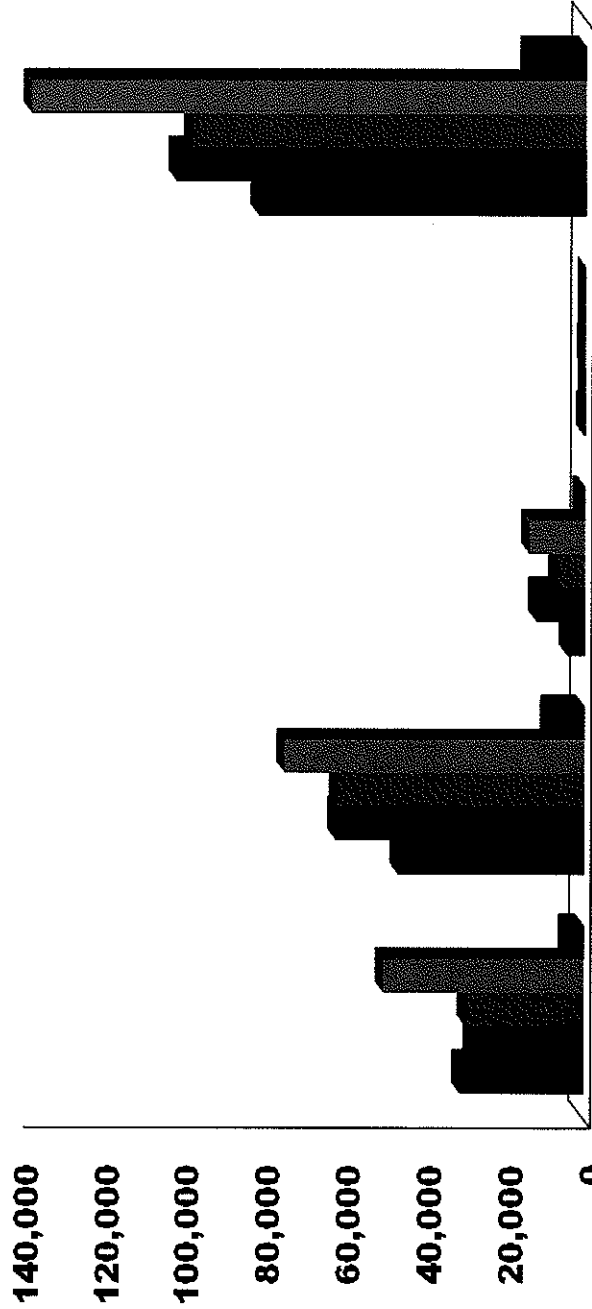
What We Really Do!



Members and Benefit Recipients

November 30, 2008

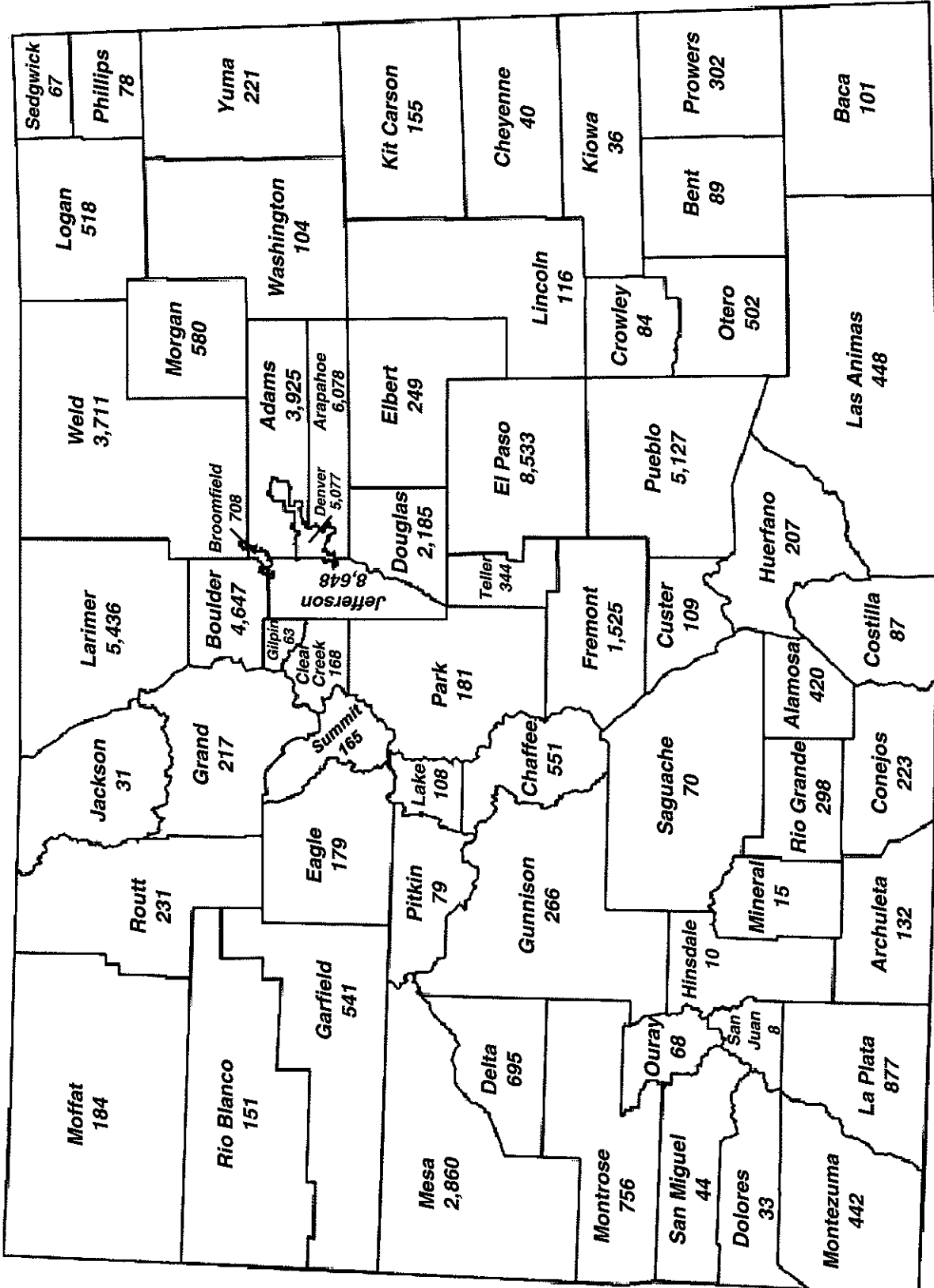
Total: 431,322



	State	School	Local Gov't	Judicial	Total
■ Benefit Recipients	30,485	45,794	4,343	280	80,902
■ Active Mbrs. Non-Vested	27,931	61,249	12,025	81	101,286
■ Active Mbrs. Vested	29,256	61,009	7,005	234	97,504
■ Inactive Mbrs. Non-Vested	49,448	74,020	13,766	5	137,239
■ Inactive Mbrs. Vested	4,430	8,873	1,077	11	14,391

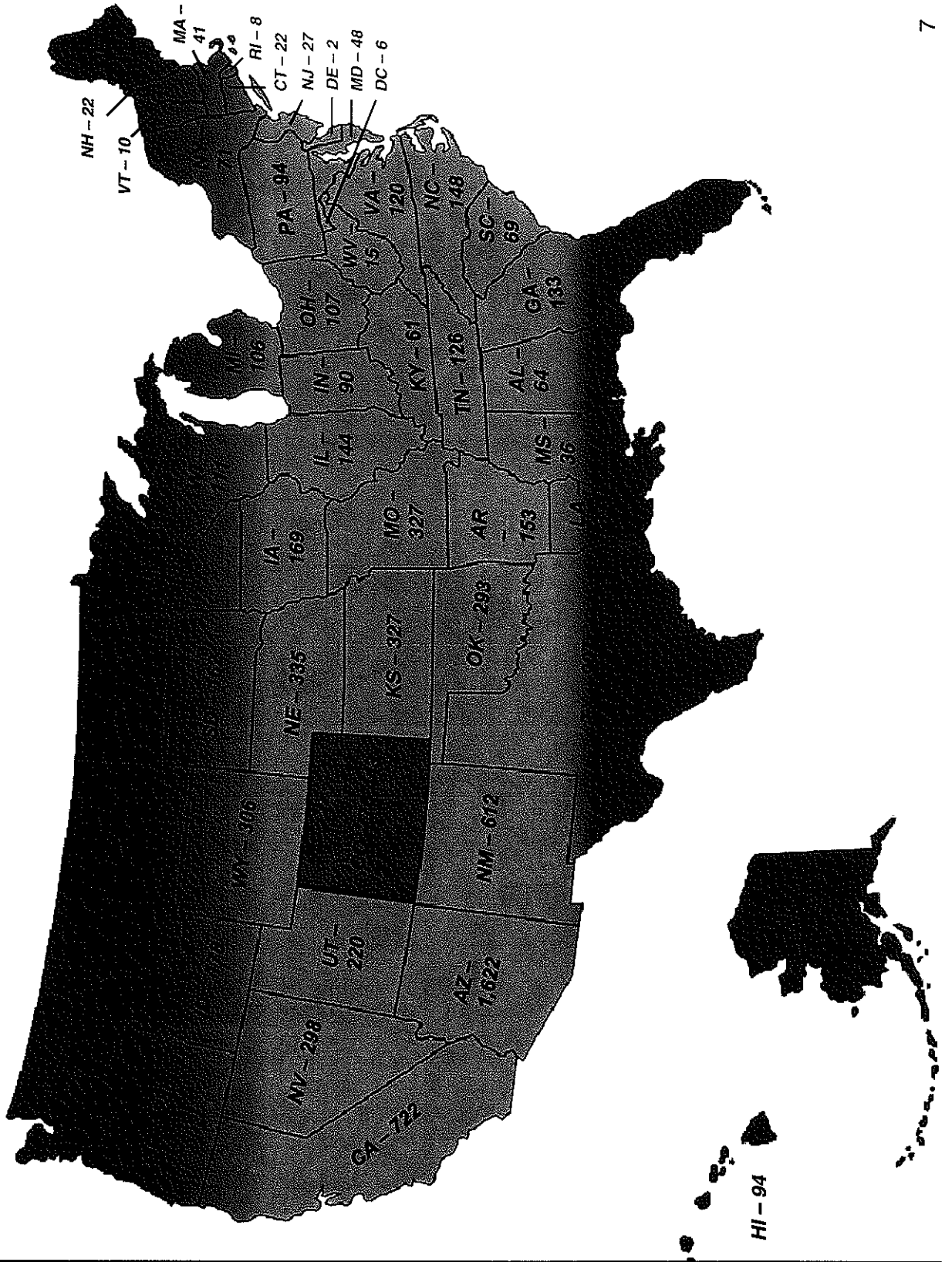
Benefit Recipients in Colorado

December 31, 2008 - 70,443



Benefit Recipients by State

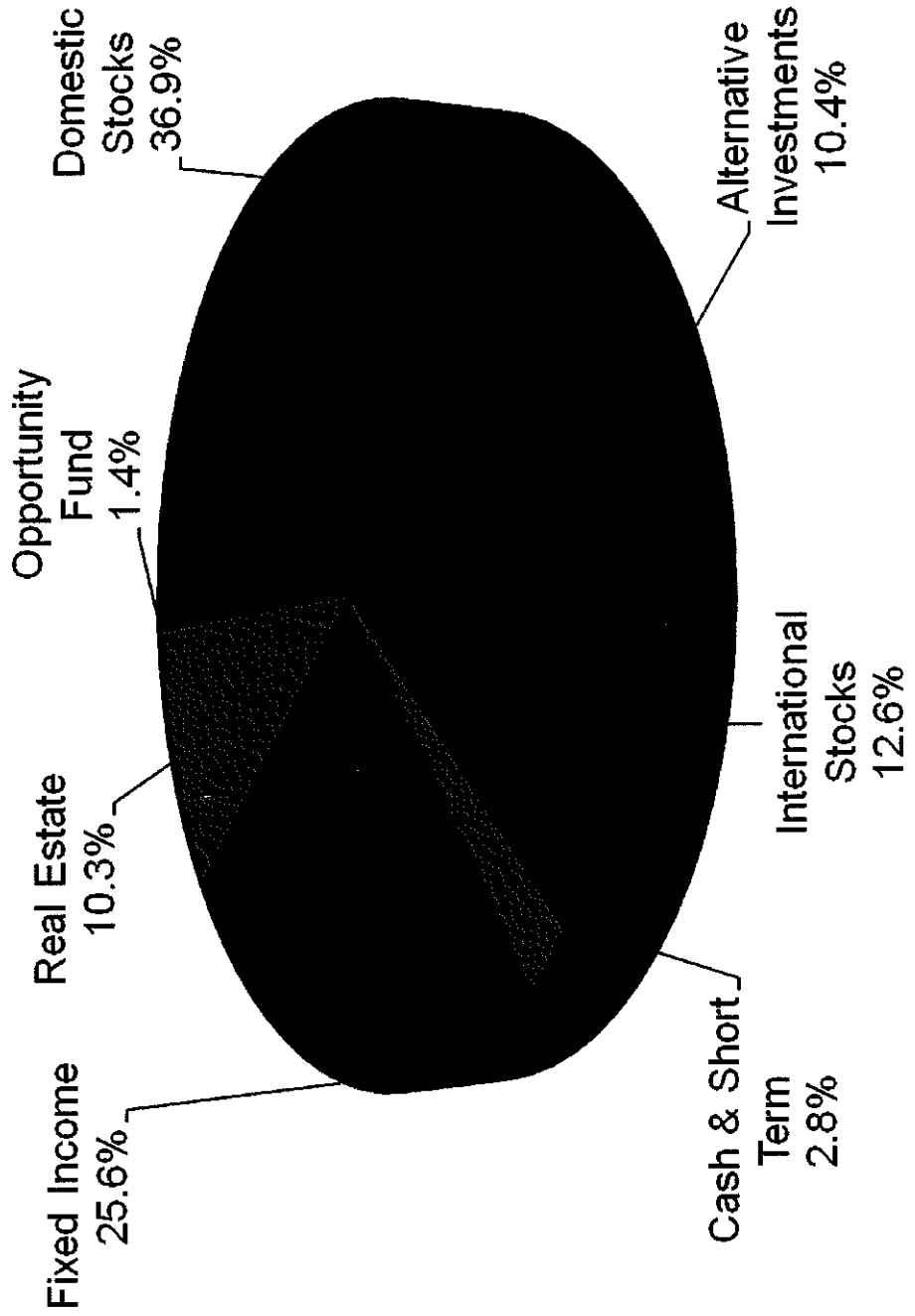
December 31, 2008 - 80,751



Investment Asset Allocation

December 31, 2008

\$30.5 Billion Market Value



Total Return Versus Benchmarks

November 30, 2008

Benchmark	Market Value (Millions)	% of Total Fund	Total Return ^{1,2}					
			Month	3-Month	YTD	1-Year	3-Year	5-Year
Domestic Equity	\$11,138	37.12%	-7.63%	-30.76%	-37.62%	-37.80%	-8.59%	-0.88%
DJ Wilshire 5000			-8.00%	-31.22%	-38.30%	-38.68%	-8.94%	-1.18%
Fixed Income	\$7,749	25.82%	3.22%	-1.15%	0.71%	0.86%	4.32%	4.17%
LB Universal			2.63%	-2.91%	-1.39%	-1.10%	3.64%	3.72%
International Equity	\$3,699	12.33%	-5.78%	-36.45%	-47.99%	-48.76%	-6.82%	3.28%
MSCI ACWI Free ex US			-5.78%	-37.57%	-48.46%	-49.21%	-7.25%	2.83%
Alternatives ³	\$3,112	10.37%		-7.19%	-10.66%	-6.36%	11.95%	18.14%
Custom Alternative Index				-30.47%	-35.55%	-35.68%	-5.94%	1.85%
Real Estate ⁴	\$3,180	10.60%		0.41%	1.04%	7.09%	20.24%	19.88%
Custom Real Estate Index				0.34%	1.74%	7.95%	13.70%	15.20%
Opportunity Funds ⁵	\$444	1.48%		-2.91%	-0.86%			
Public Markets Benchmark				-24.59%	-30.65%			
Cash	\$685	2.28%	0.07%	0.39%	2.33%	2.75%	4.23%	3.40%
ML 3 Month Treasury Bill			0.10%	0.51%	2.05%	2.34%	4.07%	3.27%
Colorado PERA	\$30,006	100.00%	-3.39%	-19.25%	-24.77%	-24.48%	-0.69%	4.76%
Colorado Policy Benchmark			-4.33%	-23.43%	-29.08%	-29.23%	-3.55%	

1 3- and 5-year returns are annualized

2 Total Returns are net of fees

3 Current Alternatives Performance is based on reporting lags of 3 to 9 months

4 Real Estate performance through 6/30/08

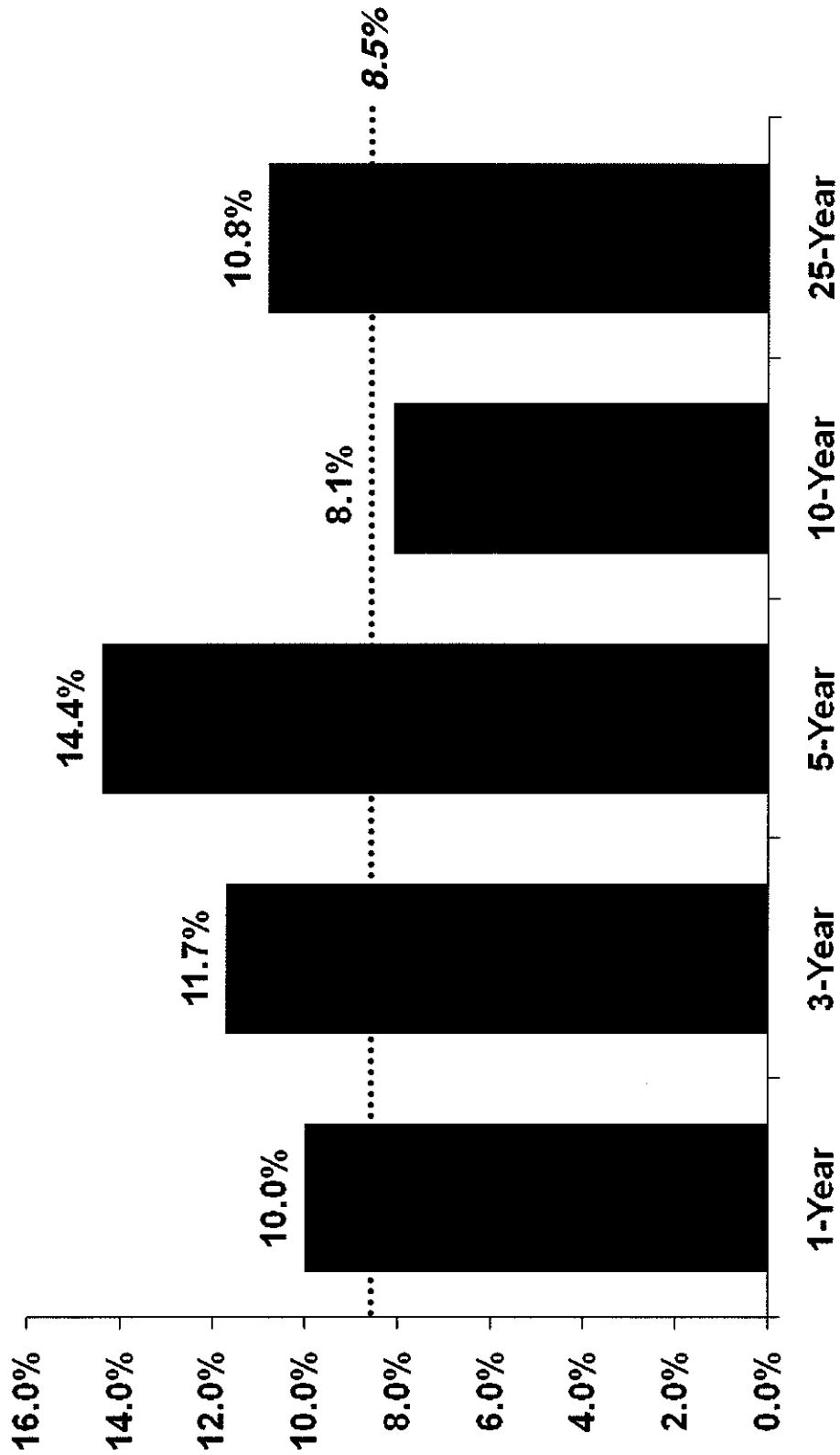
5 Includes Timber performance through 9/30/08

Unaudited data

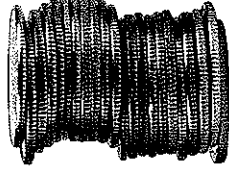
Source: Northern Trust; Real Estate Custom Index from Ennis Knupp

Investing for Long Term

Annualized Investment Returns for Periods ending
December 31, 2007



2008 Financial Summary



\$43,172,000,000

net assets as of December 31, 2007

Major Additions

Employer Contributions – \$765,000,000

Member Contributions – \$499,000,000

Purchased Service – \$33,000,000

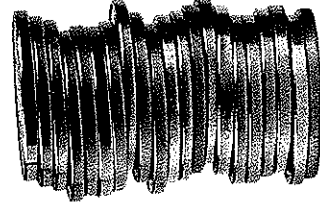
Investment Earnings – (\$10,116,000,000)

Other – \$11,000,000

Major Deductions

Benefits Paid – (\$2,686,000,000)

Operating Expenses – (\$32,000,000)



\$30,021,000,000

net assets as of November 30, 2008

(unaudited, does not include 401(k) Plan)

PERA Actuarial Funded Status

	December 31	
Division	2006	2007
State	73.0%	73.3%
School	74.1%	75.5%
Local Government	79.5%	81.2%
Judicial	85.1%	87.5%
Health Care Trust Fund	17.2%	19.9%

Amortization Periods

As of December 31, 2007

	State Division	School Division	Local Gov't Division	Judicial Division
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Amortization Period
Without AED and
SAED

Infinite Infinite 24 years 78 Years

Amortization Period
With AED and SAED

69 Years 42 years 14 years 22 years

PERA Studies in 2009

- Regular actuarial valuation for 2008
- Actuarial experience study for 2005-2008
- Actuarial audit by separate actuary
- Projections of future funded ratio
- Actuarial studies of benefit components
- Asset/liability study
- These studies may lead to recommendations for legislation in 2010

Potential Legislation Impacting PERA

- DPA and 457 Committee Legislation
 - Consolidation of Administration of State 457 and DC Plans under PERA, sponsored by the Legislative Audit Committee (Sen. Tochtrop/Rep. Primavera)
- Denver Public Schools Legislation
 - Consolidation of retirement plan under PERA as a separate division
 - Inclusion under PERA as separate division will provide portability under specified rules for DPS employees and all other school districts
 - Employer contribution rates set by General Assembly
 - Health care consolidation included

Potential Legislation Impacting PERA

(continued)

- CU Legislation
 - Modification to retirement plans available to faculty
 - Offer of choice of PERA DB plan to faculty
- Furlough Legislation
 - Provide furloughs during the year with protection for PERA funding