



PERA Joint Finance Committee Hearing

January 24, 2013

Colorado PERA's Mission Statement

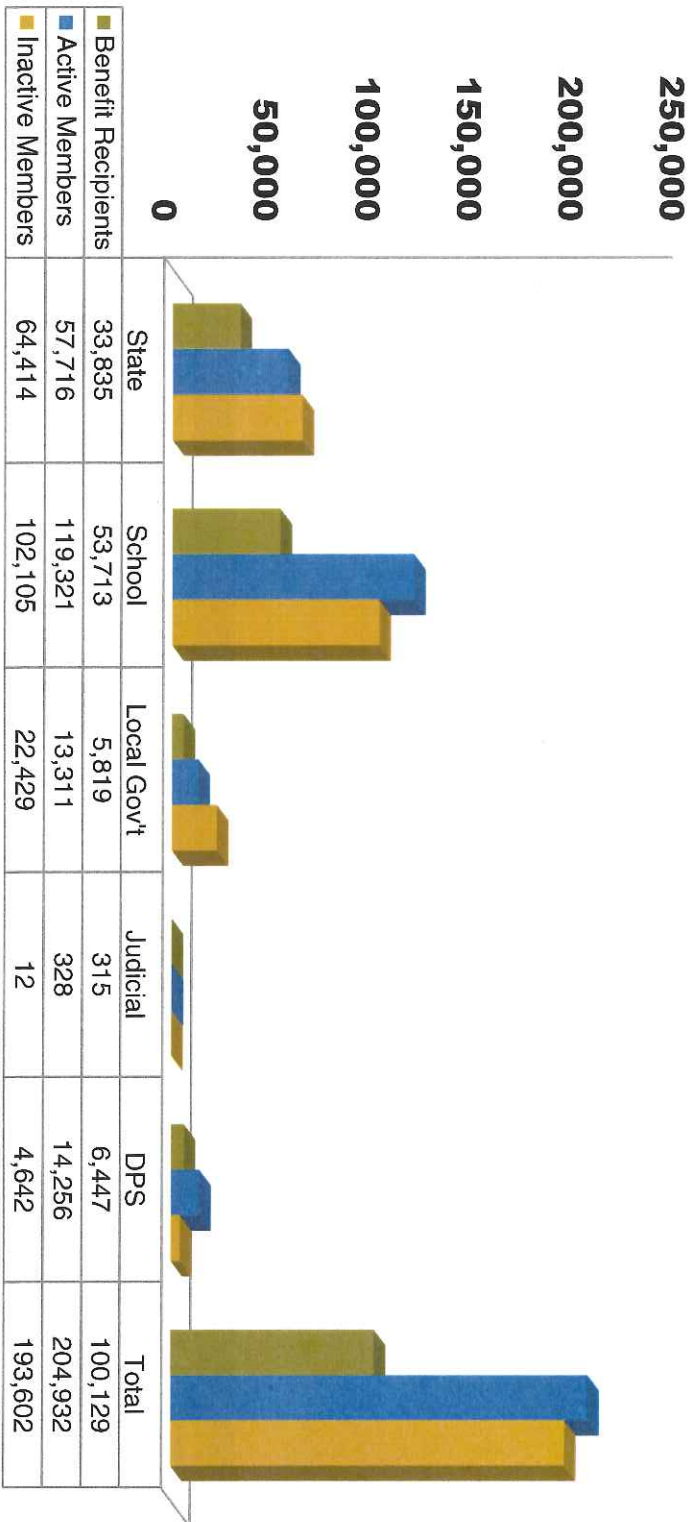
To promote long-term financial security for our membership while maintaining the stability of the fund



PERA Membership

November 30, 2012

Total: 498,663



PERA Financial Recap

(in thousands of dollars; does not include defined contribution plans)

\$37,532,591 net assets as of December 31, 2011

Contributions		\$1,763,671
Employer - Pension - Regular	\$576,213	
Employer - Pension - AED	\$193,491	
Employer - Pension - SAED	\$158,977	
Employer - Health Care	\$71,397	
Member	\$590,405	
Purchased Service	\$47,031	
Retiree Health		\$101,815
Care Premiums		\$13,000
Federal Health		\$11,342
Care Subsidies		
Other Additions		

Investments		\$4,052,848
Net Change in Fair Value	\$3,275,109	
Interest	\$277,685	
Dividends	\$441,009	
Real Estate/Opportunities/		
Alternative Investments	\$156,809	
Securities Lending	\$11,951	
Investment Expense	(\$109,715)	

Benefits Paid		(\$3,632,207)
Pension Benefits	(\$3,206,995)	
Health Care Benefits	(\$206,398)	
Disability/Life Insurance	(\$4,346)	
Refunds	(\$165,348)	
Other	(\$9,038)	
Admin Exp	(\$40,082)	

\$39,716,903 net assets as of November 30, 2012

(unaudited, for internal use only)

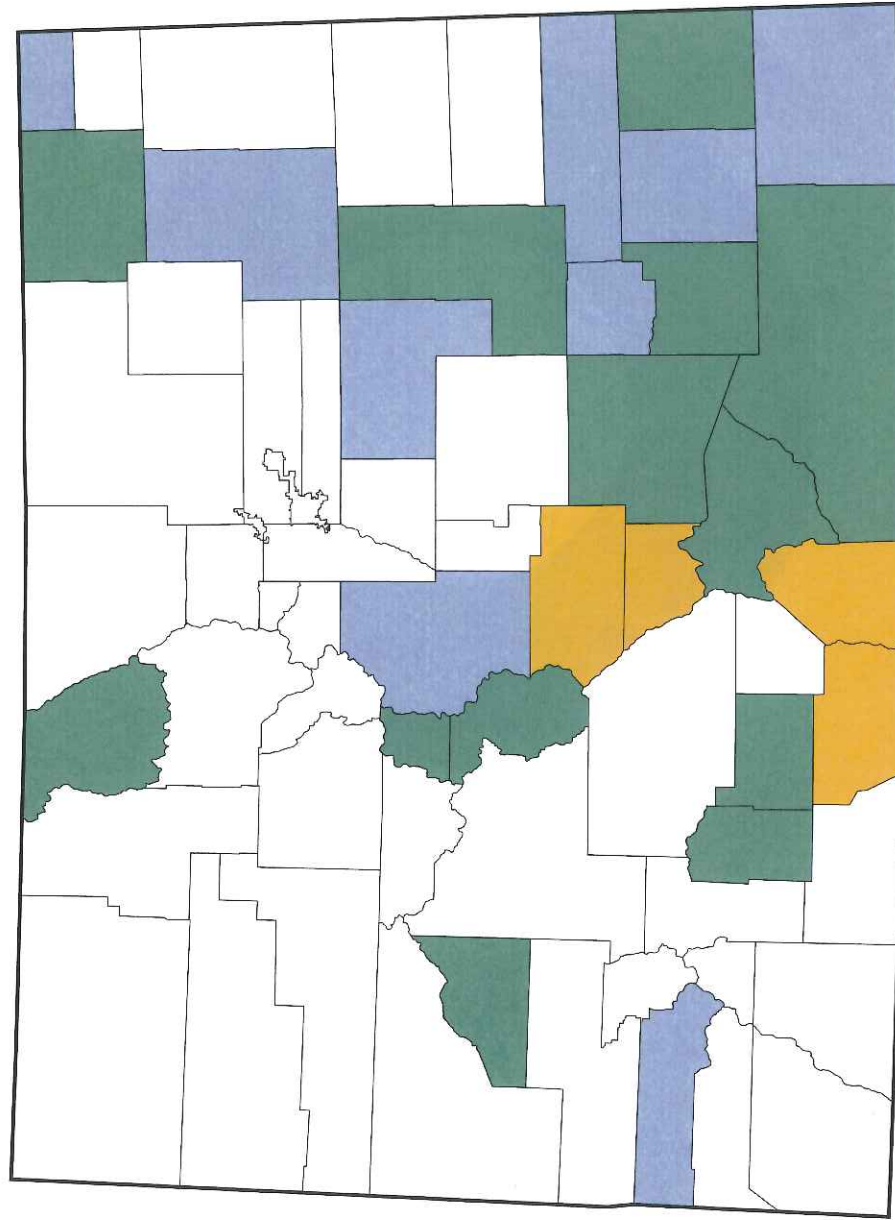
25-Year History of Assets and Distributions

In billions

Beginning Balance January 1, 1986	\$5.6
Employer Contributions	13.5
Member and Other Contributions	13.4
Investment Income	40.3
Denver Public Schools' Plan Transfer	2.8
Benefit and Refund Payments	(37.8)
Administrative Expenses	(0.6)
Ending Balance December 31, 2011	\$37.2

PERA Benefit Payments Relative to Payroll by County

July 2011



Over 25 percent of Payroll

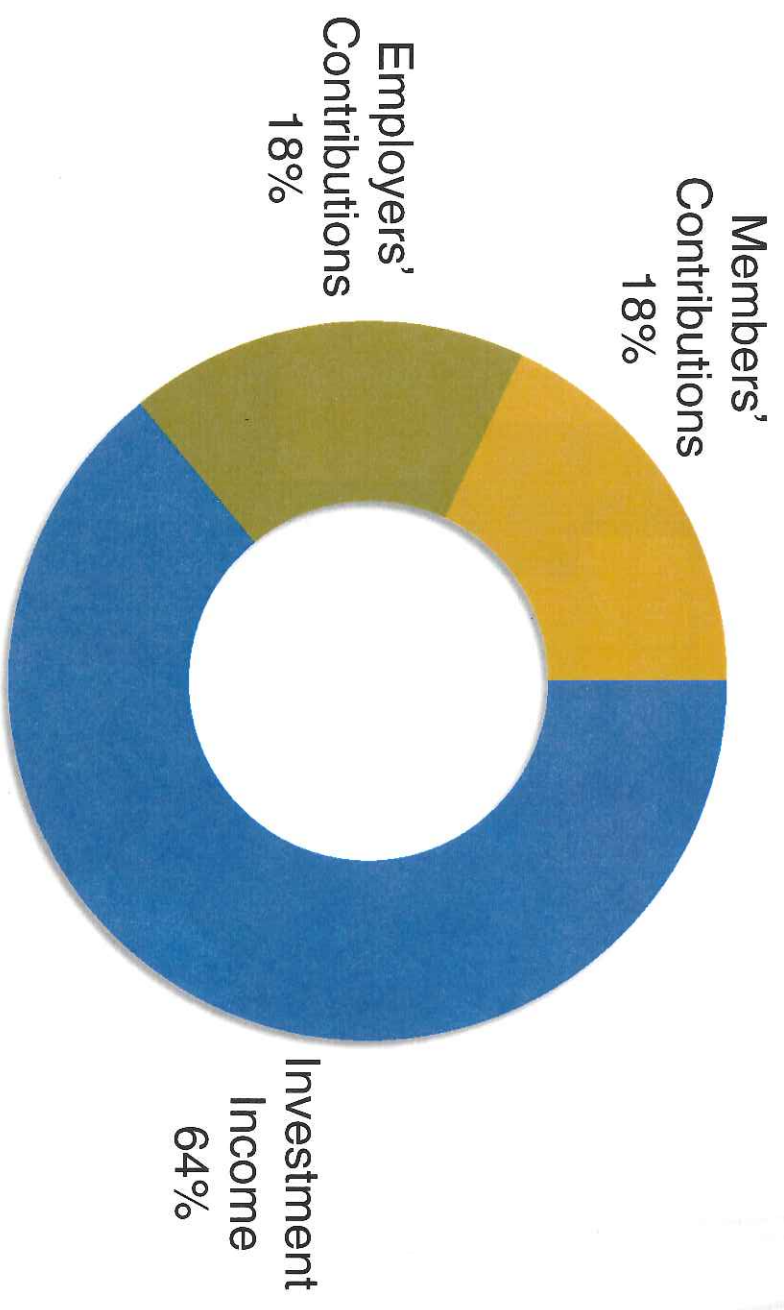
15-25 percent of Payroll

10-15 percent of Payroll

Less than 10 percent of Payroll

Data from Pacey & McNulty

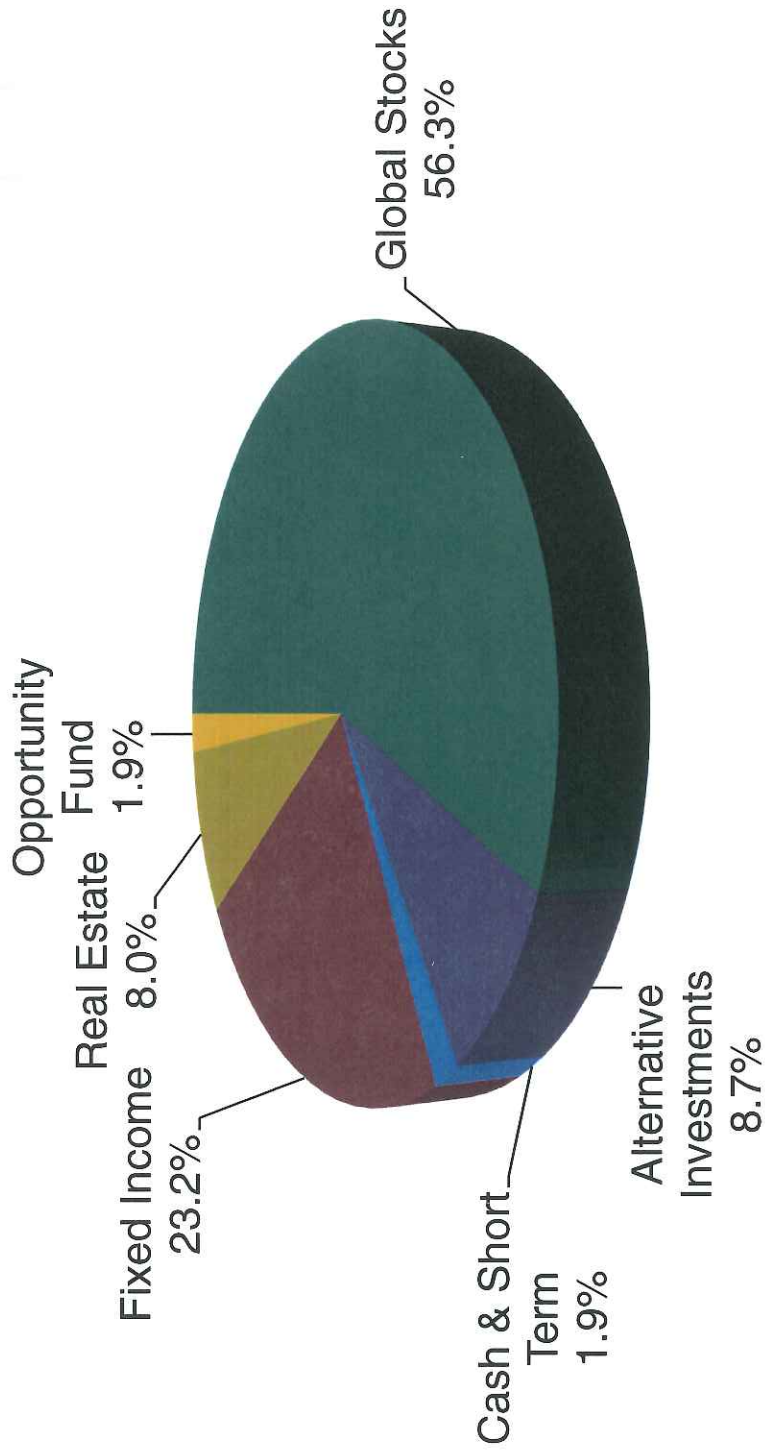
Source of Money in PERA Trust Funds



Investment Asset Allocation

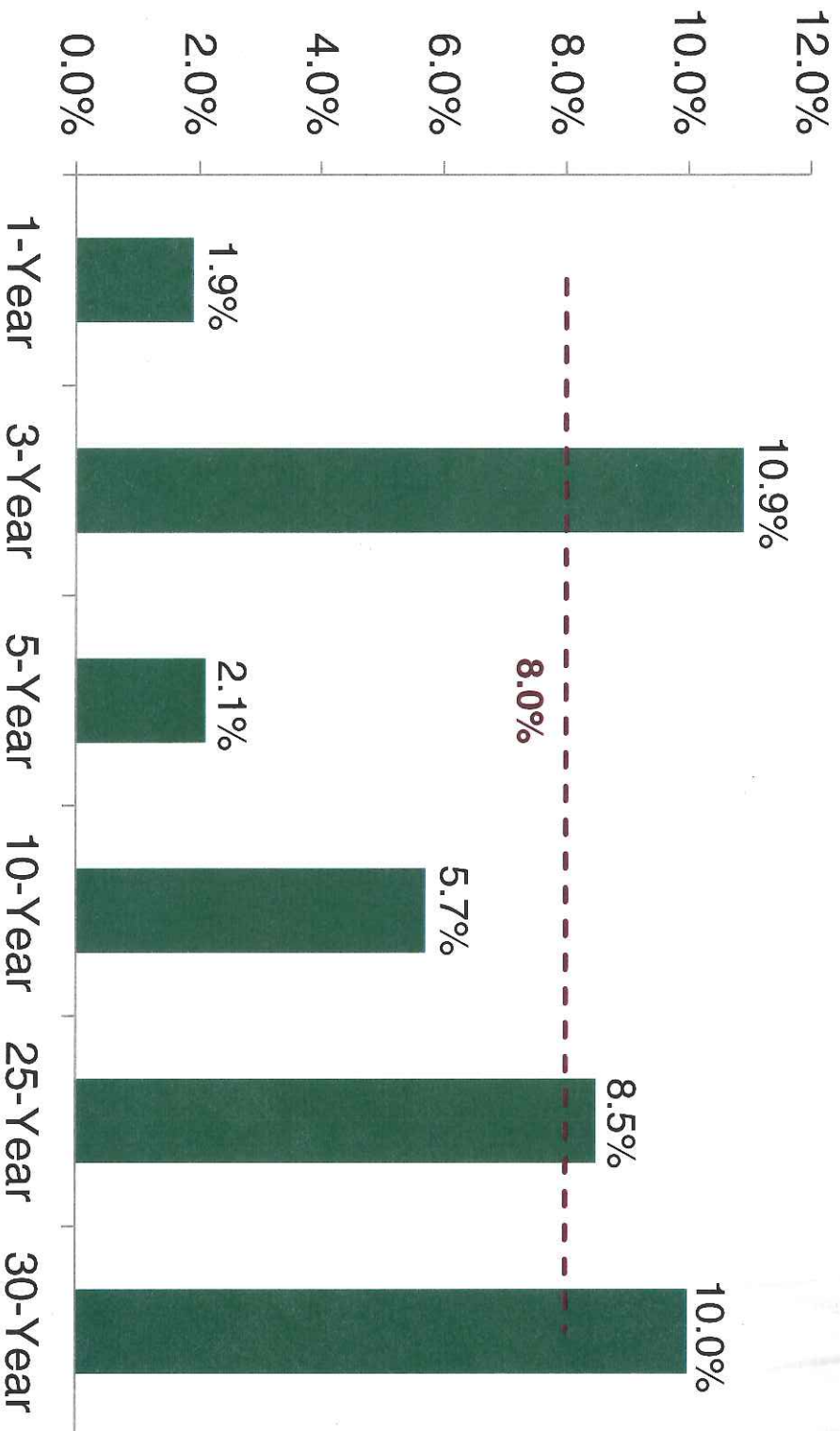
November 30, 2012

\$39.7 Billion Market Value



Investing for Long Term

Annualized investment returns for periods ending December 31, 2011



Senate Bill 10-001 Puts PERA Back on Track

- SB 10-001 contained shared sacrifice
- Most Divisions are expected to be fully funded in 35 years
 - Pre-SB 10-001, most Divisions projected to be out of money as early as 2029
- Ninety percent of changes come from current and future members and retirees
- PERA Board opposes legislation that would make full funding harder to achieve
- Litigation status

Amortization Periods Based on Different Assumed Rates of Return* In Years to Full Funding

Division	9.50%	8.00%	6.50%
State	24	38	51
School	22	36	54
Local Government	15	24	49
Denver Public Schools	16	27	41
Judicial	35	53	Infinite

* Synthetic actuarial projection of the 2042 valuation based upon the 2011 valuation

PERA is Transparent

- All Board meetings are public meetings and each agenda has time set aside for public comment
- PERA reports annually to the Joint Finance Committee, Joint Budget Committee, and Legislative Audit Committee of the Colorado General Assembly
- PERA is audited annually by a firm selected by the State Auditor whose findings are reported to the Legislative Audit Committee
- PERA's *Comprehensive Annual Financial Report (CAFR)* is used as a model for other public pension plans, winning the GFOA financial reporting excellence award for the last 26 consecutive years
- 2011 annual financial audit found no material weaknesses in PERA's internal controls, accounting policies, and practices. No recommendations.
- PERA Web site excellent resource for plan and financial information

Supplemental Savings Opportunities with PERAPlus

- Allows participants opportunity to seek investment advice at no additional cost
- Received GFOA's Award for Excellence in Government Finance
- Promotes the crucial concept of asset allocation in retirement investing
- Makes allocation decisions easier for participants
- Provides participants access to custom, easy-to-understand, and diversified PERAAdvantage investment options



Looking Ahead

- Video library
- Paperless opportunities
- Federal Health Care Reform (Affordable Care Act)
- GASB Standards
- Memorial Health lawsuit

Sign Up for Electronic Delivery

- **Web address**
 - www.copera.org
 - Legislative Information Center
- **Office locations**
 - 1301 Pennsylvania Street, Denver
 - 1120 West 122nd Avenue, Westminster
- **Phone numbers**
 - 303-832-9550
 - 1-800-759-PERA (7372)