



PERA UPDATE

GREGORY W. SMITH, EXECUTIVE DIRECTOR



One of Colorado's Best Investments

- » KPMG performed the State Auditor's Office 2013 annual audit of PERA
 - 15.6 percent audited investment return
 - Over \$6 billion in investment income
- » PERA provides value to members and taxpayers
 - Economies of scale and diversification
- » GASB 67 and 68
 - www.copera.org/employers/gasb-reporting-standards



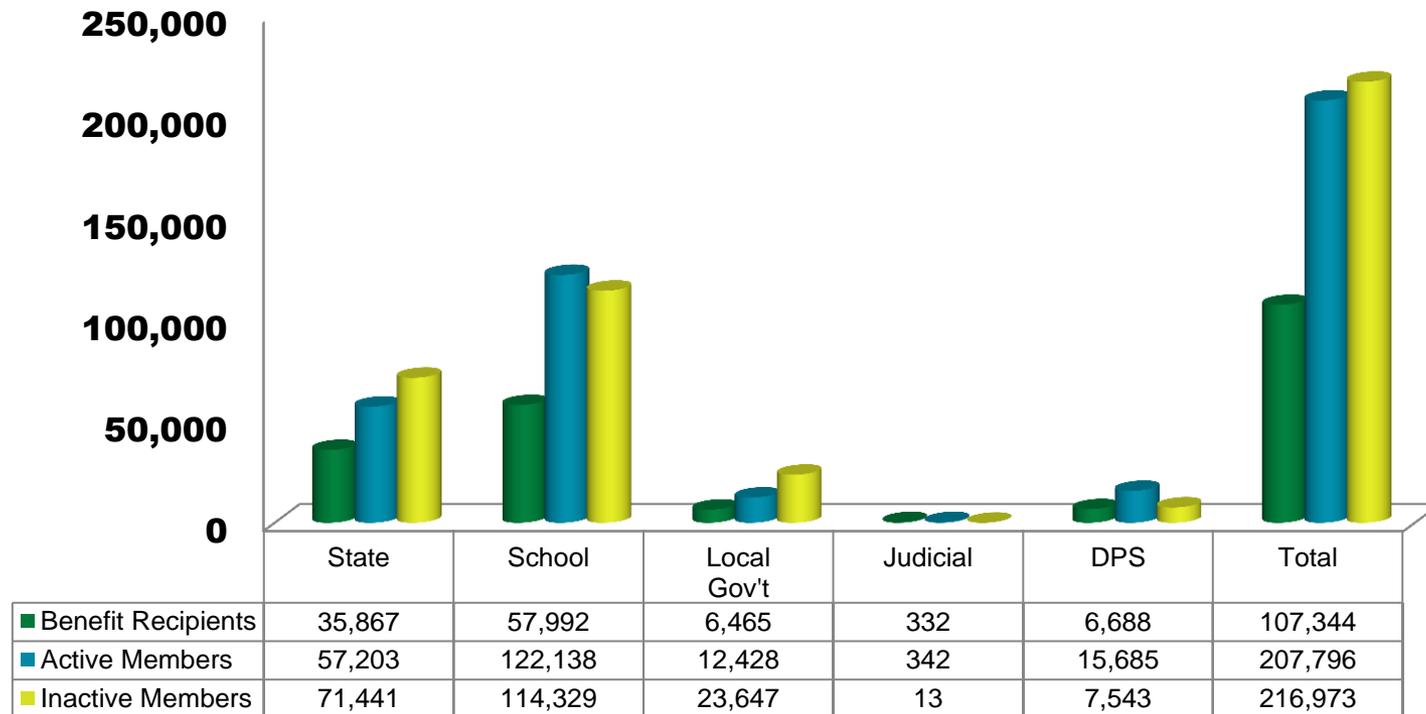
Governing Structure and Transparency

- » Board of Trustees elected by members and retirees and includes Governor appointees and the State Treasurer
 - Oversight of investments, administration of benefits, and monitors actuarial assumptions and performance
- » Benefit and contribution structure set by the General Assembly
 - Not subject to change via collective bargaining arrangements and consistently applied among all employers within a PERA Division
- » PERA reports annually
 - *Comprehensive Annual Financial Report (CAFR)*
 - Joint Finance Committee, Joint Budget Committee, Legislative Audit Committee of the Colorado General Assembly, and the Governor

PERA Membership

January 31, 2015

Total: 532,113



PERA Financial Recap

\$44,122,457 net assets as of December 31, 2013

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

December 2014

Contributions		Investments		Benefits Paid	
\$2,307,153		\$2,235,576		(\$4,341,795)	
Employer – Pension – Regular	\$692,456	Net Change in Fair Value	\$1,339,053	Pension Benefits	(\$3,883,782)
Employer – Pension – AED	\$277,457	Interest	\$312,036	Health Care Benefits	(\$219,960)
Employer – Pension – SAED	\$252,441	Dividends	\$541,690	Disability/Life Insurance	(\$7,092)
Employer – Health Care	\$81,511	Real Estate/Opportunity Fund/ Alternative Investments	\$156,109	Refunds	(\$170,891)
Member	\$639,570	Securities Lending	\$11,020	Other	(\$7,364)
Purchased Service	\$55,020	Investment Expense	(\$124,332)	Administrative Expense	(\$52,706)
Retiree Health Care Premiums	\$108,970				
Employer Disaffiliation	\$190,000				
Other Additions	\$9,728				

\$44,323,391 net assets as of December 31, 2014

(unaudited, for internal use only)



25-Year History of Assets and Distributions

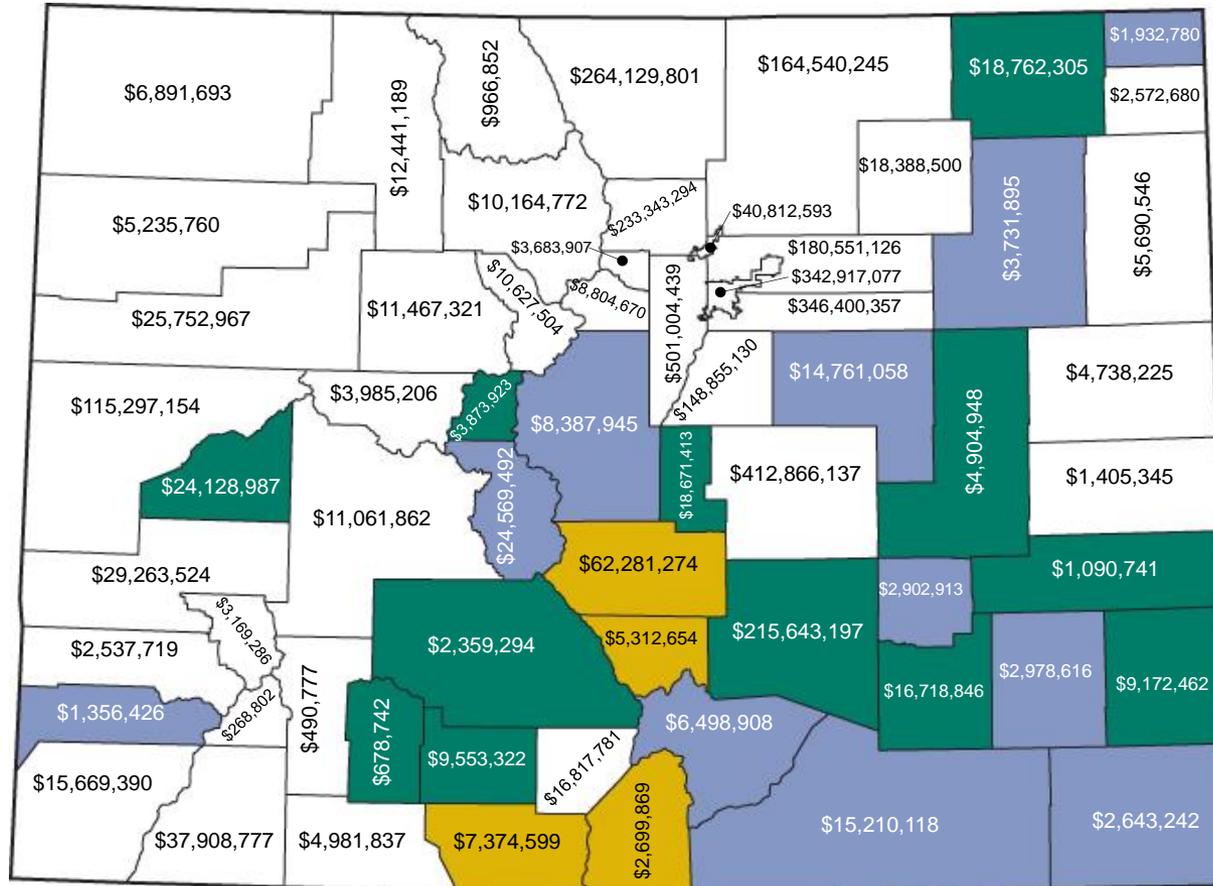
In billions

Beginning Balance January 1, 1989	\$8.0
Employer Contributions	13.6
Member and Other Contributions	12.9
Investment Income	49.1
Denver Public Schools' Plan Transfer	2.8
Benefit and Refund Payments	(42.1)
Administrative Expenses	(0.5)
Ending Balance December 31, 2013	\$43.8

PERA Benefit Distributions and Distributions Relative to Payroll by County

Total Distributions = \$3,506,760,242

- \$4.78 billion economic output
- 26,000 jobs statewide
- \$282.4 million state and local tax revenue



Over 25 percent of Payroll

15-25 percent of Payroll

10-15 percent of Payroll

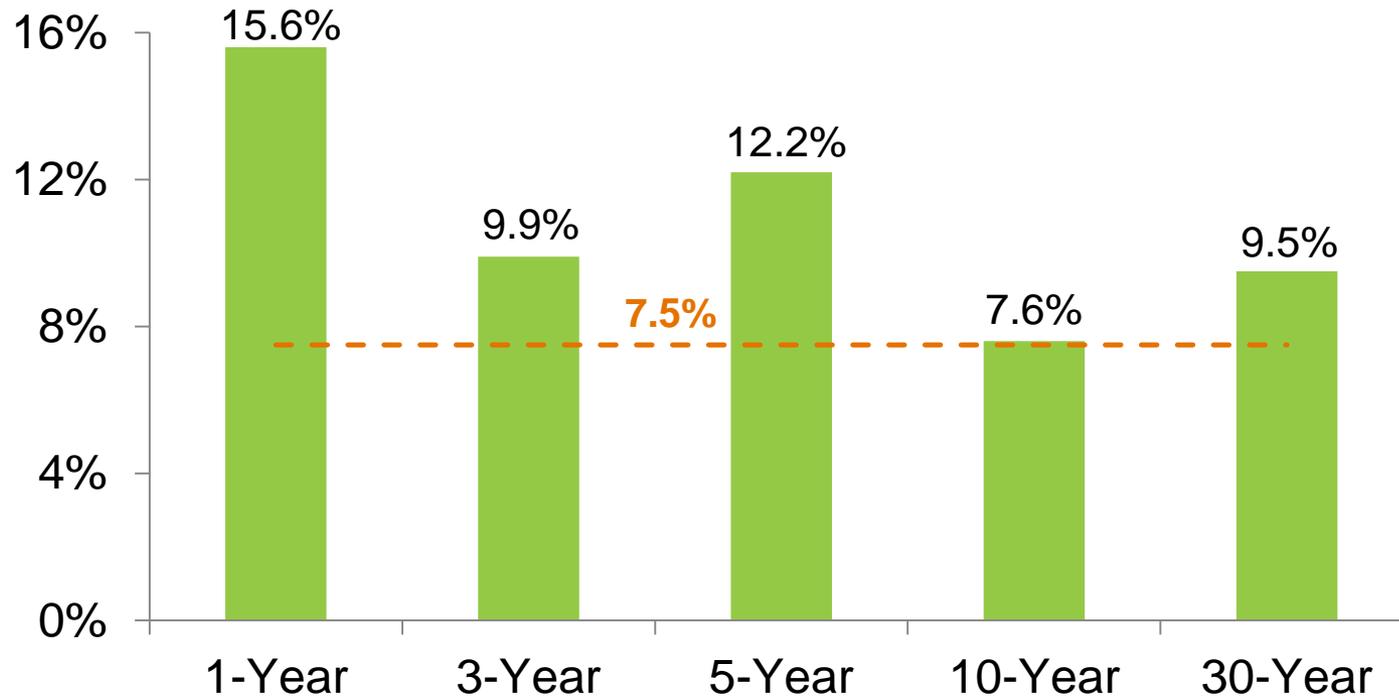
Less than 10 percent of Payroll

Percentage of payroll data from 2011 County Business Patterns, U.S. Census Bureau adjusted to 2013 dollars, calculation from Pacey & McNulty

Annual benefit payments as of December 31, 2014 (unaudited)

Reforms are Working: PERA Innovation Equals Financial Freedom and Security

- » PERA Board designed reforms to address the impact of financial losses incurred during the Great Recession
- » SB 10-001 was innovative and included shared sacrifice – 90 percent of changes come from current and future members and retirees
- » PERA is on a path toward full funding and invests for long term



America's Retirement Crisis

- » Americans are not prepared for retirement
- » 85 percent are concerned that economic conditions will affect their ability to have a secure retirement
- » Average value of 401(k) plans is \$58,351
- » Median value of 401(k) plans is \$17,794
- » Median value of 401(k) plans for workers aged 55-64 is \$61,850
- » More than half report the total value of household savings and investments is less than \$25,000 (excluding their home)

Sources: National Institute on Retirement Security, Employee Benefits Research Institute, and Vanguard Group

Senate Bill 214 Update

- » SB 214 update
 - Total compensation study
 - Plan design study
 - Sensitivity analysis

Contact Us

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