POPULAR ANNUAL FINANCIAL REPORT

Transforming to connect.
Connecting to serve.

For the Year Ended December 31, 2020

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

Colorado **PERA**®

Message From the Executive Director

Ron Baker
Executive Director

This *Popular Annual Financial Report (PAFR)* prepared by the Public Employees' Retirement Association of Colorado (PERA) details the plan's performance from January 1, 2020, through December 31, 2020.

This *PAFR* is a reader-friendly summary of information derived from PERA's *Comprehensive Annual Financial Report (Annual Report),* but it is not presented in a manner that conforms with generally accepted accounting principles (GAAP). PERA's *Annual Report* is produced to conform with GAAP and is available on our website at https://www.copera.org/sites/default/files/documents/5-20-20.pdf or by requesting a copy from PERA's Customer Service Center.

More than a year after our lives were upended by COVID-19, we continue to understand, reflect, and adjust as we also show our appreciation for those who faced additional risks to serve others. At PERA, we faced many of the same challenges others throughout the world have faced. I am proud of the way in which PERA staff responded.

This time of change has been an opportunity to not only transform, but connect, and position PERA for the future. In 2020, we accelerated efforts already underway that transform the way we connect to others. In particular, we've expanded our digital capabilities so that members, retirees, and employers have more and better ways to interact with us.

As we look forward to working our way back to normalcy, we will continue building on these and other member-focused initiatives that deliver the assistance members want, when they want it, in the way they want it.

From a financial perspective, PERA experienced a positive year of investment returns in 2020. Led by the strong performance of the global equity market and assisted by all other asset classes having positive yearly returns, PERA's defined benefit funds had a time-weighted return of 17.4% net-of-fees.

The value of the long-term investment strategy set by PERA's Board of Trustees (Board) and implemented by PERA staff has been evident amid the high degree of economic uncertainty we've experienced and is essential to PERA's core mission: to provide retirement security for our members while ensuring the sustainability of the fund.

Investment performance is one of many factors used to calculate a plan's funded status. A number of actuarial assumptions, which include estimates about inflation, employment, and longevity, also play a significant role.

In 2020, the Board reviewed PERA's actuarial assumptions through a process known as an Experience Study, which takes place every four years. The ultimate goal of the Experience Study is to provide the most accurate portrait of the future as possible.

While some actuarial assumptions remained the same, the Board updated the following:

- Lowering the inflation assumption from 2.40% to 2.30%.
- Lowering the payroll growth rate assumption from 3.50% to 3.00%.
- Lowering the active member growth assumption for each division. Current growth assumptions range from 1.00% to 1.25%. Newly adopted growth assumptions range from 0.25% to 1.00%.
- Changing mortality assumptions and other demographic assumptions.

The net effect of these changes results in an increase in PERA's liabilities, which includes the value of current and future benefit payments. As a result of the changes in assumptions and the demographic experience in 2020, the automatic adjustment provision (AAP) goes into effect and will be implemented in July 2022.

The AAP was part of Senate Bill 18-200, which laid out a path to full funding. It also created a formula used to determine whether the fund is on track to reach that goal by 2047. If the fund gets ahead of or falls behind this goal, the AAP can alter member and employer contributions, the retiree annual increase (AI), and the direct distribution from the State of Colorado. Limits are placed on how much these amounts can change in a single year and cumulatively.

To better understand the effect of the AAP on the scheduled contribution amounts for members and employers, as well as the scheduled AI cap for eligible retirees, effective July 1, 2022, please see the following table:

Before the Automatic Adjustment Provision

Division Trust Fund	Member Contributions	Employer Contributions[1]	AI
State (members other than State Troopers[2,3])	10.50%	20.90%	1.25%
State (State Troopers[2,3])	12.50%	23.60%	1.25%
School[4]	10.50%	20.90%	1.25%
Local Government (members other than State Troopers[2,3])	8.50%	14.20%	1.25%
Local Government (State Troopers[2,3])	12.50%	17.30%	1.25%
Judicial[5]	10.50%	23.61%	1.25%
Denver Public Schools (DPS)[6]	10.50%	20.90%	1.25%

After the Automatic Adjustment Provision

Member Contributions	Employer Contributions[1]	AI
11.00%	21.40%	1.00%
13.00%	24.10%	1.00%
11.00%	21.40%	1.00%
9.00%	14.70%	1.00%
13.00%	17.80%	1.00%
11.00%	24.11%	1.00%
11.00%	21.40%	1.00%

[1] Includes employer contribution, amortization equalization disbursement, and supplemental amortization equalization disbursement rates.

[2] Does not include the defined contribution supplement.

[3] The term "State Troopers" for PERA purposes has an expanded definition under Colorado law and includes several categories of employees: (1) employees of the Colorado State Patrol or Colorado Bureau of Investigation (CBI) vested with the powers of peace officers; (2) beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII; (3) new members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; (4) new members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.

[4] Does not include the additional 2.0% employer contributions required for retirees rehired pursuant to House Bill 20-1127.

[5] Does not include the contribution rate exchange pursuant to House Bill 20-1394 for the State's 2021-2022 fiscal year.

[6] Excludes the PCOP offset which reduces the total employer rate.

The following table demonstrates the effect the AAP has in reducing the projected years needed for each division to reach full funding (considering 2020 experience).

Projected Amortization Periods (in years)

Division Trust Fund	Before the Automatic Adjustment	After the Automatic Adjustment
State	23	20
School	26	22
Local Government	11	8
Judicial	8	7
DPS	8	7

We understand these changes are difficult for our members, retirees, and employers. However, with the ability to respond quickly to the AAP when indicating the need for adjustment(s), PERA is better positioned to keep on track to full funding by 2047 without awaiting legislative action.

Ron Baker
Colorado PERA Executive Director

Actuarial Valuation—Financial Reporting

The actuarial valuations performed for financial reporting purposes are prepared in accordance with governmental accounting standards. Pension liabilities, other postemployment benefit (OPEB) liabilities, and other related amounts calculated in accordance with these standards emphasize the costs incurred by PERA-affiliated employers for providing benefits to their employees as part of the employment-exchange process. These amounts are required by governmental accounting standards to be reported in the financial statements of PERA-affiliated employers.

Assets are required to be stated at fair value and the liabilities are determined using a consistent, standardized methodology, which allows for transparency and the comparability of amounts calculated for financial accounting and reporting purposes across U.S. governmental defined benefit pension and OPEB plans.

The tables below contain a summary of the results of the actuarial valuations for financial reporting purposes. The total net pension liability is $25.6 billion for the Division Trust Funds. More information about the actuarial valuations for financial reporting purposes can be found in the Financial Section of PERA's *Annual Report*.

Status of Colorado PERA–Pension

As of December 31, 2020

Trust Fund	Ratio of Fiduciary Net Position to Total Pension Liability
State Division	65.3%
School Division	67.0%
Local Government Division	90.9%
Judicial Division	87.1%
DPS Division	90.5%

Status of Colorado PERA–OPEB

As of December 31, 2020

Trust Fund	Ratio of Fiduciary Net Position to Total OPEB Liability
Health Care	32.8%
DPS Health Care	65.4%

Components of Net Pension and Net OPEB Liabilities[1]

Division Trust Funds[2]	12/31/2020	Health Care Trust Funds[2]	12/31/2020
Total pension liability	$83.9 billion[3]	Total OPEB liability	$1.5 billion[3]
Fiduciary net position	$58.3 billion	Fiduciary net position	$507 million
Net pension liability	$25.6 billion	Net OPEB liability	$973 million
Fiduciary net position as a percentage of the total pension liability	69.5%	Fiduciary net position as a percentage of the total OPEB liability	34.2%

[1] Based on the actuarial valuations performed for financial reporting purposes.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

[3] A 7.25% rate was used to discount all pension and OPEB liabilities.

▸ Please see the back cover for a glossary of key terms used in this *PAFR*.

Funding a retirement program is a long-term commitment, and it's important to remember that all benefits are not payable and due at once. One of PERA's stated funding objectives is to be able to pay long-term benefit promises through contributions that remain relatively level from year to year as a percent of salaries earned by members. This means that each year, members and employers pay their share for benefit service accrued in that year.

A primary measure of a pension fund's health is its funded ratio. This ratio represents the plan assets as a percentage of the plan liabilities, or in other words, the measurement compares the assets available to the benefits that must be paid. To the extent promised benefits outweigh the current assets, there exists an unfunded actuarial accrued liability.

PERA's liabilities are determined at the end of each year by the Board's actuary. The actuary performs a study, or a valuation, to estimate these long-term costs or liabilities. The liabilities of PERA are determined based on assumptions the Board selects, most recently updated in 2020, which include the following:

• Life expectancy of retirees receiving benefits

• Future salary increases for working members

• Price and wage inflation

• Rate of return for PERA's investments (reaffirmed by the Board in 2019)

The information shown in the next two tables is based on the annual actuarial valuation performed for funding purposes, is produced as of the last day of the plan year, reflects revised economic and demographic actuarial assumptions, and does not consider anticipated growth in active membership or future contributions. The table below shows the funded status and the amortization periods for each defined benefit trust fund as of December 31, 2020. The amortization periods shown below convey one method of estimating how long it will take to pay off the unfunded actuarial accrued liabilities.

Funded Status of Colorado PERA[1]

Based on Current Funding as of December 31, 2020

Trust Fund	Funded Ratio[2]	Amortization Period with Future Contribution Rate Increases
State Division	59.1%	33 Years
School Division	60.6%	43 Years
Local Government Division	82.4%	29 Years
Judicial Division	78.7%	13 Years
DPS Division	81.2%	16 Years
Health Care	30.3%	18 Years
DPS Health Care	60.8%	4 Years

[1] Results reflect the impact of the revised actuarial assumptions.

[2] Funded ratio based on actuarial value of assets.

The table below provides comparative results of the actuarial valuation as of December 31, 2020, and December 31, 2019.

Aggregate Funded Status[1]

	12/31/2020	12/31/2019
Division Trust Funds[2]		
Actuarial accrued liability[3]	$83.3 billion	$78.2 billion
Assets held to pay those liabilities[4]	$52.3 billion	$48.4 billion
Unfunded actuarial accrued liability	$31.0 billion	$29.8 billion
Funded ratio	62.8%	61.9%
Health Care Trust Funds[2]		
Actuarial accrued liability[3]	$1.5 billion	$1.5 billion
Assets held to pay those liabilities[4]	$470 million	$380 million
Unfunded actuarial accrued liability	$1.0 billion	$1.1 billion
Funded ratio	31.7%	25.1%

[1] Based on the actuarial valuations performed for funding purposes.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

[3] Based upon an assumed rate of return on investments of 7.25 and an assumed rate of 7.25% to discount the liabilities to be paid in the future.

[4] The actuarial value of assets is a smoothed market-related value, calculated by spreading any market gains or losses, above or below the assumed rate of return, over a four-year period.

To better understand the condition and sustainability of the Division Trust Funds, PERA's actuaries also perform actuarial projections on each division using the same underlying actuarial assumptions used in the actuarial valuation for funding purposes to estimate the number of years it takes to become fully funded. Unlike the actuarial valuation for funding purposes, the projections consider anticipated growth in active membership and future contributions. The results of these projections can be found on page 3.

Another way of understanding PERA's financial condition is a "signal light" methodology that was adopted by the State Legislature in 2015 and further enhanced by the Board in 2019 to incorporate stochastic rather than deterministic modeling. The stochastic model better reflects actual market activity including the effect of the timing and order of investment returns. Under this methodology, PERA's funded status is categorized based on an expanded spectrum of signal light colors ranging from dark green to dark red, with dark green indicating a well-funded position to dark red, indicating potential insolvency in the near future. PERA updates the signal light indicators each year, following the release of its *Annual Report*. Recognizing the plan experience as of the December 31, 2020, actuarial valuation, including the effect of revised actuarial assumptions, and AAP adjustments that go into effect July 1, 2022, the signal light designation is dark green for the State, Local Government, Judicial, and DPS Divisions, and green for the School Division.

Investment Performance

(Performance returns are time-weighted and net-of-fees unless otherwise noted; does not include the two Defined Contribution and Deferred Compensation Plans.)

Investment portfolio income is a significant source of revenue to PERA. The Investment Committee, a subcommittee of the Board, is responsible for assisting the Board in overseeing PERA's investment program.

For the year ended December 31, 2020, PERA's total fund returned 17.4% net-of-fees, outperforming the policy benchmark's return of 14.1%. PERA's annualized rate of return over the last three years was 10.9%, and over the last five years it was 11.6%. Over the last 10 years the annualized rate of return was 9.4%. The 30-year, annualized, gross-of-fees rate of return for the pooled investment assets was 9.1%.

PERA's investment strategies reflect our mission, which is to promote long-term financial security for our membership while maintaining the stability of the fund. Specifically, the fund is to be broadly diversified across and within asset classes to limit the volatility of the total fund investment returns and limit the impact of large losses on individual investments.

The Board sets the ranges and targets for each asset class in PERA's investment portfolio.

PERA makes every effort to ensure its investment program produces competitive performance at a low cost. Investment expenses for 2020 were less than one-third of one percent of the total assets under management, or 32.3 basis points. By judiciously combining internal and external management of PERA's investment portfolio, PERA is able to invest at a relatively low cost.
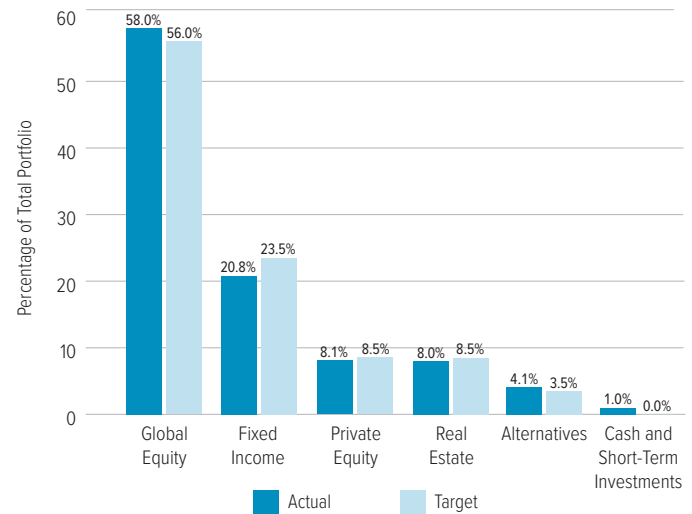
Investment Expenses

	2020
Global Equity	$26,659,000
Fixed Income	8,000
Private Equity	61,422,000
Real Estate	45,832,000
Alternatives	28,963,000
Cash and Short-Term Investments	276,000
Total External Manager Expenses	**163,160,000**
Internal Manager Expenses	24,111,000
Other Investment Expenses and Custody Fees	2,274,000
Total Pension, HC and Life Insurance Investment Expenses	**189,545,000**
DC Plans Investment Expenses	2,975,000
Total Investment Expenses	**$192,520,000**

The charts below detail the asset allocation for the PERA investment portfolio as well as PERA's investment returns compared to its policy benchmark and the BNY Mellon Performance and Risk Analytics' and Investment Metrics' Median Public Fund Universe.
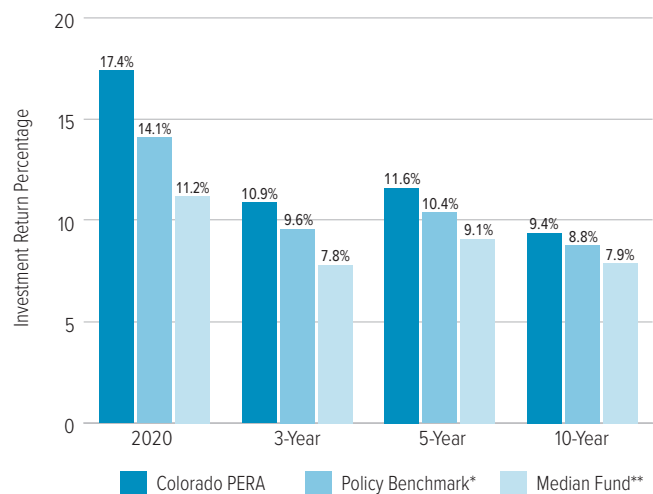
Asset Allocation and Targets
As of December 31, 2020

Bar chart of Percentage of Total Portfolio (Actual vs Target):
- Global Equity: 58.0% Actual, 56.0% Target
- Fixed Income: 20.8% Actual, 23.5% Target
- Private Equity: 8.1% Actual, 8.5% Target
- Real Estate: 8.0% Actual, 8.5% Target
- Alternatives: 4.1% Actual, 3.5% Target
- Cash and Short-Term Investments: 1.0% Actual, 0.0% Target

Comparison of Colorado PERA Fund Investment Return (Annualized)
As of December 31, 2020

Bar chart of Investment Return Percentage (Colorado PERA, Policy Benchmark*, Median Fund**):
- 2020: 17.4%, 14.1%, 11.2%
- 3-Year: 10.9%, 9.6%, 7.8%
- 5-Year: 11.6%, 10.4%, 9.1%
- 10-Year: 9.4%, 8.8%, 7.9%

* PERA's policy benchmark is a passive representation of the asset allocation policy adopted by the Board.

** BNY Mellon Performance and Risk Analytics' and Investment Metrics' Median Public Fund Universe is comprised of 116 public pension funds with assets of approximately $3.1 trillion.

PERA is a large contributor to the Colorado economy beyond benefit payments with investments that provide jobs and services that boost the state's economy. Recognizing the opportunities present in Colorado, PERA has more than $808 million invested in Colorado-based companies, partnerships, and assets. Ultimately, these investments are an economic stimulus, which strengthen the state's economy.

PERA's Colorado investments include equity of companies headquartered in Colorado in both established (publicly traded) companies as well as entrepreneurial businesses that rely on private equity capital for growth and expansion; bonds issued by Colorado companies; real estate investments held through direct ownership and pooled investment capital; and partnership investments held within Alternatives that are located or headquartered in Colorado. PERA also employs investment managers with operations and employees in the state.

Profile of Investments in Colorado

As of December 31, 2020

	Fair Value
Public Equity[1]	$170,282,000
Fixed Income[1]	14,358,000
Real Estate	
Portfolio investments[2]	148,999,000
Future commitments to Colorado-based general partnerships or funds	47,265,000
Total Real Estate	196,264,000
Private Equity	
Portfolio investments[2]	139,225,000
Future commitments to Colorado-based general partnerships or funds	38,096,000
Total Private Equity	177,321,000
Alternatives	
Portfolio investments[2]	154,274,000
Future commitments to Colorado-based general partnerships or funds	95,885,000
Total Alternatives	250,159,000
Total	**$808,384,000**

[1] Companies headquartered in Colorado.

[2] Portfolio investments domiciled in Colorado.

Diversification of Investments in Colorado

Private Equity 21.9%
Real Estate 24.3%
Fixed Income 1.8%
Public Equity 21.1%
Alternatives 30.9%
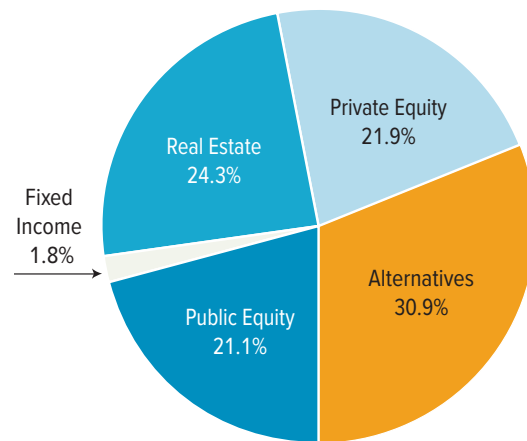
Facts About Colorado PERA Investments

- As PERA's assets have grown, the competitive advantage of using in-house investment professionals has also increased, saving PERA over $60 million in 2020

- The Total Fund has outperformed the policy benchmark since its adoption in April 2004

- More than 63% of assets managed internally

- More than $808 million invested in Colorado companies as of December 31, 2020

- 9.1% annualized 30-year return (gross-of-fees)

- 54 investment team members

Financial Summary

The comparative information below includes all funds—the Division Trust Funds, Voluntary Investment Program, Defined Contribution Plan, Deferred Compensation Plan, Health Care Trust Funds, and Life Insurance Reserve.

Summary Comparative Combined Statement of Fiduciary Net Position

The Comparative Combined Statement of Fiduciary Net Position is a summary of the net assets available to pay future benefit payments at the end of December.

	2020	2019
Total Assets	$67,372,960,000	$58,874,481,000
Total Liabilities	2,932,737,000	1,749,966,000
Fiduciary Net Position	**$64,440,223,000**	**$57,124,515,000**

Summary Comparative Combined Statement of Changes in Fiduciary Net Position

The Comparative Combined Statement of Changes in Fiduciary Net Position shows the inflows (contributions, investment income) and outflows (benefits paid, plan administration costs) during the year. During 2020, total contributions and investment income added $12.7 billion to the fiduciary net position. Benefits and expenses reduced the fiduciary net position by $5.4 billion.

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Additions		
Employer Contributions	$1,977,103,000	$1,875,205,000
Nonemployer Contributions	—	225,000,000
Member Contributions	1,165,294,000	1,034,878,000
Purchased Service	75,623,000	66,453,000
Employer Disaffiliation	—	—
Net Investment Income	9,462,673,000	9,903,305,000
Other	23,199,000	20,341,000
Total Additions	12,703,892,000	13,125,182,000
Deductions		
Benefit Payments[1]	4,825,842,000	4,708,541,000
Health Care Benefits	56,109,000	61,865,000
Refunds	421,933,000	444,974,000
Disability and Life Insurance Premiums	4,776,000	6,641,000
Administrative Expenses	58,580,000	54,853,000
Other	20,944,000	17,641,000
Total Deductions	5,388,184,000	5,294,515,000
Net Change	7,315,708,000	7,830,667,000
Fiduciary Net Position—Beginning of Year	57,124,515,000	49,293,848,000
Fiduciary Net Position—End of Year	**$64,440,223,000**	**$57,124,515,000**

[1] Reflects benefit payments for the Defined Benefit pension plans only.

Membership in PERA's Defined Benefit (DB) Plan includes employees of the State of Colorado, all school districts, the judicial system, and many municipalities, special districts, and other local government entities. All employees of PERA-affiliated employers who work in a position eligible for PERA membership must be covered by PERA, except for employees who are hired into a position that makes them eligible for a choice between enrolling in the PERA DB Plan or the PERA Defined Contribution Retirement Plan (PERAChoice). Some positions at PERA-affiliated employers are not eligible for PERA membership and may be covered by another separate retirement program.

Colorado PERA Active Members

As of December 31, 2020

| Division	Active Members	Average Age	Average Years of Service	Average Annual Salary
State (Non-Troopers)	52,152	45.6	9.1	$56,950
State Troopers	1,491	39.0	7.8	$79,896
School	119,421	44.7	9.1	$43,092
Local Government	12,743	44.7	7.7	$54,713
Local Government (Non-Troopers)	14	37.5	1.2	$60,678
Judicial	344	54.6	12.7	$159,244
DPS	14,693	41.0	7.2	$52,498

Colorado PERA Retirees[1]

For the Year Ended December 31, 2020

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Average monthly benefit	$3,393	$3,067	$3,201	$6,123	$3,284
Average age at retirement	58.7	59.0	58.8	62.3	59.5
Average age	72.4	72.2	70.4	74.9	74.8
Average years of service at retirement	22.6	23.0	21.2	23.2	23.8
Average age at death	81.0	81.7	79.0	87.9	83.6

[1] Includes disability retirements, but not survivor benefits.

Colorado PERA Membership

- Retirees and Beneficiaries 128,133
- Inactive Members 302,114
- Active Members 200,858
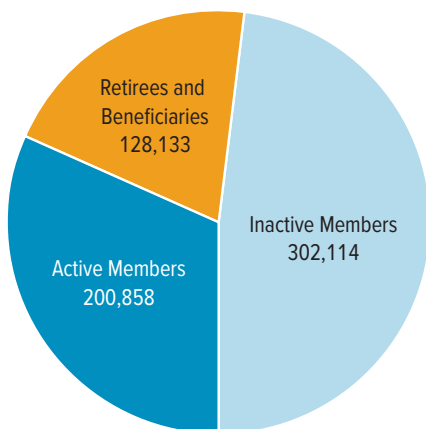
Largest Participating Employers

As of December 31, 2020

Employer	Covered Active Members
State of Colorado	49,988
Denver Public School District No. 1	14,693
Jefferson County School District R-1	11,391
Douglas County School District Re 1	8,401
Cherry Creek School District 5	7,582
Adams–Arapahoe School District 28J	5,721
Adams 12 Five Star Schools	4,923
Boulder Valley School District RE2	4,269
St. Vrain Valley School District RE1J	4,216
Poudre School District R-1	4,181
All other employers	85,493
Total	**200,858**

During the 2020 legislative session, four bills affecting PERA were introduced and all were signed into law.

House Bill 20-1127: Extend Public Employees' Retirement Association Retiree Work After Retirement Limit

Governor Polis signed this bill into law on July 13, 2020, and it allows Boards of Cooperative Educational Services (BOCES) to hire PERA retirees to work in certain roles where there is a critical shortage of qualified providers without reductions to their PERA retirement benefits. The bill modifies the current PERA working after retirement provisions for certain retirees hired by a BOCES.

The PERA Board did not take a position on this bill.

House Bill 20-1379: Suspend Direct Distribution To PERA Public Employees' Retirement Association For 2020–21 Fiscal Year

Governor Polis signed this bill into law on June 29, 2020. This bill suspended the annual direct distribution to PERA from the State for the 2020-21 fiscal year. As provided under SB 18-200, PERA receives an annual distribution from the State, which is currently set at $225 million, until PERA is fully funded.

The PERA Board, as fiduciaries and pursuant to their funding policy, opposes reductions in contributions to PERA while PERA has unfunded liabilities.

House Bill 20-1394: Public Employees' Retirement Association Judicial Division Contribution Rate Modification

Governor Polis signed this bill into law on June 29, 2020, and it decreases the employer contribution rate for the Judicial Division by 5.0% for the 2020-21 and 2021-22 State fiscal years. For those same fiscal years, the member contribution rate for the Judicial Division increases by 5.0%. The contribution rates for the Judicial Division will continue to be subject to the automatic adjustment provisions in PERA law.

The PERA Board, as fiduciaries and pursuant to their funding policy, opposes reductions in contributions to PERA while PERA has unfunded liabilities, and member contributions have refund provisions that do not apply to employer contributions.

Senate Bill 20-057: Fire Prevention & Control Employee Benefits

Governor Polis signed this bill into law on June 29, 2020, and it reclassifies wildfire firefighters employed by the State as "State Troopers," which adjusts their contribution rates and retirement benefits to match other Safety Officers (i.e., State Troopers, CBI Agents, certain corrections officers, and certain county sheriffs, undersheriffs, deputy sheriffs).

*The PERA Board did not take a position on this bill.*

▶ For more on these bills go to www.peraontheissues.com.

Outstanding Achievement in Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to PERA for its *Popular Annual Financial Report* for the year ended December 31, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. PERA has received a Popular Award for the last 18 consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.
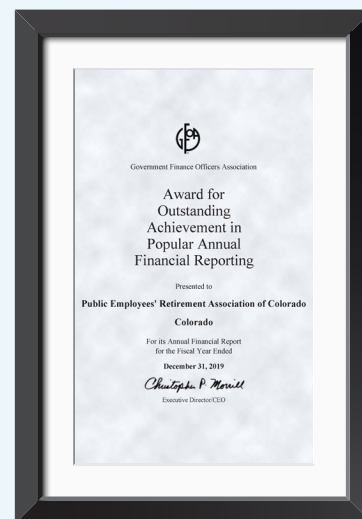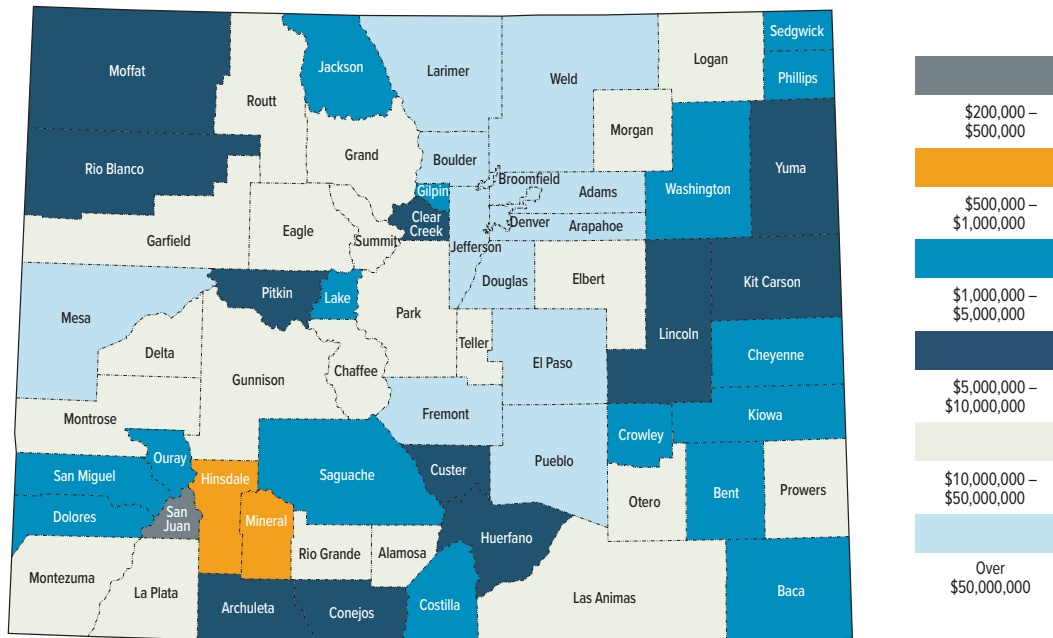
This *Popular Annual Financial Report (PAFR)* is derived from information contained in PERA's 2020 *Comprehensive Annual Financial Report (Annual Report)*; however this *PAFR* is not presented in a manner that conforms with generally accepted accounting principles (GAAP). Information in this *PAFR* is presented in a summarized format for purposes of reader appeal and certain financial information and note disclosures are omitted. Readers may obtain additional detail from PERA's *Annual Report,* which conforms with GAAP and is available on our website at www.copera.org. Alternatively, readers may request a copy of the *Annual Report* from PERA's Customer Service Center.

PERA has a large impact throughout Colorado. In addition to creating jobs through the investment of PERA trust fund dollars in many Colorado-based companies, PERA contributes to the state's economy by providing pension and health care benefits to PERA participants. In 2020, PERA paid over $4.8 billion in pension benefits, and, of that, $4.2 billion was paid to 107,745 PERA retirees living in Colorado. PERA retirement benefits represent a steady stream of income in every county in Colorado.

Legend:
- $200,000 – $500,000
- $500,000 – $1,000,000
- $1,000,000 – $5,000,000
- $5,000,000 – $10,000,000
- $10,000,000 – $50,000,000
- Over $50,000,000

County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2020 (Actual Dollars)	County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2020 (Actual Dollars)	County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2020 (Actual Dollars)
Adams	6,095	$220,549,428	Fremont	2,111	$74,948,959	Morgan	750	$22,104,925
Alamosa	598	20,911,521	Garfield	913	33,564,253	Otero	661	21,506,081
Arapahoe	9,881	410,230,178	Gilpin	110	3,869,972	Ouray	140	4,645,586
Archuleta	215	6,513,339	Grand	297	11,324,482	Park	341	11,135,573
Baca	132	3,374,557	Gunnison	317	12,701,762	Phillips	126	3,747,299
Bent	116	3,513,154	Hinsdale	15	676,533	Pitkin	127	5,029,251
Boulder	7,077	294,618,538	Huerfano	223	7,215,585	Prowers	355	10,419,470
Broomfield	1,201	51,359,011	Jackson	38	1,134,875	Pueblo	6,554	250,174,003
Chaffee	783	29,029,602	Jefferson	13,496	586,686,295	Rio Blanco	188	5,924,516
Cheyenne	56	1,601,329	Kiowa	48	1,503,801	Rio Grande	414	12,270,229
Clear Creek	232	8,792,022	Kit Carson	202	5,759,555	Routt	409	15,643,701
Conejos	299	9,395,597	La Plata	1,223	45,134,225	Saguache	121	3,425,946
Costilla	108	3,367,383	Lake	158	4,822,176	San Juan	14	472,845
Crowley	112	3,522,778	Larimer	7,999	318,803,378	San Miguel	94	3,036,562
Custer	183	6,788,916	Las Animas	524	16,332,643	Sedgwick	78	2,097,944
Delta	918	28,934,257	Lincoln	185	6,433,181	Summit	264	11,994,242
Denver	8,752	377,819,292	Logan	738	23,763,634	Teller	648	23,495,990
Dolores	49	1,448,367	Mesa	3,949	140,524,081	Washington	153	4,396,326
Douglas	4,847	203,976,011	Mineral	24	749,196	Weld	5,688	212,653,257
Eagle	388	14,829,029	Moffat	254	8,218,430	Yuma	242	6,615,886
El Paso	13,135	500,912,405	Montezuma	665	18,688,190	**Total**	**107,745**	**$4,213,169,403**
Elbert	551	19,615,286	Montrose	1,161	38,422,565			

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Glossary of Key Terms

The following terms are used in this *PAFR* and are defined below.

Actuarial Accrued Liability—The present value of promised pension benefits for service earned as of the valuation date.

Actuarial Assumptions—Estimates used to forecast uncertain future events affecting future benefits or costs to PERA. Examples include investment rate of return, inflation, payroll growth, and mortality.

Actuarial Valuation—A study performed by an actuary to estimate PERA's long-term costs and determine contribution recommendations based on the PERA Board's funding policies.

Amortization Period—The amount of time to pay off unfunded liabilities considering PERA's statutory contribution rates.

Assets—Items such as cash and investments that are held for the purpose of paying and administering benefits.

Asset Allocation—The long-term mix of assets that the PERA Board has determined represents the most appropriate diversification of assets to meet the risk and return objectives of the plan.

Fiduciary Net Position—PERA's assets minus liabilities other than retirement benefits owed.

Funded Status—A comparison of the assets to the liabilities or benefit obligations owed to members for service.

Interim Asset Allocation—An asset mix designed to bridge the gap from the prior asset allocation to the long-term asset allocation as revised and adopted by the PERA Board, allowing for a reallocation of assets over time.

Net Pension/OPEB Liability—
The difference between the present value of projected benefits for earned service and the assets set aside to pay these benefits; determined as required by governmental accounting standards.

Unfunded Actuarial Accrued Liability—
The difference between the present value of projected benefits for earned service and the assets set aside to pay these benefits based on the PERA Board's funding policy.