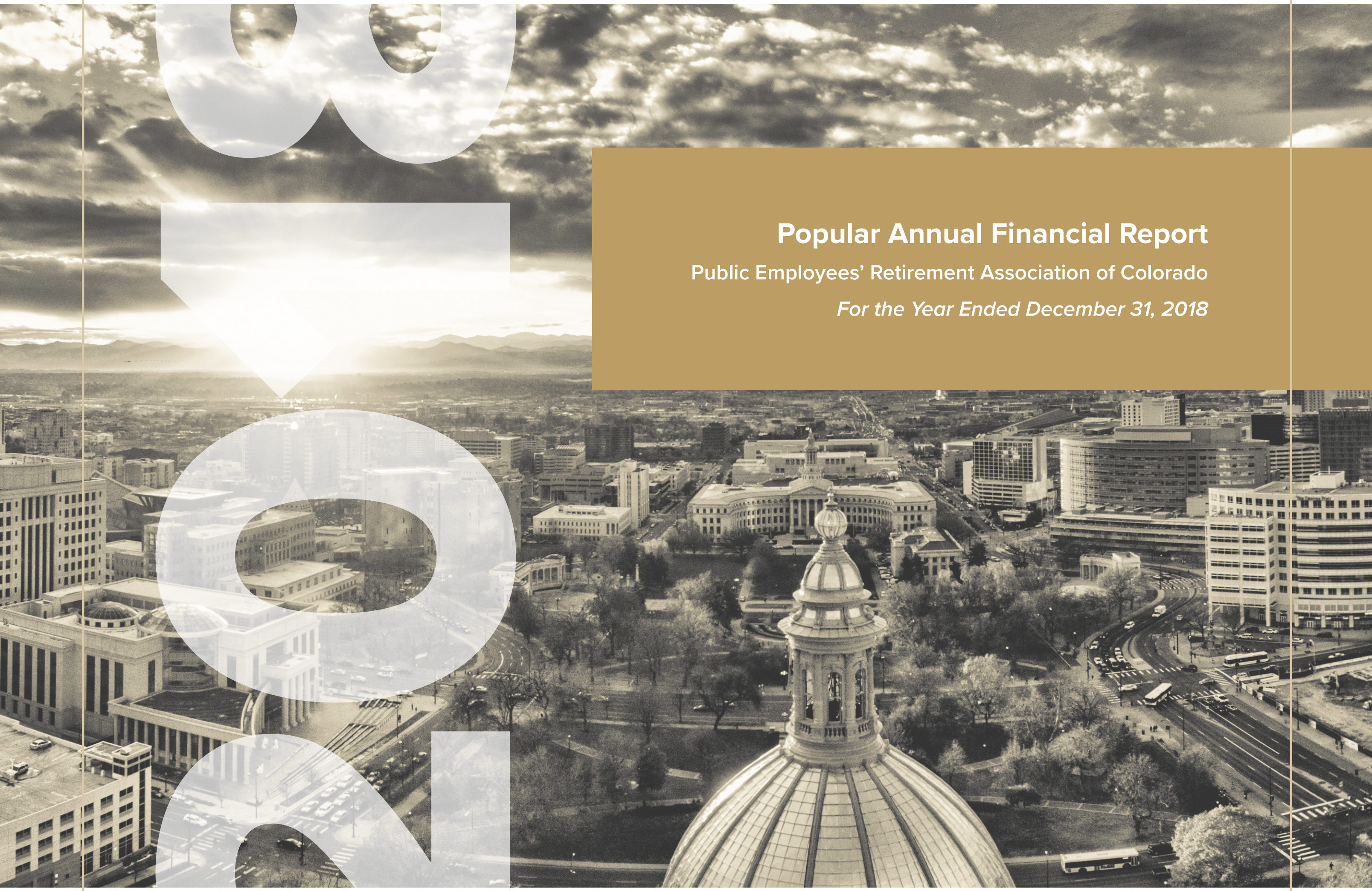
COLORADO PERA®



Popular Annual Financial Report

Public Employees' Retirement Association of Colorado

For the Year Ended December 31, 2018

EMBRACING CHANGE

to position PERA for the future

MESSAGE FROM THE EXECUTIVE DIRECTOR

Ron Baker
Executive Director

I am pleased to present Colorado PERA's *Popular Annual Financial Report (PAFR)* for the year ended December 31, 2018.

This *PAFR* is a reader-friendly summary of information derived from PERA's *Comprehensive Annual Financial Report (CAFR),* but it is not presented in a manner which conforms with generally accepted accounting principles (GAAP). PERA's *CAFR* is produced to conform with GAAP and is available on our website at https://www.copera.org/sites/default/files/documents/5-20-18.pdf or by requesting a copy from PERA's Customer Service Center.

Our year was highlighted by the passage of Senate Bill 200 (SB 18-200), which enacted broad changes to the plan to ensure PERA's continued sustainability. As always, PERA's efforts are designed to strategically position the organization for any upcoming challenges and opportunities, and thus solidify retirement security for Colorado's public employees.

We live, work, and invest in ever-changing times, and understand that change can be unsettling. We believe, however, that only through change can PERA continue to evolve to meet the demands of new circumstances and new challenges. And, evolution is the only way to ensure retirement security for Colorado's public workforce. At the core, the legislative changes that came to fruition last year sought to strike a balance between preserving PERA's retirement benefits and ensuring its long-term viability.

We understand implementing the changes in SB 18-200 is not easy, but is essential for the health and well-being of the fund and the PERA membership. By increasing funding levels and reducing costs, these legislative changes create more resilience for the plan by shortening the period of time to achieve full funding. In doing so, PERA will be better able to continue to offer its Defined Benefit (DB) Plan, which remains one of the most competitive plans in the country.

Being mindful of our role as fiduciary and steward, PERA takes seriously our responsibility to safeguard the fund today and well into the future. As such, we employ long-term investment strategies that help us manage periodic turbulence. We understand—and expect—that there will be fluctuations in the market. This was the case in 2018, a difficult year for most institutional and individual investors that yielded low investment returns. For the year ended December 31, 2018, the defined benefit funds had a time-weighted rate of return of negative 3.5 percent net-of-fees.

To ensure the fund's ongoing progress toward funding goals, SB 18-200 included provisions to help strengthen PERA's ability to adapt to changes in market conditions and demographics.

Most notably, SB 18-200 included an innovative automatic adjustment provision that acts as a "guard rail" to keep the fund on its 30-year path to full funding. This provision makes adjustments in four components: member contributions, employer contributions, the direct distribution from the State, and the annual increase (AI) paid to retirees. If the fund gets ahead of or falls behind the goal, adjustments will be made to these four components to help put PERA back on track.

The amount of each of these adjustments is not fixed and depends on the gap between total expected contributions and total required contributions. There are limits to these adjustments in terms of the amount that can be changed in a single year and over any period of time. In any given year when PERA is behind schedule, contributions can only be adjusted by 0.50 percent and cannot exceed an additional 2 percent to the scheduled contribution increases that will culminate in 2021. Conversely, if PERA is ahead of its funding target, contributions could be reduced but not below 2018 rates. Similarly, the AI can only be adjusted by 0.25 percent in any single year and cannot fall below 0.50 percent if PERA is behind schedule. If PERA is ahead of its funding target, the AI could be restored to 2 percent.

These are powerful levers that will help ensure PERA's continued progress toward its funding goals. This provision, and the passage of the law in general, has already proven to be timely given the market's volatility in 2018. In July 2020, the automatic adjustment increments will be fully implemented, meaning employee and employer contributions will increase by 0.50 percent and the AI will be reduced by 0.25 percent, with no anticipated change to the direct distribution. These increases are in addition to contribution increases scheduled as part of SB 18-200.

To better illustrate the effect of the corrective actions invoked by the automatic adjustment provision, please see the table below which provides a side-by-side comparison, for each division, of the projected amortization periods, in years (considering 2018 experience), before and after the adjustments.

Division Trust Fund	Before the Automatic Adjustment	After the Automatic Adjustment
State	33	28
School	41	34
Local Government	40	29
Judicial	24	21
Denver Public Schools (DPS)	20	17

Continued on page 3

The activation of the automatic adjustment provision demonstrates that the legislation is working as intended. A stable PERA fund is still one of the best ways for public service employers to recruit and retain an exceptional workforce that improves the quality of life for all Coloradans in countless ways.

Over the past year, PERA has undergone significant changes and it's with a focus on the future that the PERA Board finalized a five-year strategic plan after rigorous inquiry and deliberations. The PERA Board and staff spent much of 2018 examining the internal and external environment, discussing issues that impact our members, and charting a course for the future of PERA. This strategic plan sets priorities and serves as a roadmap for the future of the organization.

As part of that plan, PERA will be focusing on improving the way it delivers service to the membership. To that end, PERA will be conducting an extensive research and engagement effort to better understand what our members need and when they need it, at every stage in their career. Armed with insights from our members, we will continue to endeavor to provide not only high-quality service but also service that is highly relevant.

While there are many changes underway at PERA, some things remain constant. We remain highly committed to serving our members by providing one of the most competitive defined benefit and defined contribution retirement plans in the country. We remain committed to ensuring the long-term sustainability of the plan. And, we remain committed to ensuring that all stakeholders have access to the information they need when they need it. We are indeed *Embracing Change* and doing so with the goals of ensuring resilience of the plan and preserving security.

Ron Baker
Colorado PERA Executive Director

Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Colorado Public Employees' Retirement Association

For its Annual Financial Report for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill
Executive Director/CEO

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, 2017. 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 16 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 2018 *Comprehensive Annual Financial Report (CAFR);* however this *PAFR* is not presented in a manner which 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 *CAFR* which conforms with GAAP and is available on our website at www.copera.org. Alternatively, readers may request a copy of the *CAFR* from PERA's Customer Service Center.

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 of $31.5 billion for the Division Trust Funds is $0.5 billion higher than the total unfunded actuarial accrued liability shown on page 5 calculated for purposes of funding PERA.

More information about the actuarial valuations for financial reporting purposes can be found in the Financial Section of PERA's *CAFR*.

Status of Colorado PERA–Pension

As of December 31, 2018

Trust Fund	Ratio of Fiduciary Net Position to Total Pension Liability
State Division	55.1%
School Division	57.0%
Local Government Division	76.0%
Judicial Division	68.5%
DPS Division	75.7%

Status of Colorado PERA–OPEB

As of December 31, 2018

Trust Fund	Ratio of Fiduciary Net Position to Total OPEB Liability
Health Care	17.0%
DPS Health Care	34.7%

Components of Net Pension and Net OPEB Liabilities[1]

Division Trust Funds[2]	12/31/2018
Total pension liability	$76.4 billion[3]
Fiduciary net position	$44.9 billion
Net pension liability	$31.5 billion
Fiduciary net position as a percentage of the total pension liability	58.8%

Health Care Trust Funds[2]	12/31/2018
Total OPEB liability	$1.7 billion[3]
Fiduciary net position	$303 million
Net OPEB liability	$1.4 billion
Fiduciary net position as a percentage of the total OPEB liability	17.7%

[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] The rates used to discount the liabilities were 7.25 percent.

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 status. This measurement is shown as a ratio, which 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 2016, which include the following:

- Life expectancy of retirees receiving benefits
- Future salary increases for working members
- Inflation
- Rate of return for PERA's investments

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, 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, 2018. 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, 2018

Trust Fund	Funded Ratio[2]	Amortization Period with Future Contribution Rate Increases
State Division	56.1%	35 Years
School Division	57.9%	37 Years
Local Government Division	77.7%	37 Years
Judicial Division	70.6%	23 Years
DPS Division	76.8%	Infinite
Health Care	19.5%	25 Years
DPS Health Care	36.0%	8 Years

[1] Results reflect the impact, to the extent applicable, of changes to plan provisions enacted through SB 18-200.

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

The table below provides comparative results of the actuarial valuation as of December 31, 2017, and December 31, 2018.

Aggregate Funded Status[1]

	12/31/2018	12/31/2017
Division Trust Funds[2]		
Actuarial accrued liability[3]	$77.0 billion	$74.4 billion
Assets held to pay those liabilities[4]	$46.0 billion	$45.6 billion
Unfunded actuarial accrued liability	$31.0 billion	$28.8 billion
Funded ratio	59.8%	61.3%
Health Care Trust Funds[2]		
Actuarial accrued liability[3]	$1.5 billion	$1.7 billion
Assets held to pay those liabilities[4]	$313 million	$281 million
Unfunded actuarial accrued liability	$1.2 billion	$1.4 billion
Funded ratio	20.2%	17.0%

[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 percent and an assumed rate of 7.25 percent 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 2.

Another way of understanding PERA's financial condition is a "signal light" methodology that was adopted by the State Legislature in 2015. 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 *CAFR*. As of December 31, 2018, the signal light designation is green for the State and Local Government Divisions, light green for the School Division, and dark green for the Judicial and DPS Divisions.

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.

Like most investors worldwide, PERA was not exempt from market declines in 2018. For the year ended December 31, 2018, the total fund had a rate of return of negative 3.5 percent.

PERA's annualized rate of return over the last three years was 6.9 percent, and over the last five years it was 5.6 percent. Over the last 10 years the annualized rate of return was 8.8 percent. The 30-year, annualized, gross-of-fees rate of return for the pooled investment assets was 8.5 percent.

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 2018 were less than one-half of one percent of the total assets under management, or about 37 basis points. By judiciously combining internal and external management of PERA's investment portfolio, PERA is able to invest at a relatively low cost.

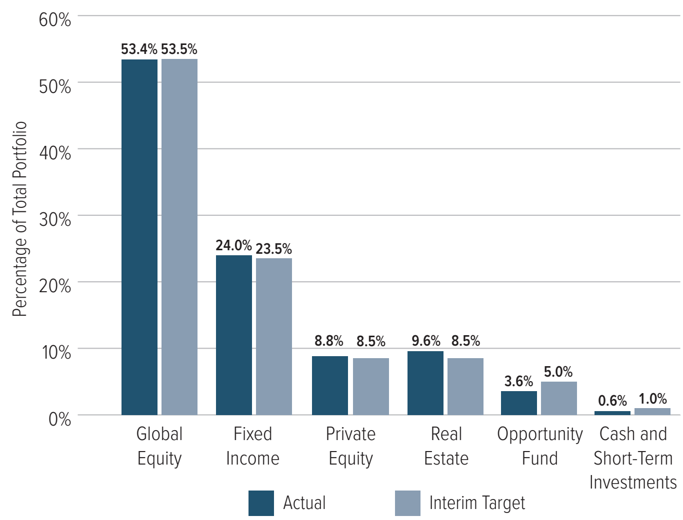
Investment Expenses

	2018
Global Equity	$27,885,000
Fixed Income	2,585,000
Private Equity	54,183,000
Real Estate	44,669,000
Opportunity Fund	17,875,000
Cash and Short-Term Investments	470,000
Total External Manager Expenses	**147,667,000**
Internal Manager Expenses	18,688,000
Other Expenses and Custody Fees	1,838,000
Total Investment Expenses	**$168,193,000**

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.

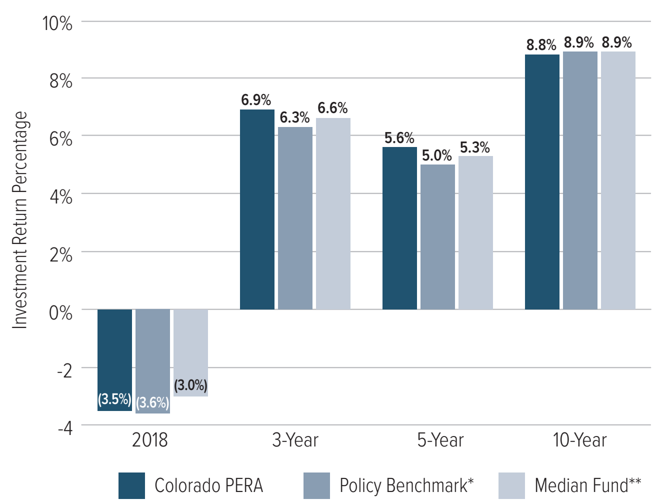
Asset Allocation and Interim Targets

As of December 31, 2018



Comparison of Colorado PERA Fund Investment Return (Annualized)

As of December 31, 2018



* The PERA Board of Trustees adopted a policy benchmark beginning April 1, 2004.

** BNY Mellon Performance and Risk Analytics' and Investment Metrics' Median Public Fund Universe is comprised of 97 public pension funds with assets of approximately $2.3 trillion.

CONTRIBUTING TO COLORADO'S ECONOMY

(Does not include the two Defined Contribution and Deferred Compensation Plans.)

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 $566 million invested in Colorado-based companies, partnerships, and assets.

Ultimately, these investments are an economic stimulus, which strengthen the state's economy.

PERA has Colorado investments within its investment portfolio, which include equity of companies headquartered in Colorado in both established, publicly traded companies, as well as investments in entrepreneurial businesses that rely on private equity capital for growth and expansion. Fixed income investments include bonds issued by the Colorado Housing and Finance Authority as well as bonds issued by other Colorado companies. Real estate investments are by direct ownership and pooled investment capital. PERA also employs investment managers with operations and employees in the state.

Profile of Investments in Colorado

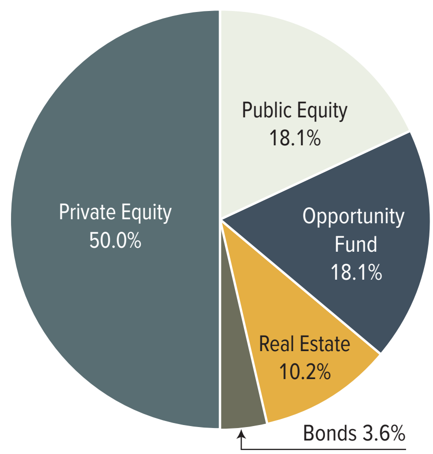
As of December 31, 2018

	Fair Value
Public Equity[1]	$102,690,000
Bonds	
Bonds and notes[1]	15,045,000
Colorado Housing Finance Authority	5,211,000
Total Bonds	20,256,000
Real Estate	57,947,000
Private Equity	
Partnership Investments[2]	190,321,000
Future commitments to Colorado-based general partnerships or funds	93,118,000
Total Private Equity	283,439,000
Opportunity Fund	102,586,000
Total	**$566,918,000**

[1] Companies headquartered in Colorado.

[2] Private equity partnership investments domiciled in Colorado.

Diversification of Investments in Colorado



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 $45 million annually
- The Total Fund has outperformed the policy benchmark since its adoption in April 2004
- 61 percent of assets managed internally
- More than $566 million invested in Colorado companies as of December 31, 2018
- 8.5 percent annualized 30-year return (gross-of-fees)
- 38 investment professionals

FINANCIAL SUMMARY

The comparative information below includes all funds—the Division Trust Funds, Voluntary Investment Program, Defined Contribution Retirement 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.

	2018	2017
Total Assets	$50,728,157,000	$55,362,425,000
Total Liabilities	1,434,309,000	2,015,550,000
Fiduciary Net Position	**$49,293,848,000**	**$53,346,875,000**

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 2018, total contributions and investment income added $1.2 billion to the fiduciary net position. Benefits and expenses reduced the fiduciary net position by $5.2 billion.

	Year Ended December 31, 2018	Year Ended December 31, 2017
Additions		
Employer Contributions	$1,745,340,000	$1,645,104,000
Nonemployer Contributions (Distribution from the State budget)	225,000,000	—
Member Contributions	938,524,000	910,301,000
Purchased Service	61,956,000	67,454,000
Employer Disaffiliation	—	1,159,000
Net Investment Income (loss)	(1,843,563,000)	8,297,895,000
Other	29,169,000	34,987,000
Total Additions	**1,156,426,000**	**10,956,900,000**
Deductions		
Benefit Payments	4,611,125,000	4,458,990,000
Health Care Benefits	65,935,000	108,359,000
Refunds	440,361,000	377,826,000
Disability and Life Insurance Premiums	6,920,000	6,604,000
Administrative Expenses	67,669,000	65,320,000
Other	17,443,000	32,546,000
Total Deductions	**5,209,453,000**	**5,049,645,000**
Net Change	(4,053,027,000)	5,907,255,000
Fiduciary Net Position—Beginning of Year	53,346,875,000	47,439,620,000
Fiduciary Net Position—End of Year	**$49,293,848,000**	**$53,346,875,000**

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, 2018

Division	Active Members	Average Age	Average Years of Service	Average Annual Salary
State (Non-Troopers)	54,623	45.4	8.7	$51,561
State Troopers	888	41.6	12.1	$92,830
School	126,333	44.6	8.4	$37,912
Local Government	13,260	44.1	7.3	$49,849
Judicial	332	56.1	13.7	$152,126
DPS	16,148	40.4	6.2	$44,714

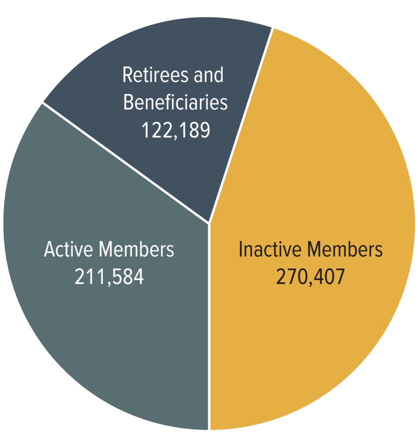
Colorado PERA Retirees[1]

For the Year Ended December 31, 2018

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Average monthly benefit	$3,379	$3,085	$3,187	$5,915	$3,278
Average age at retirement	58.6	58.8	58.6	62.0	59.4
Average age	71.9	71.6	69.7	75.0	74.3
Average years of service at retirement	22.8	23.2	21.4	23.3	24.2
Average age at death	82.7	82.4	79.8	83.2	84.6

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

Colorado PERA Membership



Largest Participating Employers[1]

As of December 31, 2018

Employer	Covered Active Members
State of Colorado	51,113
Denver Public School District No. 1	16,148
Jefferson County School District R-1	12,297
Douglas County School District Re 1	9,003
Cherry Creek School District 5	8,184
Adams–Arapahoe School District 28J	5,374
Adams 12 Five Star Schools	5,242
Boulder Valley School District RE2	4,763
Poudre School District R-1	4,611
St. Vrain Valley School District RE1J	4,532
All other employers	90,317
Total	**211,584**

[1] This schedule was compiled using the definition of an employer as promulgated by governmental accounting standards. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

2018 LEGISLATIVE OVERVIEW

During the 2018 legislative session, two bills affecting Colorado PERA were introduced, one of which was signed into law. The Board takes positions on legislation affecting PERA based on its fiduciary responsibility to act in the best interest of its membership.

Senate Bill 18-200: *Modifications to PERA Public Employees' Retirement Association to Eliminate Unfunded Liability*

This bill has a package of reforms, based largely on a comprehensive set of recommendations from the PERA Board, designed to reduce the overall risk profile of the PERA DB Plan and improve its funded status. SB 18-200 makes the following changes:

Current Members

- Increase the member contribution rate by an additional 2 percent of pay (phased-in beginning July 1, 2019) totaling 10 percent for most members by July 1, 2021.
- Require a three-year wait before receiving the first annual increase (AI).
- Set the AI cap at 1.5 percent.
- Redefine PERA-includable salary to include payouts of unused sick leave.
- Increase to five years the Highest Average Salary (HAS) calculation for nonvested members (those with fewer than five years of service credit as of January 1, 2020); increase to three-year HAS for Judicial Division members who do not have five years of service credit as of January 1, 2020.

Current Retirees

- Set the AI cap at 1.5 percent.
- Suspend the AI for two years (effective for 2018 and 2019).
- Increase the working retiree contribution rate (for retirees working for PERA employers) by an additional 2 percent of pay (phased-in beginning July 1, 2019) totaling 10 percent for most retirees by July 1, 2021.

Employers

- Increase the employer contribution rate by an additional 0.25 percent except for Local Government Division employers, effective July 1, 2019.
- Require contributions on deductions made to cafeteria or qualified transportation plans for new members hired on or after July 1, 2019.
- Redefine PERA-includable salary to include payouts of unused sick leave for all current and future members.

Future Members (starting membership January 1, 2020, or as indicated)

- Increase eligibility requirements (age and service) for full service retirement benefits to age 64 with 30 years of service; age 55 with 25 years of service for a reduced service retirement. (For State Troopers, full service retirement eligibility will increase to age 55 with 25 years of service and age 55 with 20 years of service for reduced service retirement eligibility.)
- Increase the number of years used in the HAS calculation to five years; increase to three-year HAS for Judicial Division members.
- Set the AI cap at 1.5 percent.
- Require a three-year wait before receiving the first AI.
- Increase the member and working retiree contribution rates incrementally by an additional 2 percent of pay for new hires, totaling 10 percent for most members as of July 1, 2021.
- Redefine PERA-includable salary to include payouts of unused sick leave.
- Require contributions on deductions made to cafeteria or qualified transportation plans (applies to new PERA members hired on or after July 1, 2019).
- Expand Defined Contribution Choice (PERAChoice) to employees hired in the Local Government Division on or after January 1, 2019, and to classified college and university employees hired on or after January 1, 2019.

State Direct Distribution

- Receive an annual direct distribution from the State budget of $225 million to the trust funds of the State, School, Judicial, and DPS Divisions, starting July 1, 2018.

Other Provisions

SB 18-200 has additional provisions to ensure PERA remains a stronger and more stable retirement fund:

- Automatic Adjustment Provision
- Legislative Oversight
- Safety Officer Rate and Benefit

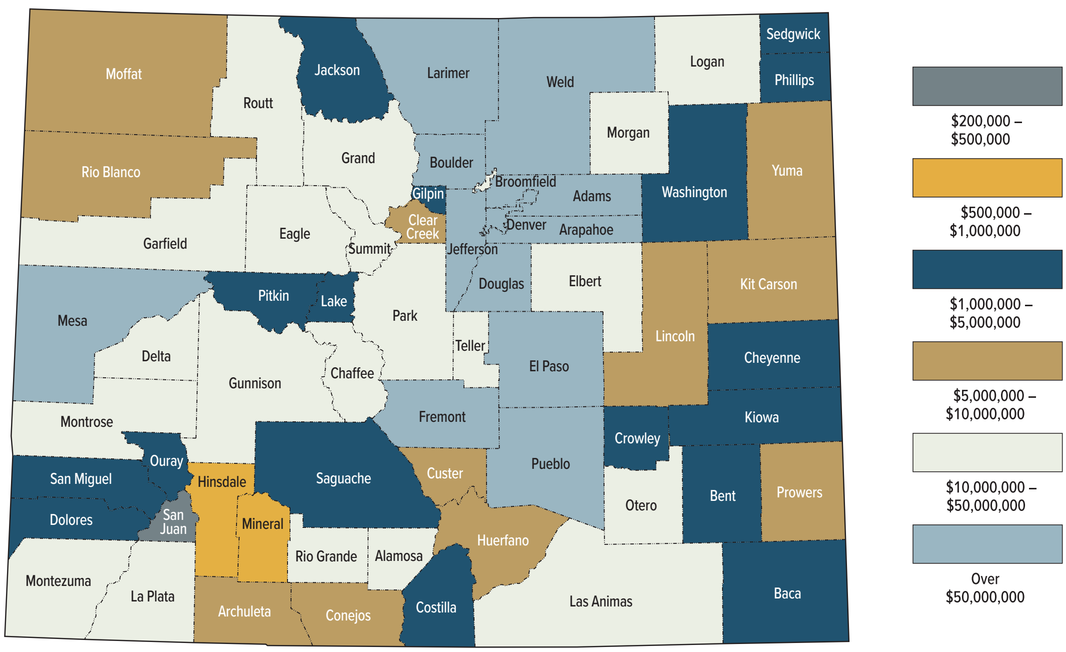
The Board directed staff to be a resource to the bill sponsors as the bill went through the legislative process. The bill was signed into law by Governor Hickenlooper on June 4, 2018.

House Bill 18-1111: *Modification to PERA Board of Trustees*

The Board voted to oppose this bill, and the bill was postponed indefinitely by the House Committee on State, Veterans, & Military Affairs.

PERA covers legislative issues in-depth at www.peraontheissues.com and www.copera.org.

PERA has a large impact on the state of 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 2018, PERA paid over $4.6 billion in pension benefits, and of that, $4.0 billion was paid to 103,294 PERA retirees living in Colorado. PERA retirement benefits represent a steady stream of income in every county in Colorado.



County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2018 (Actual Dollars)
Adams	5,905	$211,691,003
Alamosa	569	19,791,037
Arapahoe	9,651	400,550,751
Archuleta	212	6,339,635
Baca	130	3,364,621
Bent	116	3,411,209
Boulder	6,730	278,084,546
Broomfield	1,133	48,491,120
Chaffee	748	27,898,769
Cheyenne	50	1,450,277
Clear Creek	224	8,832,591
Conejos	286	9,010,496
Costilla	100	3,038,154
Crowley	104	3,332,103
Custer	184	7,042,067
Delta	863	27,637,670
Denver	8,699	374,846,175
Dolores	50	1,451,156
Douglas	4,347	184,372,003
Eagle	351	14,142,554
El Paso	12,570	480,018,128
Elbert	528	18,563,805

County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2018 (Actual Dollars)
Fremont	1,994	$70,634,571
Garfield	852	30,990,582
Gilpin	111	3,996,832
Grand	303	11,146,942
Gunnison	311	12,491,203
Hinsdale	14	678,211
Huerfano	231	7,460,894
Jackson	35	1,035,089
Jefferson	13,054	566,460,513
Kiowa	47	1,446,424
Kit Carson	190	5,552,671
La Plata	1,154	43,716,026
Lake	150	4,546,209
Larimer	7,652	308,090,334
Las Animas	517	16,330,847
Lincoln	165	5,781,928
Logan	705	22,162,351
Mesa	3,763	134,204,355
Mineral	24	827,090
Moffat	237	7,660,793
Montezuma	625	17,780,872
Montrose	1,071	34,871,404

County	Number of Benefit Recipients	Annual PERA Benefits Paid in 2018 (Actual Dollars)
Morgan	736	$21,537,887
Otero	620	19,530,084
Ouray	120	4,052,364
Park	331	11,063,270
Phillips	117	3,345,487
Pitkin	112	4,498,590
Prowers	335	9,867,222
Pueblo	6,364	241,588,732
Rio Blanco	182	5,801,668
Rio Grande	375	11,210,415
Routt	387	15,507,905
Saguache	109	3,003,963
San Juan	10	335,574
San Miguel	90	3,161,055
Sedgwick	78	2,137,648
Summit	247	11,502,131
Teller	618	22,667,162
Washington	150	4,303,628
Weld	5,329	198,755,122
Yuma	229	6,162,999
Total	**103,294**	**$4,041,258,917**

CONNECT WITH PERA

Web

www.copera.org

Phone

Customer Service Center
1-800-759-7372

Email

Log in to your PERA account to email Customer Service

Mail

PO Box 5800
Denver, CO 80217-5800

Office Locations

- Denver
- Lone Tree
- Westminster

COLORADO PERA®

Public Employees' Retirement Association of Colorado
PO Box 5800, Denver, Colorado 80217-5800

PRESORTED
STANDARD
U.S. POSTAGE PAID
PERMIT NO. 45
DENVER, CO

5/21 (REV 6-19) 199M

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.