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June 8, 2011

Mr. Karl Paulson
Manager of Strategic Innovation
Public Employees' Retirement Association of Colorado
1301 Pennsylvania Street
Denver, CO 80203-2386

Dear Mr. Paulson:

Enclosed are 1 unbound and 40 bound copies of the "Report on the Actuarial Valuation of the Public Employees' Retirement Association of Colorado prepared as of December 31, 2010.

Please let us know if you have any questions concerning the report.

Sincerely,

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

TJC:kc

Enclosure

S:\Colorado PERA\Pension\Valuations\12-31-2010\Valuation COPERA Report MERGE DOCUMENT.docx

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**Report on the Actuarial Valuation of the
Public Employees' Retirement Association
of Colorado**

Prepared as of December 31, 2010





Cavanaugh Macdonald

CONSULTING, LLC

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June 8, 2011

The Board of Trustees
Public Employees' Retirement Association of Colorado
1301 Pennsylvania Street
Denver, CO 80203-2386

Dear Trustees:

We are pleased to submit the results of the annual actuarial valuation of the Public Employees' Retirement Association of Colorado (PERA), prepared as of December 31, 2010.

The purpose of this report is to provide a summary of the funded status of PERA as of December 31, 2010, to recommend rates of contribution and to provide accounting information under Governmental Accounting Standards Board Statements No. 25, 27, 43 and 45 (GASB 25, 27, 43 and 45). While not verifying the data at source, the actuary performed tests for consistency and reasonability.

This valuation includes the addition of the Denver Public Schools (DPS) Division and the DPS Health Care Trust Fund to PERA, which were merged into PERA effective January 1, 2010.

The valuation results indicate that the combined employer and member contribution rates are sufficient to fund the normal cost for all members and provide additional contributions to help finance both Health Care Trust Funds and each division's unfunded accrued liability. The resulting amortization periods for each division, with and without recognition of the Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED), are shown in the table on the next page:

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	Amortization Period	
	Current	With AED & SAED
State Division	47 years	28 years
School Division	50 years	28 years
Local Government Division	19 years	19 years
Judicial Division	83 years	83 years
Denver Public Schools Division	Infinite	Infinite*
PERA Health Care Trust Fund (PERA HCTF)**	42 years	42 years
DPS Health Care Trust Fund (DPS HCTF)**	24 years	24 years

* Considering anticipated reductions in the future offset to DPS contribution requirements to PERA for the cost of certain Pension Certificates of Participation (PCOP) as currently structured, the amortization period is expected to be below 30 years. Colorado statutes call for a “true-up” in 2015, and every five years following, with the expressed purpose of adjusting the total DPS Contribution rate to ensure equalization of the ratio of unfunded actuarial accrued liability over payroll between the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010.

** The HCTF amortization periods shown are calculated based on future contributions equaling the statutory rate. If future expected Medicare Part D Retiree Drug Subsidy payments are also contributed to the PERA HCTF, the amortization period is 33 years. If future expected Medicare Part D Retiree Drug Subsidy payments are also contributed to the DPS HCTF, the amortization period is 23 years.

The promised benefits of PERA are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method. Four-year smoothed market value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liability that is being amortized by regular annual contributions as a level percentage of payroll, on the assumption that payroll will increase by 4.5% annually. The assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the Fund and to reasonable expectations of anticipated experience under the Fund and meet the parameters for the disclosures under GASB 25, 27, 43 and 45.

We have prepared the Schedule of Funding Progress and Trend Information shown in the financial section of the Comprehensive Annual Financial Report, and all supporting schedules including the Schedule of Active Member Data, the Solvency Test and the Analysis of Financial Experience shown in the actuarial section of the Comprehensive Annual Financial Report. All PERA historical information that references a valuation date prior to December 31, 2006 was prepared by the previous actuarial firm. All Denver Public School Retirement System (DPSRS) historical information that references a valuation date prior to December 31, 2010 was prepared by the previous actuarial firm.



June 8, 2011
Board of Trustees
Page 3

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The employer contribution rate, together with Medicare Part D Retiree Drug Subsidy receipts, is sufficient to eventually finance the PERA and DPS Health Care Trust Funds benefits in accordance with GASB 43 and 45. The Local Government Division employer contribution rates are sufficient to finance the promised benefits under GASB 25 and 27. Considering the addition of the AED and SAED contributions applicable to all Divisions as a percentage of payroll, the State and School Divisions' employer contribution rates are currently sufficient to finance the promised benefits and eventually meet the required contribution levels under GASB 25 and 27. Considering the offsets of PCOP Credits as a percentage of payroll, applicable to the DPS Division only, the Denver Public Schools Division employer contribution rate is currently sufficient to finance the promised benefits and eventually meet the required contribution levels under GASB 25 and 27. The total employer contributions, combined with projected reductions in liability due to benefit structure changes for newer hires, are expected to fund the Judicial Division.

The Table of Contents, which immediately follows, outlines the material contained in the report. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Thomas J. Cavanaugh'.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Edward J. Koebel'.

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink, appearing to read 'Eric H. Gary'.

Eric H. Gary, FSA, FCA, MAAA
Senior Actuary

TJC/EJK/EHG:kc



TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Summary of Principal Results	1
II	Membership Data	10
III	Assets	12
IV	Comments on Valuation	13
V	Contributions Payable by Employers	24
VI	Accounting Information	27
VII	Derivation of Experience Gains and Losses	35
VIII	Additional Health Care Trust Fund Information	41
<u>Schedule</u>		
A	Valuation Balance Sheet and Solvency Test	42
B	Development of the Actuarial Value of Assets	52
C	Summary of Changes in Net Assets	59
D	Outline of Actuarial Assumptions and Methods	66
E	Actuarial Cost Method	94
F	Summary of Main Plan Provisions as Interpreted For Valuation Purposes	95
G	Schedules of Active Member Data	116



**REPORT ON THE ACTUARIAL VALUATION OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
PREPARED AS OF DECEMBER 31, 2010**

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results for State Division, School Division, Local Government Division, Judicial Division, Denver Public Schools (DPS) Division, the PERA Health Care Trust Fund and the DPS Health Care Trust Fund are summarized below:

**SUMMARY OF PRINCIPAL RESULTS FOR STATE DIVISION
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009
Number of Active Non-Troopers	54,179	53,534
Annual Covered Payroll	\$ 2,335,670	\$ 2,328,434
Number of Active Troopers	798	799
Annual Covered Payroll	\$ 56,410	\$ 55,703
Total Number of Active Members	54,977	54,333
Total Annual Covered Payroll	\$ 2,392,080	\$ 2,384,137
Number of Retired Members and Survivors	32,500	31,463
Annual Retirement Benefits	\$ 1,144,426	\$ 1,097,135
Total Assets:		
Actuarial Value	\$ 12,791,946	\$ 13,382,736
Market Value	\$ 12,472,407	\$ 11,603,617
Actuarial Accrued Liability	\$ 20,356,176	\$ 19,977,217
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,564,230	\$ 6,594,481
CONTRIBUTIONS FOR YEAR ENDING	12/31/2012	12/31/2011
Employer Contribution Rate:		
Normal	1.89%	2.20%
Accrued Liability	<u>15.88%</u>	<u>13.89%</u>
Annual Required Contribution	17.77%	16.09%
Reduction for AED and SAED	<u>(9.24)%</u>	<u>(8.93)%</u>
Total Employer Contribution Rate	8.53%	7.16%
Amortization Period	30 years	30 years



**SUMMARY OF PRINCIPAL RESULTS FOR SCHOOL DIVISION
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009
Number of Active Members	116,486	119,390
Annual Covered Payroll	\$ 3,900,662	\$ 3,922,175
Number of Retired Members and Survivors	49,933	47,641
Annual Retirement Benefits	\$ 1,679,881	\$ 1,600,940
Assets:		
Actuarial Value	\$ 20,321,736	\$ 21,054,910
Market Value	\$ 19,851,425	\$ 18,292,602
Actuarial Accrued Liability	\$ 31,339,754	\$ 30,412,815
Unfunded Actuarial Accrued Liability (UAAL)	\$ 11,018,018	\$ 9,357,905
CONTRIBUTION FOR YEAR ENDING	12/31/2012	12/31/2011
Employer Contribution Rate:		
Normal	3.42%	3.75%
Accrued Liability	<u>14.18%</u>	<u>11.98%</u>
Annual Required Contribution	17.60%	15.73%
Reduction for AED and SAED	<u>(9.19)%</u>	<u>(8.88)%</u>
Total Employer Contribution Rate	8.41%	6.85%
Amortization Period	30 years	30 years



**SUMMARY OF PRINCIPAL RESULTS FOR LOCAL GOVERNMENT DIVISION
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009
Number of Active Members	16,144	16,166
Annual Covered Payroll	\$ 705,265	\$ 705,097
Number of Retired Members and Survivors	5,075	4,692
Annual Retirement Benefits	\$ 171,930	\$ 155,244
Assets:		
Actuarial Value	\$ 2,926,045	\$ 2,932,628
Market Value	\$ 2,878,016	\$ 2,571,160
Actuarial Accrued Liability	\$ 4,005,566	\$ 3,850,821
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,079,521	\$ 918,193
CONTRIBUTIONS FOR YEAR ENDING	12/31/2012	12/31/2011
Employer Contribution Rate:		
Normal	2.10%	2.44%
Accrued Liability	<u>7.69%</u>	<u>6.54%</u>
Annual Required Contribution	9.79%	8.98%
Reduction for AED and SAED	<u>(3.70)%</u>	<u>(3.70)%</u>
Total Employer Contribution Rate	6.09%	5.28%
Amortization Period	30 years	30 years



**SUMMARY OF PRINCIPAL RESULTS FOR JUDICIAL DIVISION
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009
Number of Active Members	317	317
Annual Covered Payroll	\$ 37,412	\$ 37,583
Number of Retired Members and Survivors	294	292
Annual Retirement Benefits	\$ 15,961	\$ 15,315
Assets:		
Actuarial Value	\$ 227,814	\$ 228,714
Market Value	\$ 223,738	\$ 200,270
Actuarial Accrued Liability	\$ 303,839	\$ 295,696
Unfunded Actuarial Accrued Liability (UAAL)	\$ 76,025	\$ 66,982
CONTRIBUTIONS FOR YEAR ENDING	12/31/2012	12/31/2011
Employer Contribution Rate:		
Normal	9.33%	9.84%
Accrued Liability	<u>10.20%</u>	<u>8.95%</u>
Annual Required Contribution	19.53%	18.79%
Reduction for AED and SAED	<u>(3.70)%</u>	<u>(3.70)%</u>
Total Employer Contribution Rate	15.83%	15.09%
Amortization Period	30 years	30 years



**SUMMARY OF PRINCIPAL RESULTS FOR DENVER PUBLIC SCHOOLS DIVISION
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009*
Number of Active Members with DPS Structure	7,342	8,003
Annual Covered Payroll	\$ 366,368	\$ 420,314
Number of Active Members with PERA Structure	5,829	4,146
Annual Covered Payroll	\$ 104,406	\$ 71,436
Total Number of Active Members	13,171	12,149
Total Annual Covered Payroll	\$ 470,774	\$ 491,750
Number of Retired Members and Survivors	6,215	6,218
Annual Retirement Benefits	\$ 217,048	\$ 214,367
Assets:		
Actuarial Value	\$ 2,961,720	\$ 2,917,927
Market Value	\$ 2,940,091	\$ 2,745,992
Actuarial Accrued Liability	\$ 3,332,814	\$ 3,304,766
Unfunded Actuarial Accrued Liability (UAAL)	\$ 371,094	\$ 386,839
CONTRIBUTIONS FOR YEAR ENDING	12/31/2012	6/30/2012
Employer Contribution Rate:		
Normal	5.64%	7.03%
Accrued Liability	<u>3.96%</u>	<u>4.82%</u>
Annual Required Contribution	9.60%	11.85%
Reduction for AED/SAED	<u>(9.19)%</u>	
Total Employer Contribution Rate	0.41%	
Amortization Period	30 years	30 years

* Provided by previous DPSRS actuary



**SUMMARY OF PRINCIPAL RESULTS FOR PERA HEALTH CARE TRUST FUND
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010	12/31/2009
Number of Active Members	187,924	190,206
Annual Covered Payroll	\$ 7,035,419	\$ 7,048,992
Number of Retired Members and Survivors	48,455	46,738
Assets:		
Actuarial Value	\$ 288,193	\$ 260,341
Market Value	\$ 285,671	\$ 228,178
Actuarial Accrued Liability	\$ 1,642,993	\$ 1,763,241
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,354,800	\$ 1,502,900
CONTRIBUTIONS FOR YEAR ENDING	12/31/2012	12/31/2011
Employer Contribution Rate:		
Normal	0.21%	0.21%
Accrued Liability	<u>0.97%</u>	<u>1.07%</u>
Annual Required Contribution	1.18%	1.28%
Amortization Period	30 years	30 years



**SUMMARY OF PRINCIPAL RESULTS FOR DPS HEALTH CARE TRUST FUND
(\$ IN THOUSANDS)**

VALUATION DATE	12/31/2010
Number of Active Members	13,171
Annual Covered Payroll	\$ 470,774
Number of Retired Members and Survivors	3,829
Assets:	
Actuarial Value	\$ 14,086
Market Value	\$ 14,790
Actuarial Accrued Liability	\$ 78,513
Unfunded Actuarial Accrued Liability (UAAL)	\$ 64,427
CONTRIBUTIONS FOR YEARS THROUGH	12/31/2012
Employer Contribution Rate:	
Normal	0.23%
Accrued Liability	<u>0.69%</u>
Annual Required Contribution	0.92%
Amortization Period	30 years



2. Comments on the valuation results as of December 31, 2010 are given in Section IV and further discussion of the contribution levels is set out in Section V.

3. Schedule B shows the development of the actuarial value of assets. Schedule D of this report outlines the full set of actuarial assumptions and methods used in the current valuation. The following changes have been made to certain health care methods and assumptions since the previous valuation:
 - Initial health care costs for PERACare enrollees who are age 65 and older, and do not have Medicare Part A have been updated to reflect the change in costs for the 2011 plan year.
 - PERACare's funding rates are used to determine the health care costs for participants enrolled in the self-insured plans, who are age 65 and older, and do not have Medicare Part A.
 - The starting per capita payments estimated to be made by the Centers for Medicare & Medicaid Services (CMS) under the Retiree Drug Subsidy Program (RDS) have been updated based upon the most recent attestation of actuarial equivalence.
 - The assumed rates of inflation for health care costs for Medicare Part A premiums and RDS payments have been revised to reflect the current expectation of future increases.
 - The percentage of PERACare enrollees who are projected to be age 65 and older, and estimated to not have Medicare Part A has been revised to reflect plan experience.
 - The last year in which the prescription drug benefit provided to those members eligible for Medicare Part D is deemed to be Actuarially Equivalent has been increased to 2018.
 - Liabilities for those members represented under both the PERA Structure and the DPS Structure have been allocated based upon member contribution account balances.

4. The valuation takes into account the effect of amendments to PERA and DPS through the valuation date. The Main Provisions of PERA and DPS, as summarized in Schedule F, were taken into account in the current valuation. There were no changes to the main provisions since the prior valuation.

5. Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008. The amount of the credit as of December 31, 2010 is 14.66% of salary. This credit is expected to decline as a percentage of payroll, as currently structured, resulting in an expected amortization period to be below 30 years. Colorado statutes call for a "true-up" in 2015, and every five years following, with the expressed purpose of adjusting the total



DPS Contribution rate to ensure equalization of the ratio of unfunded actuarial accrued liability over payroll between the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010.

6. There was a short term contribution “swap” between employers and employees in the State and Judicial Divisions covering the period July 1, 2010 through June 30, 2012. Employee contributions for this period are increased by 2.5% of payroll and employer contributions are reduced by that amount. The annual required contributions (ARCs) for those years shown in exhibits regarding GASB requirements will be adjusted to reflect this swap for the 2010, 2011 and 2012 calendar years. The ARCs shown in the tables on the previous pages are the long term expected rates after the swap period has closed.



SECTION II – MEMBERSHIP DATA

- Data regarding the membership of PERA for use as a basis of the valuation were furnished by PERA. The following table shows the number of active members and their annual compensation as of December 31, 2010 on the basis of which the valuation was prepared.

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS AS OF DECEMBER 31, 2010 (\$ IN THOUSANDS)

GROUP	NUMBER	COMPENSATION
State Division	54,977	\$ 2,392,080
School Division	116,486	3,900,662
Local Government Division	16,144	705,265
Judicial Division	317	37,412
Denver Public Schools Division	<u>13,171</u>	<u>470,774</u>
Total	201,095	\$ 7,506,193

- The following table shows a six-year history of active member valuation data.

SCHEDULE OF TOTAL ACTIVE MEMBER VALUATION DATA*

VALUATION DATE	NUMBER	ANNUAL PAYROLL (\$ IN THOUSANDS)	ANNUAL AVERAGE PAY	% CHANGE IN AVERAGE PAY
12/31/2010	201,095	\$ 7,506,193	\$ 37,327	0.72%
12/31/2009	190,206	7,048,993	37,060	1.95%
12/31/2008	190,684	6,931,405	36,350	3.43%
12/31/2007	186,842	6,566,368	35,144	4.47%
12/31/2006	182,404	6,135,962	33,639	2.29%
12/31/2005	180,630	5,940,132	32,886	(1.09)%

*The December 31, 2010 numbers include the Denver Public Schools Division which was merged into PERA on January 1, 2010.



3. The following table shows the number and annual retirement benefits payable to retired members and survivors on the roll of PERA as of the valuation date.

**THE NUMBER AND ANNUAL RETIREMENT BENEFITS
OF RETIRED MEMBERS AND SURVIVORS OF DECEASED MEMBERS
ON THE ROLL AS OF DECEMBER 31, 2010
(\$ IN THOUSANDS)**

TYPE OF RETIREMENT	GROUP					TOTAL
	STATE DIVISION	SCHOOL DIVISION	LOCAL GOVERNMENT DIVISION	JUDICIAL DIVISION	DENVER PUBLIC SCHOOLS DIVISION	
Service:						
Number	27,943	45,672	4,210	261	5,707	83,793
Annual Benefits	\$1,047,004	\$1,601,182	\$154,063	\$14,676	\$207,382	\$3,024,307
Disability:						
Number	3,527	3,035	686	20	351	7,619
Annual Benefits	\$78,259	\$61,384	\$14,711	\$ 891	\$6,839	\$162,084
Survivors*:						
Number	1,030	1,226	179	13	157	2,605
Annual Benefits	\$19,163	\$17,315	\$3,156	\$ 394	\$2,827	\$42,855
Total:						
Number	32,500	49,933	5,075	294	6,215	94,017
Annual Benefits	\$1,144,426	\$1,679,881	\$171,930	\$15,961	\$217,048	\$3,229,246

* Includes deferred survivors

4. Tables 1 through 5 of Schedule G show the distribution by age and service of the number and total annual compensation of active members for each division included in the valuation.



SECTION III - ASSETS

- Schedule C shows the additions and deductions of PERA for the year preceding the valuation date and a reconciliation of the fund balances at market value. As of December 31, 2010, the market value of assets for each division is shown below:

**COMPARISON OF MARKET VALUE OF ASSETS AT
DECEMBER 31, 2010 AND DECEMBER 31, 2009
(\$ IN THOUSANDS)**

GROUP	DECEMBER 31, 2010 MARKET VALUE	DECEMBER 31, 2009 MARKET VALUE
State Division	\$ 12,472,407	\$ 11,603,617
School Division	19,851,425	18,292,602
Local Government Division	2,878,016	2,571,160
Judicial Division	223,738	200,270
Denver Public Schools Division	2,940,091	2,745,992*
PERA Health Care Trust Fund	285,671	228,178
DPS Health Care Trust Fund	<u>14,790</u>	<u>13,510*</u>
Total Market Value of Assets	\$ 38,666,138	\$ 35,655,329

*Reflects new plan transfer made at the beginning of fiscal year 2010.

- The four-year market related actuarial value of assets used for the current valuation was \$39,531,540,431. Schedule B shows the development of the actuarial value of assets as of December 31, 2010. The following table shows the actuarial value of assets allocated among all divisions.

**COMPARISON OF ACTUARIAL VALUE OF ASSETS AT
DECEMBER 31, 2010 AND DECEMBER 31, 2009
(\$ IN THOUSANDS)**

GROUP	DECEMBER 31, 2010 ACTUARIAL VALUE	DECEMBER 31, 2009 ACTUARIAL VALUE
State Division	\$ 12,791,946	\$ 13,382,736
School Division	20,321,736	21,054,910
Local Government Division	2,926,045	2,932,628
Judicial Division	227,814	228,714
Denver Public Schools	2,961,720	2,917,927
Health Care Trust Fund	288,193	260,341
DPS Health Care Trust Fund	<u>14,086</u>	<u>N/A</u>
Total Actuarial Value of Assets	\$ 39,531,540	\$ 40,777,255



SECTION IV - COMMENTS ON VALUATION

State Division

1. The total valuation balance sheet on account of benefits shows that the State Division has total prospective benefit liabilities of \$22,170,816,663, of which \$12,766,972,938 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$382,685,294 is for the prospective benefits payable on account of present inactive members, and \$9,021,158,431 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the State Division has a total present actuarial value of assets of \$12,791,946,348 as of December 31, 2010. The difference of \$9,378,870,315 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$1,478,528,927 is the present value of future contributions expected to be made by members (at the rate of 8.0% of salary for non-state troopers and 10.0% of salary for state troopers), and the balance of \$7,900,341,388 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the State Division on account of benefits consist of three amounts set by statute. The basic amount is 9.13% of salary for non-state troopers and 11.83% of salary for state troopers (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary). For members of the PERA benefit structure hired on or after January 1, 2007, an allocation of the statutory rates of 1.00% of salary is made each year to an Annual Increase Reserve which will provide post-retirement increases for these members in the future. In addition, employers will make Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) contributions in the future at the following rates:

Year	AED	SAED
2010	2.20%	1.50%
2011	2.60	2.00
2012	3.00	2.50
2013	3.40	3.00
2014	3.80	3.50
2015	4.20	4.00
2016	4.60	4.50
2017 and later	5.00	5.00



3. The valuation indicates that employer normal contributions at the rate of 1.89% of salary are required to provide the benefits for the State Division. Prospective employer normal contributions at this rate have a present value of \$336,111,672. When this amount is subtracted from \$7,900,341,388, which is the present value of the total future contributions to be made by the employers, there remains \$7,564,229,716 as the amount of future accrued liability contributions.
4. After recognizing the required employer normal contribution rates, the remaining basic contribution amounts to 12.57% of salary. Contributions at this level will amortize the unfunded accrued liability of \$7,564,229,716 over 47 years, assuming the aggregate payroll of the State Division increases by 4.50% each year. After recognizing the value of both future AED and future SAED contributions, the amortization period is reduced to 28 years.
5. Effective July 1, 2005, Colorado PERA began receiving employer contributions on compensation paid to PERA retirees who are working at PERA affiliated employers. No amounts are received from the retirees who are performing the work for the employers. The employer rate is the total rate within the division, including both AED and SAED.
6. The valuation results reflect the impact of a two-year contribution rate swap of 2.5% of payroll in for the period July 1, 2010 through June 30, 2012 decreasing the employer contribution rate by that amount and increasing the employee rate by a like amount.



School Division

1. The total valuation balance sheet on account of benefits shows that the School Division has total prospective benefit liabilities of \$35,163,019,998, of which \$19,081,359,393 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$577,389,223 is for the prospective benefits payable on account of present inactive members, and \$15,504,271,382 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the School Division has a total present actuarial value of assets of \$20,321,736,466 as of December 31, 2010. The difference of \$14,841,283,532 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$2,704,653,295 is the present value of future contributions expected to be made by members (at the rate of 8.0% of salary), and the balance of \$12,136,630,237 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the School Division on account of benefits consist of three amounts set by statute. The basic amount is 9.13% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary). For members of the PERA benefit structure hired on or after January 1, 2007, an allocation of the statutory rates of 1.00% of salary is made each year to an Annual Increase Reserve which will provide post-retirement increases for these members in the future. In addition, employers will make Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) contributions in the future at the following rates:

Year	AED	SAED
2010	2.20%	1.50%
2011	2.60	2.00
2012	3.00	2.50
2013	3.40	3.00
2014	3.80	3.50
2015	4.20	4.00
2016	4.50	4.50
2017	4.50	5.00
2018 and later	4.50	5.50



3. The valuation indicates that employer normal contributions at the rate of 3.42% of salary are required to provide the benefits for the School Division. Prospective employer normal contributions at this rate have a present value of \$1,118,612,212. When this amount is subtracted from \$12,136,630,237, which is the present value of the total future contributions to be made by the employers, there remains \$11,018,018,025 as the amount of future accrued liability contributions.
4. After recognizing the required employer normal contribution rates, the remaining basic contribution amounts to 11.02% of salary. Contributions at this level will amortize the unfunded accrued liability of \$11,018,018,025 over 50 years, assuming the aggregate payroll of the School Division increases by 4.50% each year. After recognizing the value of both future AED and future SAED contributions, the amortization period is reduced to 28 years.
5. Effective July 1, 2005, Colorado PERA began receiving employer contributions on compensation paid to PERA retirees who are working at PERA affiliated employers. No amounts are received from the retirees who are performing the work for the employers. The employer rate is the total rate within the division, including both AED and SAED.



Local Government Division

1. The total valuation balance sheet on account of benefits shows that the Local Government Division has total prospective benefit liabilities of \$4,573,510,870, of which \$2,056,221,536 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$124,229,534 is for the prospective benefits payable on account of present inactive members, and \$2,393,059,800 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the Local Government Division has a total present actuarial value of assets of \$2,926,045,102 as of December 31, 2010. The difference of \$1,647,465,768 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$456,161,834 is the present value of future contributions expected to be made by members (at the rate of 8.0% of salary), and the balance of \$1,191,303,934 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the Local Government Division on account of benefits consist of three amounts set by statute. The basic amount is 8.98% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary). For members of the PERA benefit structure hired on or after January 1, 2007, an allocation of the statutory rates of 1.00% of salary is made each year to an Annual Increase Reserve which will provide post-retirement increases for these members in the future. In addition, employers will make Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) contributions in the future at the following rates:

Year	AED	SAED
2010 and later	2.20%	1.50%



3. The valuation indicates that employer normal contributions at the rate of 2.10% of salary are required to provide the benefits for the Local Government Division. Prospective employer normal contributions at this rate have a present value of \$111,782,910. When this amount is subtracted from \$1,191,303,934, which is the present value of the total future contributions to be made by the employers, there remains \$1,079,521,024 as the amount of future accrued liability contributions.
4. After recognizing the required employer normal contribution rates, the remaining basic contribution amounts to 10.30% of salary. Contributions at this level will amortize the unfunded accrued liability of \$1,079,521,024 over 19 years, assuming the aggregate payroll of the Local Government Division increases by 4.50% each year.
5. Effective July 1, 2005, Colorado PERA began receiving employer contributions on compensation paid to PERA retirees who are working at PERA affiliated employers. No amounts are received from the retirees who are performing the work for the employers. The employer rate is the total rate within the division, including both AED and SAED.



Judicial Division

1. The total valuation balance sheet on account of benefits shows that the Judicial Division has total prospective benefit liabilities of \$354,546,322, of which \$170,314,269 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$1,589,730 is for the prospective benefits payable on account of present inactive members, and \$182,642,323 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the Judicial Division has a total present actuarial value of assets of \$227,813,622 as of December 31, 2010. The difference of \$126,732,700 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$23,078,111 is the present value of future contributions expected to be made by members (at the rate of 8.0% of salary), and the balance of \$103,654,589 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the Judicial Division on account of benefits consist of three amounts set by statute. The basic amount is 12.64% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary). For members of the PERA benefit structure hired on or after January 1, 2007, an allocation of the statutory rates of 1.00% of salary is made each year to an Annual Increase Reserve which will provide post-retirement increases for these members in the future. In addition, employers will make Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) contributions in the future at the following rates:

Year	AED	SAED
2010 and later	2.20%	1.50%



3. The valuation indicates that employer normal contributions at the rate of 9.33% of salary are required to provide the benefits for the Judicial Division. Prospective employer normal contributions at this rate have a present value of \$27,629,014. When this amount is subtracted from \$103,654,589, which is the present value of the total future contributions to be made by the employers, there remains \$76,025,575 as the amount of future accrued liability contributions.
4. After recognizing the required employer normal contribution rates, the remaining basic contribution amounts to 6.86% of salary. Contributions at this level will amortize the unfunded accrued liability of \$76,025,575 over 83 years, assuming the aggregate payroll of the Judicial Division increases by 4.50% each year.
5. Effective July 1, 2005, Colorado PERA began receiving employer contributions on compensation paid to PERA retirees who are working at PERA affiliated employers. No amounts are received from the retirees who are performing the work for the employers. The employer rate is the total rate within the division, including both AED and SAED.
6. The valuation results reflect the impact of a two-year contribution rate swap of 2.5% of payroll for the period July 1, 2010 through June 30, 2012 decreasing the employer contribution rate by that amount and increasing the employee rate by a like amount.



Denver Public Schools Division

1. The total valuation balance sheet on account of benefits shows that the Denver Public Schools Division has total prospective benefit liabilities of \$3,869,332,607, of which \$2,333,260,028 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$36,956,783 is for the prospective benefits payable on account of present inactive members, and \$1,499,115,796 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the Denver Public Schools Division has a total present actuarial value of assets of \$2,961,719,943 as of December 31, 2010. The difference of \$907,612,664 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$315,198,327 is the present value of future contributions expected to be made by members (at the rate of 8.0% of salary), and the balance of \$592,414,337 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the Denver Public Schools Division on account of benefits consist of three amounts set by statute. The basic amount is 12.73% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary). For members of the PERA benefit structure hired on or after January 1, 2010, an allocation of the statutory rates of 1.00% of salary is made each year to an Annual Increase Reserve which will provide post-retirement increases for these members in the future. In addition, employers will make Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) contributions in the future at the following rates:

Year	AED	SAED
2010	2.20%	1.50%
2011	2.60	2.00
2012	3.00	2.50
2013	3.40	3.00
2014	3.80	3.50
2015	4.20	4.00
2016	4.50	4.50
2017	4.50	5.00
2018 and later	4.50	5.50



3. The valuation indicates that employer normal contributions at the rate of 5.64% of salary are required to provide the benefits for the Denver Public Schools Division. Prospective employer normal contributions at this rate have a present value of \$221,319,835. When this amount is subtracted from \$592,414,337, which is the present value of the total future contributions to be made by the employers, there remains \$371,094,502 as the amount of future accrued liability contributions.
4. Actual employer contributions are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008. The amount of the credit for the 2011 fiscal year is 14.72% of salary and for the 2012 fiscal year is 14.66% of salary.
5. After recognizing the required employer normal contribution rates and the PCOP credit, the remaining basic contribution amounts to 0.00% of salary. Contributions at this level will never amortize the unfunded accrued liability of \$371,094,502, assuming the aggregate payroll of the Denver Public Schools Division increases by 4.50% each year. The PCOP credit is expected to decline as a percentage of payroll as currently structured, resulting in an expected amortization period to be below 30 years. Colorado statutes call for a “true-up” in 2015, and every five years following, with the expressed purpose of adjusting the total DPS Contribution rate to ensure equalization of the ratio of unfunded actuarial accrued liability over payroll between the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010.
6. Effective January 1, 2010, Colorado PERA began receiving employer contributions on compensation paid to DPS benefit structure retirees who are working at PERA affiliated employers. No amounts are received from the retirees who are performing the work for the employers. The employer rate is the total rate within the division, including both AED and SAED.



PERA Health Care Trust Fund (PERA HCTF)

1. The total valuation balance sheet on account of health care benefits shows the PERA HCTF has total prospective health care benefit liabilities of \$1,723,945,175, of which \$1,156,690,883 is for the prospective benefits payable on account of present PERACare enrollees receiving a health care subsidy pursuant to law, \$23,118,264 is for the prospective benefits payable on account of present deferred vested members, and \$544,136,028 is for the prospective benefits payable on account of present active members. These amounts are net of any PERACare enrollee premiums required for enrollment in PERACare. Against these health care benefit liabilities, the PERA HCTF has a total present actuarial value of assets of \$288,193,296 as of December 31, 2010. The difference of \$1,435,751,879 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of health care benefits. Of this amount, \$0 is the present value of future contributions expected to be made by members, and the balance of \$1,435,751,879 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the PERA HCTF consist of a statutory mandated 1.02% of salary, plus an expected additional contribution resulting from PERACare qualifying for the Retiree Drug Subsidy under Medicare Part D. The valuation indicates that employer normal contributions at the rate of 0.21% of salary are required to provide the health care benefits funded by the PERA HCTF.
3. Prospective employer normal contributions at the rate noted in paragraph 2 have a present value of \$80,951,697. When this amount is subtracted from \$1,435,751,879, which is the present value of the total future contributions to be made by the employers, there remains \$1,354,800,182 as the amount of future accrued liability contributions.
4. After recognizing the required normal contribution rate, the remaining contribution amounts to 0.81% of salary. Contributions at this level will amortize the unfunded accrued liability of \$1,354,800,182 over 42 years. The Government Accounting Standards Board (GASB) does not allow a plan sponsor to count Retiree Drug Subsidy (RDS) amounts to be projected to be received from CMS as "prefunding" of the GASB 43/45 liability. However, if anticipated future RDS payments are contributed to the PERA HCTF, the resulting unfunded accrued liability amortization period will be 33 years.



DPS Health Care Trust Fund (DPS HCTF)

1. The total valuation balance sheet on account of health care benefits shows the DPS HCTF has total prospective health care benefit liabilities of \$84,577,285, of which \$58,250,354 is for the prospective benefits payable on account of present PERACare enrollees receiving a health care subsidy pursuant to law, \$181,252 is for the prospective benefits payable on account of present deferred vested members, and \$26,145,679 is for the prospective benefits payable on account of present active members. These amounts are net of any PERACare enrollee premiums required for enrollment in PERACare. Against these health care benefit liabilities, the DPS HCTF has a total present actuarial value of assets of \$14,085,654 as of December 31, 2010. The difference of \$70,491,631 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of health care benefits. Of this amount, \$0 is the present value of future contributions expected to be made by members, and the balance of \$70,491,631 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the DPS HCTF consist of a statutory mandated 1.02% of salary plus an expected additional contribution resulting from PERACare qualifying for the Retiree Drug Subsidy under Medicare Part D. The valuation indicates that employer normal contributions at the rate of 0.23% of salary are required to provide the health care benefits funded by the DPS HCTF.
3. Prospective employer normal contributions at the rate noted in paragraph 2 have a present value of \$6,064,690. When this amount is subtracted from \$70,491,631, which is the present value of the total future contributions to be made by the employers, there remains \$64,426,941 as the amount of future accrued liability contributions.
4. After recognizing the required normal contribution rate, the remaining contribution amounts to 0.79% of salary. Contributions at this level will amortize the unfunded accrued liability of \$64,426,941 over 24 years. The Government Accounting Standards Board (GASB) does not allow a plan sponsor to count Retiree Drug Subsidy (RDS) amounts to be projected to be received from CMS as "prefunding" of the GASB 43/45 liability. However, if anticipated future RDS payments are contributed to the DPS HCTF, the resulting unfunded accrued liability amortization period will be 23 years.



SECTION V - CONTRIBUTIONS PAYABLE BY EMPLOYERS

1. The statutory employer contribution rates for each division are shown in the following table:

Division	Employer Contribution Rate
State	
Non-Troopers	10.15%
Troopers	12.85
School	10.15
Local Government	10.00
Judicial	13.66
Denver Public Schools	13.75

- 2. For each division, 1.02% of the statutory rates shown above are allocated to the Health Care Trust Funds. Additional contributions to the HCTFs resulting from RDS payments are considered to be made on behalf of the employer(s).

- 3. In addition to the statutory rates shown in paragraph 1, Amortization Equalization Disbursements (AED) contributions and Supplemental Amortization Equalization Disbursement (SAED) contributions are to be made by all employers in amounts shown in the tables from Section IV. Those amounts are continued in each division until the division’s actuarial funded ratio exceeds 103%. At that time, the amount of the AED and SAED will be reduced by 0.5% of pay each.

- 4. For the DPS Division, the statutory rates, including AED and SAED contributions are being offset annually by an amount equivalent to that which Denver Public Schools pays to finance principal and interest payments on Pension Certificates of Participation (PCOPs) issued in 1997 and 2008.



5. The table below shows the development of the normal contribution rate, the unfunded accrued liability (UAL), amortization period and the actuarially required contribution rate with a 30-year amortization period for each division as well as for the Health Care Trust Funds.

Employer Contribution Rate
Expressed as Percent of Active Member Payroll

	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
<u>Contribution For</u>					
Normal Cost					
Service Retirement Benefits	7.34%	8.77%	7.53%	14.32%	9.59%
Disability Benefits	0.29%	0.20%	0.19%	0.77%	1.38%
Survivor Benefits	0.14%	0.13%	0.15%	0.44%	0.61%
Separation Benefits	<u>2.17%</u>	<u>2.32%</u>	<u>2.23%</u>	<u>1.80%</u>	<u>2.06%</u>
Total	9.94%	11.42%	10.10%	17.33%	13.64%
Member Current Contributions*	<u>8.05%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>
Employer Normal Cost	1.89%	3.42%	2.10%	9.33%	5.64%
Employer Contribution Rate*	14.46%	14.44%	12.40%	16.19%	3.15%**
Percent Available to Amortize Unfunded Actuarial Accrued Liability (UAAL)	12.57%	11.02%	10.30%	6.86%	0.00%
Number of Years to Amortize UAAL					
▪ Current Contributions	47 years	50 years	19 years	83 years	Infinite
▪ With AED and SAED	28 years	28 years	19 years	83 years	Infinite***
Actuarially Required Employer Contribution Rate to pay Normal Cost and amortize UAAL over 30 years (assuming AED and SAED are paid throughout the amortization period)	8.53%	8.41%	6.09%	15.83%	0.41%

* Weighted average for State Division.

** For DPS Division:

Employer Statutory Rate	13.33%	(weighted)
AED and SAED	5.50	
DPS HCTF Allocation	(1.02)	
PCOP Credit	<u>(14.66)</u>	
Net	3.15%	

*** With anticipated reductions in the future offset to DPS contribution requirements to PERA for the cost of certain Pension Certificates of Participation (PCOP) as currently structured, the amortization period is expected to be below 30 years. Colorado statutes call for a "true-up" in 2015, and every five years following, with the expressed purpose of adjusting the total DPS Contribution rate to ensure equalization of the ratio of unfunded actuarial accrued liability over payroll between the DPS and Schools Division at the end of the 30-year period beginning January 1, 2010.



**Employer Contribution Rate
Expressed as Percent of Active Member Payroll**

	PERA Health Care Trust Fund	DPS Health Care Trust Fund
<u>Contribution For</u>		
Normal Cost		
Service Retirement Benefits	0.17%	0.20%
Disability Benefits	0.01%	0.02%
Survivor Benefits	0.00%	0.00%
Separation Benefits	<u>0.03%</u>	<u>0.01%</u>
Total	0.21%	0.23%
Member Current Contributions*	<u>0.00%</u>	<u>0.00%</u>
Employer Normal Cost	0.21%	0.23%
Employer Contribution Rate*	1.02%	1.02%
Percent Available to Amortize Unfunded Actuarial Accrued Liability (UAAL)	0.81%	0.79%
Number of Years to Amortize UAAL		
▪ Current Contributions	42 years	24 years
Actuarially Required Employer Contribution Rate to pay Normal Cost and amortize UAAL over 30 years	1.18%	0.92%



SECTION VI - ACCOUNTING INFORMATION

1. Governmental Accounting Standards Board Statements 25, 27, 43 and 45 set forth certain items of required supplementary information to be disclosed in the financial statements of PERA and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ALL MEMBERS
AS OF DECEMBER 31, 2010**

GROUP	NUMBER					Total
	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	
Retirees and survivors currently receiving benefits	32,500	49,933	5,075	294	6,215	94,017
Terminated employees entitled to benefits but not yet receiving benefits	4,587	10,523	1,348	7	542	17,007
Inactive Members	55,911	85,528	16,865	5	1,853	160,162
Active Members						
Vested						
General employees	29,997	64,976	8,144	248	4,926	108,291
State troopers	600	0	0	0	0	600
Non-vested						
General employees	24,182	51,510	8,000	69	8,245	92,006
State troopers	<u>198</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>198</u>
Total Active Members	54,977	116,486	16,144	317	13,171	201,095
Totals	147,975	262,470	39,432	623	21,781	472,281



**NUMBER OF ALL MEMBERS
AS OF DECEMBER 31, 2010**

GROUP	NUMBER		Total
	PERA Health Care Trust Fund	DPS Health Care Trust Fund	
Retirees and survivors currently receiving benefits	48,455	3,829	52,284
Terminated employees entitled to benefits but not yet receiving benefits	16,202	409	16,611
Inactive Members	N/A	N/A	N/A
Active Members	187,924	13,171	201,095
Totals	252,581	17,409	269,990



2. Another such item is the schedule of funding progress as shown below.

**SCHEDULE OF FUNDING PROGRESS
(\$ IN THOUSANDS)**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
STATE DIVISION						
12/31/2010	\$ 12,791,946	\$ 20,356,176	\$ 7,564,230	62.8%	\$ 2,392,080	316.2%
12/31/2009	13,382,736	19,977,217	6,594,481	67.0%	2,384,137	276.6%
12/31/2008	13,914,371	20,498,668	6,584,297	67.9%	2,371,639	277.6%
12/31/2007	14,220,681	19,390,296	5,169,615	73.3%	2,236,518	231.1%
12/31/2006	13,327,290	18,246,010	4,918,720	73.0%	2,099,325	234.3%
12/31/2005	12,536,916	17,541,744	5,004,828	71.5%	2,064,764	242.4%
SCHOOL DIVISION						
12/31/2010	\$ 20,321,736	\$ 31,339,754	\$ 11,018,018	64.8%	\$ 3,900,662	282.5%
12/31/2009	21,054,910	30,412,815	9,357,905	69.2%	3,922,175	238.6%
12/31/2008	21,733,329	31,000,202	9,266,873	70.1%	3,804,927	243.5%
12/31/2007	22,070,769	29,241,428	7,170,659	75.5%	3,618,258	198.2%
12/31/2006	20,535,733	27,708,682	7,172,949	74.1%	3,371,186	212.8%
12/31/2005	19,184,225	25,963,972	6,779,747	73.9%	3,241,214	209.2%
LOCAL GOVERNMENT DIVISION						
12/31/2010	\$ 2,926,045	\$ 4,005,566	\$ 1,079,521	73.0%	\$ 705,265	153.1%
12/31/2009	2,932,628	3,850,821	918,193	76.2%	705,097	130.2%
12/31/2008	2,933,296	3,838,083	904,787	76.4%	718,902	125.9%
12/31/2007	2,892,847	3,563,199	670,352	81.2%	680,442	98.5%
12/31/2006	2,613,386	3,288,421	675,035	79.5%	636,300	106.1%
12/31/2005	2,358,719	3,022,624	663,905	78.0%	607,217	109.3%
JUDICIAL DIVISION						
12/31/2010	\$ 227,814	\$ 303,839	\$ 76,025	75.0%	\$ 37,412	203.2%
12/31/2009	228,714	295,696	66,982	77.3%	37,583	178.2%
12/31/2008	230,967	288,058	57,091	80.2%	35,937	158.9%
12/31/2007	231,228	264,210	32,982	87.5%	31,150	105.9%
12/31/2006	210,633	247,491	36,858	85.1%	29,151	126.4%
12/31/2005	193,305	223,955	30,650	86.3%	26,937	113.8%
DENVER PUBLIC SCHOOLS DIVISION						
12/31/2010	\$ 2,961,720	\$ 3,332,814	\$ 371,094	88.9%	\$ 470,774	78.8%



**SCHEDULE OF FUNDING PROGRESS
(\$ IN THOUSANDS)**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<u>PERA HEALTH CARE TRUST FUND</u>						
12/31/2010	\$ 288,193	\$1,642,993	\$1,354,800	17.5%	\$7,035,419	19.3%
12/31/2009	260,341	1,763,241	1,502,900	14.8%	7,048,992	21.3%
12/31/2008	255,976	1,368,633	1,112,657	18.7%	6,931,405	16.1%
12/31/2007	258,775	1,303,594	1,044,819	19.9%	6,566,368	15.9%
12/31/2006	214,816	1,247,950	1,033,134	17.2%	6,135,962	16.8%
12/31/2005	191,264	1,116,627	925,363	17.1%	5,940,132	15.6%
<u>DPS HEALTH CARE TRUST FUND</u>						
12/31/2010	\$ 14,086	\$78,513	\$64,427	17.9%	\$470,774	13.7%



5. The information presented in the required supplementary schedules for pension was determined as part of the actuarial valuation at December 31, 2010.

	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
Valuation date	12/31/2010	12/31/2010	12/31/2010	12/31/2010	12/31/2010
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent Open	Level percent Open	Level percent Open	Level percent Open	Level percent Open
Remaining amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	4 year smoothed Market	4 year smoothed Market	4 year smoothed Market	4 year smoothed Market	4 year smoothed Market
Actuarial assumptions:					
Investment rate of return*	8.00%	8.00%	8.00%	8.00%	8.00%
Projected salary increases*	4.50 – 10.17%	4.50 – 10.70%	4.50 – 11.47%	5.00 – 6.00%	4.50 – 10.70%
Post-Retirement Benefit Increases:					
Members hired prior to 1/1/2007	2.00% compounded annually	2.00% compounded annually	2.00% compounded annually	2.00% compounded annually	2.00% compounded annually
Members hired between 1/1/2007 and 1/1/2010	None**	None**	None**	None**	2.00% compounded annually
Members hired on or after 1/1/2010	None**	None**	None**	None**	None**

* Includes inflation at 4.50%.

** Post-Retirement Benefit Increases are provided by a separate fund subject to monies being available.



6. The information presented in the required supplementary schedules for healthcare was determined as part of the actuarial valuation at December 31, 2010.

	PERA Health Care Trust Fund	DPS Health Care Trust Fund
Valuation date	12/31/2010	12/31/2010
Actuarial cost method	Entry age	Entry age
Amortization method	Level percent Open	Level percent Open
Remaining amortization period	30 years	30 years
Asset valuation method	4 year smoothed Market	4 year smoothed Market
Actuarial assumptions:		
Investment rate of return*	8.00%	8.00%
Projected salary increases*	4.50% in aggregate	4.50% in aggregate
Health Care Inflation Factor	3.50%, applicable to Medicare Part A premiums	3.50%, applicable to Medicare Part A premium



SCHEDULE OF EMPLOYER CONTRIBUTIONS*

Calendar Year	Annual Required Contribution in Dollars (\$ in thousands)	Annual Required Contribution as a Percent of Pay	Percent Of ARC Contributed
State Division			
2010	\$452,821	18.93%	62%
2009	426,999	17.91%	69%
2008	437,567	18.45%	61%
2007	385,352	17.23%	60%
2006	405,800	19.33%	51%
2005	357,411	17.31%	54%
School Division			
2010	\$731,374	18.75%	70%
2009	649,512	16.56%	73%
2008	653,686	17.18%	65%
2007	581,092	16.06%	64%
2006	651,650	19.33%	52%
2005	561,054	17.31%	53%
Local Government Division			
2010	\$ 86,818	12.31%	101%
2009	78,548	11.14%	106%
2008	85,909	11.95%	91%
2007	76,278	11.21%	89%
2006	89,782	14.11%	68%
2005	84,889	13.98%	64%
Judicial Division			
2010	\$ 6,970	18.63%	80%
2009	6,419	17.08%	90%
2008	6,346	17.66%	80%
2007	4,775	15.33%	88%
2006	5,017	17.21%	75%
2005	4,369	16.22%	78%
Denver Public Schools Division			
2010	\$ 68,780	14.61%**	8%

* The State Division and the Judicial Division 2010 ARCs have been adjusted to reflect the contribution rate swap of 2.5% of payroll for the period July 1, 2010 through December 31, 2010 decreasing the employer contribution rate by that amount and increasing the employee rate by a like amount.

** Blended Rate from 2007 and 2008 Valuations from previous DPSRS actuary



SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERA HEALTH CARE TRUST FUND

Calendar Year	Annual Required Contribution (ARC) (a)	PERA Payroll Allocations (b)	Retiree Drug Subsidy (RDS) Contribution (c)	Total Contribution (d) = (b)+(c)	Percentage of ARC Contributed (e) = (d)/(a)
2010	\$78,796,693	\$74,047,581	\$14,168,745	\$88,216,326	112%
2009	\$78,948,710	\$74,072,676	\$13,633,368	\$87,706,044	111%
2008	\$76,938,596	\$72,599,167	\$13,742,749	\$86,341,916	112%
2007	\$78,139,779	\$68,507,982	\$12,396,777	\$80,904,759	104%
2006	\$73,017,948	\$64,546,501	\$12,481,068	\$77,027,569	105%

DPS HEALTH CARE TRUST FUND

Calendar Year	Annual Required Contribution (ARC) (a)	PERA Payroll Allocations (b)	Retiree Drug Subsidy (RDS) Contribution (c)	Total Contribution (d) = (b)+(c)	Percentage of ARC Contributed (e) = (d)/(a)
2010	\$4,465,261	\$4,761,581	\$536,814	\$5,298,395	119%

Beginning with the results of the December 31, 2005 valuation, the following changes were implemented to comply with GASB 43 and GASB Technical Bulletin 2006-1:

- All liabilities are determined without a reduction for expected future RDS payments.
- The unfunded accrued liability (UAL) is amortized over 30 years.
- The total HCTF contribution is determined to be the statutory employer contribution plus that year's actual RDS payments.

**HISTORICAL SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND**

Calendar Year	Annual Required Contribution (ARC)	Percent Of ARC Contributed
2005	1.02%	100%

Note: ARCs through 2005 are determined in accordance with GASB 26 and are expressed as a percentage of pay. Beginning in 2006, ARCs are determined in accordance with GASB 43.



SECTION VII – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Pension Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

During Calendar Year 2010

(\$ in Millions)

	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total Pension
1) Beginning of Year:						
a) Unfunded Actuarial Accrued Liability	\$6,594.5	\$9,357.9	\$ 918.2	\$ 67.0	\$ 386.8	\$17,324.4
b) Normal Cost	255.3	481.7	76.9	7.0	73.9	894.8
c) Total Required Contributions	675.3	1,043.4	143.2	10.4	109.7	1,982.0
d) Total Actual Contributions	505.9	828.8	144.5	9.1	42.6	1,530.9
2) End of Year:						
a) Expected UAAL from previous valuation (1a) x 1.08 + (1b) x 1.04 – (1c) x 1.04	\$6,685.3	\$9,522.4	\$922.7	\$68.8	\$380.5	\$17,579.7
b) Expected UAAL on actual contributions (1a) x 1.08 + (1b) x 1.04 – (1d) x 1.04	6,861.4	9,745.5	921.4	70.2	450.3	18,048.8
c) Increase in UAAL due to Deficiency (2b) – (2a)	176.1	223.1	(1.3)	1.4	69.8	469.1
3) Gains (Losses) on Year's Activities						
a) Liability – Assumed vs. Actual	\$248.5	\$200.0	\$32.6	\$9.3	\$256.1	\$746.5
b) Assets – Assumed vs. Actual	(951.3)	(1,472.5)	(190.7)	(15.1)	(176.9)	(2,806.5)
c) Change in Plan Assumptions	0.0	0.0	0.0	0.0	0.0	0.0
d) Change in Plan Provisions	0.0	0.0	0.0	0.0	0.0	0.0
e) Change in Methods	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
f) Total	\$(702.8)	\$(1,272.5)	(\$158.1)	(\$5.8)	\$79.2	(\$2,060.0)
4) Actual UAAL at End of Year (2a) + (2c) – (3f)	\$7,564.2	\$11,018.0	\$1,079.5	\$ 76.0	\$ 371.1	\$20,108.8



SECTION VII – DERIVATION OF EXPERIENCE GAINS AND LOSSES

PERA HCTF Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

During Calendar Year 2010

(\$ in Millions)

	PERA HCTF
1) Beginning of Year:	
a) Unfunded Actuarial Accrued Liability (UAAL)	\$1,502.9
b) Normal Cost	15.7
c) Total Required Contributions	78.9
d) Total Actual Contributions	88.2
2) End of Year:	
a) Expected UAAL from previous valuation (1a) x 1.08 + (1b) x 1.04 – (1c) x 1.04	\$1,557.4
b) Expected UAAL on actual contributions (1a) x 1.08 + (1b) x 1.04 – (1d) x 1.04	1,547.7
c) Increase in UAAL due to Deficiency (2b) – (2a)	(9.7)
3) Gains (Losses) on Year's Activities	
a) Liability – Assumed vs. Actual	\$97.2
b) Assets – Assumed vs. Actual	(16.7)
c) Change in Plan Assumptions	112.4
d) Change in Plan Provisions	0.0
e) Change in Methods	<u>0.0</u>
f) Total	\$192.9
4) Actual UAAL at End of Year (2a) + (2c) – (3f)	\$1,354.8

Note: The Total Required Employer Contributions are based on the Annual Required Contribution (ARC). The ARC is based on amortizing the UAAL over 30 years and reflects liabilities that are not reduced for future Medicare Part D Retiree Drug Subsidy payments to the PERA HCTF. Actual Employer Contributions include RDS payments to the PERA HCTF.

Since the DPS HCTF was only created on January 1, 2010 and did not have a predecessor fund, there is no beginning of year UAAL with which to develop the 2010 gain or loss. That schedule will be added in next year's valuation report.



Pension Gains & Losses in Actuarial Accrued Liabilities
During Calendar Year 2010
(\$ in Millions)

Type of Activity	State Division	School Division	Local Gov't Division	Judicial Division	Denver Public Schools Division	Total
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	\$0.4	(\$3.7)	(\$6.9)	(\$0.0)	\$6.0	(\$4.2)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	3.9	4.2	0.8	0.2	0.0	9.1
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(0.9)	(2.0)	(0.2)	0.0	(0.6)	(3.7)
Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(2.5)	(4.6)	(6.1)	(0.3)	(2.8)	(16.3)
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	287.7	303.1	64.2	6.4	65.7	727.1
New Members. Additional unfunded accrued liability will produce a loss.	(54.4)	(67.4)	(10.7)	(0.8)	(6.4)	(139.7)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(951.3)	(1,472.5)	(190.7)	(15.1)	(176.9)	(2,806.5)
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(5.8)	(45.4)	(1.3)	(0.8)	(2.7)	(56.0)
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	<u>20.1</u>	<u>15.8</u>	<u>(7.2)</u>	<u>4.6</u>	<u>196.9</u>	<u>230.2</u>
Gain (or Loss) During Year from Financial Experience	\$(702.8)	\$(1,272.5)	\$(158.1)	(\$5.8)	\$79.2	(\$2,060.0)



PERA HCTF Gains & Losses in Actuarial Accrued Liabilities
During Calendar Year 2010
(\$ in Millions)

Type of Activity	PERA HCTF
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	(\$0.3)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	0.3
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(0.1)
Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(0.4)
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	0.0
New Members. Additional unfunded accrued liability will produce a loss.	(4.0)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(16.7)
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(1.6)
Other. Gains and losses resulting from claims experience, changes in plan participation, changes in valuation software, data adjustments, timing of financial transactions, etc.	<u>103.3</u>
Gain (or Loss) During Year from Financial Experience	\$80.5



**Pension Gains & Losses as a Percentage of Actuarial Accrued Liabilities
During Calendar Year 2010
(\$ in Millions)**

Type of Activity	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total Pension
Actuarial Accrued Liability at the Beginning of the Year	\$19,977.2	\$30,412.8	\$3,850.8	\$295.7	\$3,304.8	\$57,841.3
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	0.0%	0.0%	(0.2)%	0.1%	0.2%	0.0%
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	0.0%	0.0%	(0.2)%	(0.1)%	(0.1)%	0.0%
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	1.4%	1.0%	1.7%	2.2%	2.0%	1.3%
New Members. Additional unfunded accrued liability will produce a loss.	(0.3)%	(0.2)%	(0.3)%	(0.3)%	(0.2)%	(0.2)%
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(4.8)%	(4.8)%	(5.0)%	(5.1)%	(5.4)%	(4.9)%
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	0.0%	(0.1)%	0.0%	(0.3)%	(0.1)%	(0.1)%
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	0.1%	0.0%	(0.2)%	1.6%	6.0%	0.4%
Gain (or Loss) During Year from Financial Experience	(3.6)%	(4.1)%	(4.2)%	(1.9)%	2.4%	(3.5)%



PERA HCTF Gains & Losses as a Percentage of Actuarial Accrued Liabilities
During Calendar Year 2010
(\$ in Millions)

Type of Activity	PERA HCTF
Actuarial Accrued Liability at the Beginning of the Year	\$1,763.2
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	0.0%
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	0.0%
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	0.0%
Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	0.0%
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	0.0%
New Members. Additional unfunded accrued liability will produce a loss.	(0.2)%
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(0.9)%
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(0.1)%
Other. Gains and losses resulting from claims experience, changes in plan participation, changes in valuation software, data adjustments, timing of financial transactions, etc.	5.8%
Gain (or Loss) During Year from Financial Experience	4.6%



SECTION VIII – ADDITIONAL HEALTH CARE TRUST FUND INFORMATION

PERA HCTF Subsidy Analysis

Calendar Year	Administrative Expenses	Claims & HMO Premiums	Total Costs (2)+(3)	PERA Subsidy	
				Amount	Percentage (5)/(4)
				(5)	(6)
(1)	(2)	(3)	(4)	(5)	(6)
2010	\$9,711,601	\$273,798,971	\$283,510,572	\$77,565,425	27%
2009	7,878,395	261,533,889	269,412,284	80,110,149	30%
2008	7,839,386	258,685,119	266,524,505	88,469,990	33%
2007	7,348,821	216,848,936	224,197,757	58,986,436	26%
2006	4,174,575	233,101,402	237,275,977	71,155,481	30%
2005	4,725,201	230,726,860	235,452,061	77,899,386	33%
2004	4,708,737	211,610,778	216,319,515	76,409,691	35%
2003	4,872,077	192,262,017	197,134,094	70,215,907	36%
2002	4,571,820	169,354,992	173,926,812	70,008,246	40%
2001	4,564,519	125,038,014	129,602,533	59,506,374	46%

DPS HCTF Subsidy Analysis

Calendar Year	Administrative Expenses	Claims & HMO Premiums	Total Costs (2)+(3)	DPS Subsidy	
				Amount	Percentage (5)/(4)
				(5)	(6)
(1)	(2)	(3)	(4)	(5)	(6)
2010	\$460,196	\$22,531,118	\$22,991,314	\$6,233,170	27%

Notes:

- Administrative Expenses total includes expenses associated with claims administration.
- Claims and HMO Premiums total reflects actual claims and premiums paid (net of any premium variance).
- The subsidy analysis schedule presented above was revised, beginning with the December 31, 2006 valuation report, for all years shown to include the premiums paid by retirees for HMOs in the claims and HMO premiums and in the total cost columns. The total cost includes all healthcare cost for retirees, beneficiaries and actives. Also, claims experience gains and losses have now been included in the actual PERA and DPS subsidies.



SCHEDULE A

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

STATE DIVISION

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 12,791,946,348
Present value of future members' contributions		1,478,528,927
Present value of future employer contributions		
Normal contributions	\$ 336,111,672	
Unfunded accrued liability contributions	<u>7,564,229,716</u>	
Total prospective employer contributions		<u>7,900,341,388</u>
Total Present and Prospective Assets		<u>\$ 22,170,816,663</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 12,766,972,938
Present value of prospective benefits payable on account of inactive members		382,685,294
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 7,746,859,826	
Disability retirement benefits	152,128,835	
Survivor benefits	97,855,514	
Separation benefits	<u>1,024,314,256</u>	
Total		<u>9,021,158,431</u>
Total Actuarial Liabilities		<u>\$ 22,170,816,663</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

SCHOOL DIVISION

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 20,321,736,466
Present value of future members' contributions		2,704,653,295
Present value of future employer contributions		
Normal contributions	\$ 1,118,612,212	
Unfunded accrued liability contributions	<u>11,018,018,025</u>	
Total prospective employer contributions		<u>\$ 12,136,630,237</u>
Total Present and Prospective Assets		<u>\$ 35,163,019,998</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 19,081,359,393
Present value of prospective benefits payable on account of inactive members		577,389,223
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 13,378,279,435	
Disability retirement benefits	176,880,546	
Survivor benefits	134,085,943	
Separation benefits	<u>1,815,025,458</u>	
Total		<u>\$ 15,504,271,382</u>
Total Actuarial Liabilities		<u>\$ 35,163,019,998</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

LOCAL GOVERNMENT DIVISION

PRESENT AND PROSPECTIVE ASSETS	
Actuarial Value of Present Assets	\$ 2,926,045,102
Present value of future members' contributions	456,161,834
Present value of future employer contributions	
Normal contributions	\$ 111,782,910
Unfunded accrued liability contributions	<u>1,079,521,024</u>
Total prospective employer contributions	<u>\$ 1,191,303,934</u>
Total Present and Prospective Assets	<u>\$ 4,573,510,870</u>
ACTUARIAL LIABILITIES	
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits	\$ 2,056,221,536
Present value of prospective benefits payable on account of inactive members	124,229,534
Present value of prospective benefits payable on account of present active members:	
Service retirement benefits	\$ 2,020,630,223
Disability retirement benefits	29,760,618
Survivor benefits	27,023,375
Separation benefits	<u>315,645,584</u>
Total	<u>\$ 2,393,059,800</u>
Total Actuarial Liabilities	<u>\$ 4,573,510,870</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

JUDICIAL DIVISION

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 227,813,622
Present value of future members' contributions		23,078,111
Present value of future employer contributions		
Normal contributions	\$ 27,629,014	
Unfunded accrued liability contributions	<u>76,025,575</u>	
Total prospective employer contributions		<u>\$ 103,654,589</u>
Total Present and Prospective Assets		<u>\$ 354,546,322</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 170,314,269
Present value of prospective benefits payable on account of inactive members		1,589,730
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 167,846,305	
Disability retirement benefits	4,080,058	
Survivor benefits	3,745,471	
Separation benefits	<u>6,970,489</u>	
Total		<u>\$ 182,642,323</u>
Total Actuarial Liabilities		<u>\$ 354,546,322</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

DENVER PUBLIC SCHOOLS DIVISION

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 2,961,719,943
Present value of future members' contributions		315,198,327
Present value of future employer contributions		
Normal contributions	\$ 221,319,835	
Unfunded accrued liability contributions	<u>371,094,502</u>	
Total prospective employer contributions		<u>\$ 592,414,337</u>
Total Present and Prospective Assets		<u>\$ 3,869,332,607</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 2,333,260,028
Present value of prospective benefits payable on account of inactive members		36,956,783
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 1,302,503,267	
Disability retirement benefits	41,092,382	
Survivor benefits	16,096,780	
Separation benefits	<u>139,423,367</u>	
Total		<u>\$ 1,499,115,796</u>
Total Actuarial Liabilities		<u>\$ 3,869,332,607</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

PERA HEALTH CARE TRUST FUND

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 288,193,296
Present value of future members' contributions		0
Present value of future employer contributions		
Normal contributions	\$ 80,951,697	
Unfunded accrued liability contributions	<u>1,354,800,182</u>	
Total prospective employer contributions		<u>\$ 1,435,751,879</u>
Total Present and Prospective Assets		<u>\$ 1,723,945,175</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of present benefit recipients enrolled in PERA Care and receiving a health care subsidy pursuant to law		\$ 1,156,690,883
Present value of prospective benefits payable on account of deferred vested members		23,118,264
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 490,667,759	
Disability retirement benefits	19,111,269	
Survivor benefits	2,109,186	
Separation benefits	<u>32,247,814</u>	
Total		<u>\$ 544,136,028</u>
Total Actuarial Liabilities		<u>\$ 1,723,945,175</u>



SCHEDULE A

(Continued)

**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
AS OF DECEMBER 31, 2010**

DPS HEALTH CARE TRUST FUND

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Present Assets		\$ 14,085,654
Present value of future members' contributions		0
Present value of future employer contributions		
Normal contributions	\$ 6,064,690	
Unfunded accrued liability contributions	<u>64,426,941</u>	
Total prospective employer contributions		<u>\$ 70,491,631</u>
Total Present and Prospective Assets		<u>\$ 84,577,285</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of present benefit recipients enrolled in PERA Care and receiving a health care subsidy pursuant to law		\$ 58,250,354
Present value of prospective benefits payable on account of deferred vested members		181,252
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 24,130,129	
Disability retirement benefits	1,563,268	
Survivor benefits	18,961	
Separation benefits	<u>433,321</u>	
Total		<u>\$ 26,145,679</u>
Total Actuarial Liabilities		<u>\$ 84,577,285</u>



SCHEDULE A

(continued)

**SOLVENCY TEST
BY DIVISION
AS OF 12/31/2010
(\$ IN THOUSANDS)**

Division	Aggregate Accrued Liabilities For*				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Reported Assets	(1)	(2)	(3)
	State	\$2,569,046	\$13,149,658	\$4,637,472	\$12,791,946	100%	77.7%
School	3,779,760	19,658,749	7,901,246	20,321,736	100%	84.1%	0.0%
Local	657,847	2,180,451	1,167,269	2,926,045	100%	100%	7.5%
Judicial	53,742	171,904	78,193	227,814	100%	100%	2.8%
DPS	317,442	2,370,217	645,155	2,961,720	100%	100%	42.5%
TOTAL	\$7,377,837	\$37,530,979	\$14,429,335	\$39,229,261	100%	84.9%	0.0%

**SOLVENCY TEST
HISTORICAL TOTALS
(\$ IN THOUSANDS)**

Valuation Date	Aggregate Accrued Liabilities For*				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Reported Assets	(1)	(2)	(3)
	12/31/2010	\$7,377,837	\$37,530,979	\$14,429,335	\$39,229,261	100%	84.9%
12/31/2009	7,068,660	33,621,499	13,846,390	37,598,988	100%	90.8%	0.0%
12/31/2008	6,992,382	34,524,824	14,107,805	38,811,962	100%	92.2%	0.0%
12/31/2007	6,834,261	32,017,760	13,607,112	39,415,525	100%	100%	4.1%
12/31/2006	6,742,437	29,674,682	13,073,485	36,687,042	100%	100%	2.1%
12/31/2005	5,755,118	26,382,911	14,614,267	34,273,165	100%	100%	14.6%

* Results do not include the Health Care Trust Funds.



SCHEDULE A
(continued)

**SOLVENCY TEST
HCTF – PERA
(\$ IN THOUSANDS)**

Valuation Date	Aggregate Accrued Liabilities For*				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Reported Assets	(1)	(2)	(3)
	12/31/2010	\$0	\$1,179,809				
12/31/2009	0	1,241,349	521,892	260,341	N/A	21.0%	0.0%
12/31/2008	0	969,288	399,345	255,976	N/A	26.4%	0.0%
12/31/2007	0	926,180	377,414	258,775	N/A	27.9%	0.0%
12/31/2006	0	878,997	368,953	214,816	N/A	24.4%	0.0%
12/31/2005	0	666,509	450,118	191,264	N/A	28.7%	0.0%

**SOLVENCY TEST
HCTF – DPS
(\$ IN THOUSANDS)**

Valuation Date	Aggregate Accrued Liabilities For*				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Reported Assets	(1)	(2)	(3)
	12/31/2010	\$0	\$58,432				



SCHEDULE B

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

STATE DIVISION

(1)	Actuarial Value Beginning of Year	\$ 13,382,736,472
(2)	Market Value End of Year	\$ 12,472,407,278
(3)	Market Value Beginning of Year	\$ 11,603,616,627
(4)	Cash Flow	
	a. Contributions	\$ 518,377,034
	b. Benefit Payments	(1,197,871,756)
	c. Administrative Expenses	(8,941,776)
	d. Net Transfers	<u>5,658,221</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$ (682,778,277)
(5)	Investment Income	
	a. Market total: (2) – (3) – (4)e	\$ 1,551,568,928
	b. Assumed Rate	8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$ 900,978,199
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$ 650,590,729
(6)	Phased-In Recognition of Investment Income	
	a. Current Year: 0.25 x (5)d	\$ 162,647,682
	b. First Prior Year	218,987,814
	c. Second Prior Year	(1,245,457,751)
	d. Third Prior Year	<u>54,832,209</u>
	e. Total Recognized Investment Gain	\$ (808,990,046)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$ 12,791,946,348



SCHEDULE B
(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

SCHOOL DIVISION

(1)	Actuarial Value Beginning of Year	\$ 21,054,909,740
(2)	Market Value End of Year	\$ 19,851,424,717
(3)	Market Value Beginning of Year	\$ 18,292,602,473
(4)	Cash Flow	
	a. Contributions	\$ 841,932,341
	b. Benefit Payments	(1,728,767,316)
	c. Administrative Expenses	(17,103,502)
	d. Net Transfers	<u>(4,793,460)</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$ (908,731,937)
(5)	Investment Income	
	a. Market total: (2) – (3) – (4)e	\$ 2,467,554,181
	b. Assumed Rate	8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$ 1,427,058,920
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$ 1,040,495,261
(6)	Phased-In Recognition of Investment Income	
	a. Current Year: 0.25 x (5)d	\$ 260,123,815
	b. First Prior Year	345,526,293
	c. Second Prior Year	(1,941,735,780)
	d. Third Prior Year	<u>84,585,415</u>
	e. Total Recognized Investment Gain	\$ (1,251,500,257)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$ 20,321,736,466



SCHEDULE B

(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

LOCAL GOVERNMENT DIVISION

(1)	Actuarial Value Beginning of Year	\$	2,932,628,241
(2)	Market Value End of Year	\$	2,878,016,330
(3)	Market Value Beginning of Year	\$	2,571,160,415
(4)	Cash Flow		
	a. Contributions	\$	148,129,421
	b. Benefit Payments		(190,955,859)
	c. Administrative Expenses		(2,214,507)
	d. Net Transfers		<u>(3,486,595)</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(48,527,540)
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	355,383,455
	b. Assumed Rate		8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$	203,751,732
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	151,631,723
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.25 x (5)d	\$	37,907,931
	b. First Prior Year		48,380,641
	c. Second Prior Year		(258,513,846)
	d. Third Prior Year		<u>10,417,943</u>
	e. Total Recognized Investment Gain	\$	(161,807,331)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$	2,926,045,102



SCHEDULE B

(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

JUDICIAL DIVISION

(1)	Actuarial Value Beginning of Year	\$	228,713,654
(2)	Market Value End of Year	\$	223,737,885
(3)	Market Value Beginning of Year	\$	200,269,609
(4)	Cash Flow		
	a. Contributions	\$	9,178,786
	b. Benefit Payments		(15,612,160)
	c. Administrative Expenses		(61,442)
	d. Net Transfers		<u>2,578,954</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(3,915,862)
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	27,384,138
	b. Assumed Rate		8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$	15,864,934
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	11,519,204
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.25 x (5)d	\$	2,879,801
	b. First Prior Year		3,823,892
	c. Second Prior Year		(20,362,925)
	d. Third Prior Year		<u>810,128</u>
	e. Total Recognized Investment Gain	\$	(12,849,104)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$	227,813,622



SCHEDULE B

(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS
DENVER PUBLIC SCHOOLS DIVISION**

(1)	Actuarial Value Beginning of Year	\$	2,917,926,658
	Adjustment to AVA BOY		160,783,253*
	Final Actuarial Value Beginning of Year	\$	3,078,709,911
(2)	Market Value End of Year	\$	2,940,091,076
(3)	Market Value Beginning of Year	\$	2,745,992,239
(4)	Cash Flow		
	a. Contributions	\$	44,612,819
	b. Benefit Payments		(219,261,622)
	c. Administrative Expenses		(2,944,370)
	d. Net Transfers		<u>42,879</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(177,550,294)
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	371,649,131
	b. Assumed Rate		8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$	212,577,367
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	159,071,764
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.25 x (5)d	\$	39,767,941
	b. First Prior Year		63,578,054
	c. Second Prior Year		(268,088,798)
	d. Third Prior Year		<u>12,725,762</u>
	e. Total Recognized Investment Gain	\$	(152,017,041)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$	2,961,719,943

* For consistency with other PERA divisions the amount for immediate recognition [(5)c] was changed from an actuarial value basis to a market value basis.



SCHEDULE B

(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

PERA HEALTH CARE TRUST FUND

(1)	Actuarial Value Beginning of Year	\$	260,340,550
(2)	Market Value End of Year	\$	285,670,700
(3)	Market Value Beginning of Year	\$	228,177,870
(4)	Cash Flow		
	a. Contributions	\$	221,245,375
	b. Benefit Payments		(192,043,748)
	c. Other Income and Expenses		4,746,103
	d. Administrative Expenses		<u>(11,130,247)</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	22,817,483
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	34,675,347
	b. Assumed Rate		8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$	19,166,929
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	15,508,418
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.25 x (5)d	\$	3,877,105
	b. First Prior Year		4,802,393
	c. Second Prior Year		(23,758,691)
	d. Third Prior Year		<u>947,527</u>
	e. Total Recognized Investment Gain	\$	(14,131,666)
(7)	Actuarial Value End of Year: (1) + (4)e + (5)c + (6)e	\$	288,193,296



SCHEDULE B

(Continued)

**DEVELOPMENT OF THE DECEMBER 31, 2010
ACTUARIAL VALUE OF ASSETS**

DPS HEALTH CARE TRUST FUND

(1)	Actuarial Value Beginning of Year*	\$	13,510,040
(2)	Market Value End of Year	\$	14,790,051
(3)	Market Value Beginning of Year*	\$	13,510,040
(4)	Cash Flow		
	a. Contributions	\$	10,760,884
	b. Benefit Payments		(11,012,215)
	c. Other Income and Expenses		108,890
	d. Administrative Expenses		<u>(569,086)</u>
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(711,527)
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	1,991,538
	b. Assumed Rate		8.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e x (5)b x 0.5]	\$	1,052,342
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	939,196
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.25 x (5)d	\$	234,799
	b. First Prior Year		0
	c. Second Prior Year		0
	d. Third Prior Year		<u>0</u>
	e. Total Recognized Investment Gain	\$	234,799
(7)	Actuarial Value End of Year:		
	(1) + (4)e + (5)c + (6)e	\$	14,085,654

*Reflects new plan transfer of \$13,510,040 made at the beginning of the year.



SCHEDULE C

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

STATE DIVISION

Additions for the Year

Contributions:		
Members (including purchased service)	\$ 235,736,805	
Employers	<u>282,640,229</u>	
Total		\$ 518,377,034
Net Investment Income		<u>1,551,568,928</u>
TOTAL		\$ 2,069,945,962

Deductions for the Year

Benefit Payments (including refunds and disability insurance)	\$ 1,192,940,028	
Transfers	(5,658,221)	
Other deductions	4,931,728	
Administrative Expenses	<u>8,941,776</u>	
TOTAL		\$ <u>1,201,155,311</u>

Excess of Additions Over Deductions \$ 868,790,651

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 11,603,616,627
Excess of Additions over Deductions	<u>868,790,651</u>
Market Value of Assets as of 12/31/2010*	<u>\$ 12,472,407,278</u>

* The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B). Final Market Value of Assets is \$12,487,104,891 and includes the amount in the Annual Increase Reserve of \$14,697,613 for post-retirement benefit increases for members of the PERA benefit structure hired on or after January 1, 2007.



SCHEDULE C

(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

SCHOOL DIVISION

Additions for the Year

Contributions:		
Members (including purchased service)	\$ 329,541,826	
Employers	<u>512,390,515</u>	
Total		\$ 841,932,341
Net Investment Income		<u>2,467,554,181</u>
TOTAL		\$ 3,309,486,522

Deductions for the Year

Benefit Payments (including refunds and disability insurance)	\$ 1,724,164,888	
Transfers	4,793,460	
Other deductions	4,602,428	
Administrative Expenses	<u>17,103,502</u>	
TOTAL		\$ <u>1,750,664,278</u>

Excess of Additions Over Deductions \$ 1,558,822,244

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 18,292,602,473
Excess of Additions over Deductions	<u>1,558,822,244</u>
Market Value of Assets as of 12/31/2010*	<u>\$ 19,851,424,717</u>

* The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B). Final Market Value of Assets is \$19,870,277,167 and includes the amount in the Annual Increase Reserve of \$18,852,450 for post-retirement benefit increases for members of the PERA benefit structure hired on or after January 1, 2007.



SCHEDULE C

(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

LOCAL GOVERNMENT DIVISION

Additions for the Year

Contributions:		
Members (including purchased service)	\$ 60,398,022	
Employers	<u>87,731,399</u>	
Total		\$ 148,129,421
Net Investment Income		<u>355,383,455</u>
TOTAL		\$ 503,512,876

Deductions for the Year

Benefit Payments (including refunds and disability insurance)	\$ 189,207,541	
Transfers	3,486,595	
Other deductions	1,748,318	
Administrative Expenses	<u>2,214,507</u>	
TOTAL		\$ <u>196,656,961</u>

Excess of Additions Over Deductions \$ 306,855,915

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 2,571,160,415
Excess of Additions over Deductions	<u>306,855,915</u>
Market Value of Assets as of 12/31/2010*	<u>\$ 2,878,016,330</u>

* The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B). Final Market Value of Assets is \$2,883,503,684 and includes the amount in the Annual Increase Reserve of \$5,487,354 for post-retirement benefit increases for members of the PERA benefit structure hired on or after January 1, 2007.



SCHEDULE C
(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

JUDICIAL DIVISION

Additions for the Year

Contributions:		
Members (including purchase service)	\$ 3,574,040	
Employers	<u>5,604,746</u>	
Total		\$ 9,178,786
Net Investment Income		<u>27,384,138</u>
TOTAL		\$ 36,562,924

Deductions for the Year

Benefit Payments (including refunds and disability insurance)	\$ 15,523,790	
Transfers	(2,578,954)	
Other deductions	88,370	
Administrative Expenses	<u>61,442</u>	
TOTAL		<u>\$ 13,094,648</u>

Excess of Additions Over Deductions **\$ 23,468,276**

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 200,269,609
Excess of Additions over Deductions	<u>23,468,276</u>
Market Value of Assets as of 12/31/2010*	<u>\$ 223,737,885</u>

* The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B). Final Market Value of Assets is \$223,889,099 and includes the amount in the Annual Increase Reserve of \$151,214 for post-retirement benefit increases for members of the PERA benefit structure hired on or after January 1, 2007.



SCHEDULE C
(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

DENVER PUBLIC SCHOOLS DIVISION

Additions for the Year

Contributions:			
Members (including purchase service)		\$ 38,880,079	
Employers		<u>5,732,740</u>	
	Total		\$ 44,612,819
	Net Investment Income		<u>371,649,131</u>
	TOTAL		\$ 416,261,950

Deductions for the Year

Benefit Payments (including refunds and disability insurance)	\$ 219,164,379	
Transfers	(42,879)	
Other deductions	97,243	
Administrative Expenses	<u>2,944,370</u>	
TOTAL		\$ <u>222,163,113</u>

Excess of Additions Over Deductions \$ 194,098,837

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 2,745,992,239
Excess of Additions over Deductions	<u>194,098,837</u>
Market Value of Assets as of 12/31/2010*	\$ <u>2,940,091,076</u>

* The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B). Final Market Value of Assets is \$2,940,926,409 and includes the amount in the Annual Increase Reserve of \$835,333 for post-retirement benefit increases for those who became members of the PERA benefit structure on or after January 1, 2010.



SCHEDULE C
(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

PERA HEALTH CARE TRUST FUND

Additions for the Year

Contributions:		
Members' Purchased Service Transfer	\$ 11,289,033	
Employers	74,047,581	
Early Retiree Reinsurance Program	11,582,271	
Retiree Health Care Premiums	110,157,745	
Medicare Retiree Drug Subsidy	<u>14,168,745</u>	
Total		\$ 221,245,375
Net Investment Income		<u>34,675,347</u>
TOTAL		\$ 255,920,722

Deductions for the Year

Benefit Payments	\$ 192,043,748	
Other Income and Expenses	(4,746,103)	
Administrative Expenses	<u>11,130,247</u>	
TOTAL		\$ <u>198,427,892</u>

Excess of Additions Over Deductions \$ 57,492,830

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009	\$ 228,177,870
Excess of Additions over Deductions	<u>57,492,830</u>
Market Value of Assets as of 12/31/2010	<u>\$ 285,670,700</u>



SCHEDULE C
(Continued)

**SUMMARY OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2010**

DPS HEALTH CARE TRUST FUND

Additions for the Year

Contributions:

Members' Purchased Service Transfer	\$	0
Employers		4,761,581
Early Retiree Reinsurance Program		715,289
Retiree Health Care Premiums		4,747,200
Medicare Retiree Drug Subsidy		<u>536,814</u>

Total \$ 10,760,884

Net Investment Income 1,991,538

TOTAL \$ 12,752,422

Deductions for the Year

Benefit Payments	\$11,012,215
Other Income and Expenses	(108,890)
Administrative Expenses	<u>569,086</u>

TOTAL \$ 11,472,411

Excess of Additions Over Deductions \$ 1,280,011

Reconciliation of Asset Balances

Market Value of Assets as of 12/31/2009*	\$ 13,510,040
Excess of Additions over Deductions	<u>1,280,011</u>
Market Value of Assets as of 12/31/2010	<u>\$ 14,790,051</u>

*Reflects new plan transfer of \$13,510,040 made at the beginning of the year.



SCHEDULE D

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INVESTMENT RATE OF RETURN: 8.00% per annum, compounded annually (net of administrative expenses).

INFLATION ASSUMPTION: 4.50% per year.

PERCENT MARRIED: 100% of employees (80% of Denver Public Schools Division) are assumed to be married, with the wife 3 years younger than the husband.

ACTUARIAL METHOD: Entry age normal cost method. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability. See Schedule E for a detailed explanation.

ASSETS: The method of valuing assets is intended to recognize a “smoothed” market value of assets. Under this method, the difference between actual return on market value from investment experience and the expected return on market value is recognized over a four-year period.

INTEREST CREDIT: 3% per annum on member contribution account balances.

WITHDRAWAL ASSUMPTION: It was assumed that 35% of the vested members who terminate elect to withdraw their contributions and matching employer contributions while the remaining 65% elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date. The only exceptions to this are the Judicial Division, which assumes 100% elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date; and the Denver Public Schools Structure, which assumes 25% of those withdrawing prior to the age of 45, and 75% of those withdrawing at age 45 or older, elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date.

OPTIONAL BENEFIT LOADS: 1.00% for active member retirement liability to reflect the availability of a pop-up option and .75% to reflect the value of the modified cash refund normal form.



SCHEDULE D

(Continued)

**STATE DIVISION
NON-TROOPERS**

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	5.67%	4.50%	10.17%
25	3.75	4.50	8.25
30	2.80	4.50	7.30
35	2.05	4.50	6.55
40	1.50	4.50	6.00
45	0.85	4.50	5.35
50	0.50	4.50	5.00
55	0.10	4.50	4.60
60	0.00	4.50	4.50
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	21.00%	18.00%	0.022%	0.014%	0.01%	0.01%
25	10.00	10.00	0.028	0.015	0.02	0.02
30	6.50	9.00	0.036	0.016	0.03	0.03
35	6.00	8.00	0.042	0.021	0.05	0.05
40	5.00	6.00	0.045	0.030	0.09	0.09
45	4.20	5.00	0.063	0.044	0.14	0.14
50	4.20	5.00	0.095	0.060	0.20	0.20
55	4.20	5.00	0.161	0.095	0.28	0.28
60	4.20	5.00	0.279	0.168	0.40	0.40
65	4.20	5.00	0.507	0.334	0.60	0.60

¹Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D

(Continued)

**STATE DIVISION
NON-TROOPERS**

The select withdrawal assumptions for members with less than five years of service are shown in the following table:

Completed Years of Service	Males	Females
0	43.0%	43.0%
1	20.0	22.0
2	15.0	16.0
3	12.0	13.0
4	10.0	11.0

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year		Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year	
	Males	Females	Males	Females
50	20%	18%	45%	45%
51	15	14	35	32
52	13	13	35	32
53	13	10	30	27
54	18	18	30	27
55	12	18	25	30
56	12	13	25	20
57	12	11	22	22
58	14	11	22	22
59	12	20	20	22
60	12	14	22	22
61	10	10	20	22
62	12	12	22	25
63	15	12	22	22
64	15	12	22	18
65	0	0	27	28
66	0	0	25	28
67	0	0	25	23
68	0	0	20	22
69	0	0	20	22
70 & over	0	0	100	100



SCHEDULE D

(Continued)

**STATE DIVISION
TROOPERS**

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	5.50%	4.50%	10.00%
25	3.75	4.50	8.25
30	2.80	4.50	7.30
35	2.05	4.50	6.55
40	1.50	4.50	6.00
45	1.20	4.50	5.70
50	0.80	4.50	5.30
55	0.40	4.50	4.90
60	0.00	4.50	4.50
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal ¹		Death ²		Disability	
	Males	Females	Males	Females	Males	Females
20	10.00%	10.00%	0.022%	0.014%	0.02%	0.02%
25	10.00	10.00	0.028	0.015	0.04	0.04
30	5.00	5.00	0.036	0.016	0.06	0.06
35	4.00	4.00	0.042	0.021	0.10	0.10
40	3.50	3.50	0.045	0.030	0.18	0.18
45	3.50	3.50	0.063	0.044	0.28	0.28
50	3.50	3.50	0.095	0.060	0.40	0.40
55	3.50	3.50	0.161	0.095	0.56	0.56
60	3.50	3.50	0.279	0.168	0.80	0.80
65	3.50	3.50	0.507	0.334	1.20	1.20

¹There are no select withdrawal assumptions for the State Troopers.

²Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D

(Continued)

**STATE DIVISION
TROOPERS**

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year	Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year
50	10%	35%
51	10	30
52	10	30
53	10	30
54	10	30
55	10	30
56	10	30
57	10	30
58	10	30
59	10	30
60	10	30
61	10	30
62	10	30
63	10	30
64	10	30
65 & over	0	100



SCHEDULE D

(Continued)

SCHOOL DIVISION

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	6.20%	4.50%	10.70%
25	4.10	4.50	8.60
30	2.95	4.50	7.45
35	2.50	4.50	7.00
40	1.95	4.50	6.45
45	1.35	4.50	5.85
50	0.80	4.50	5.30
55	0.35	4.50	4.85
60	0.00	4.50	4.50
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	12.00%	14.50%	0.022%	0.014%	0.01%	0.01%
25	10.00	12.00	0.028	0.015	0.01	0.01
30	5.50	8.00	0.036	0.016	0.01	0.01
35	4.00	6.50	0.042	0.021	0.02	0.02
40	4.00	5.00	0.045	0.030	0.04	0.04
45	4.00	4.50	0.063	0.044	0.08	0.08
50	4.00	4.50	0.095	0.060	0.14	0.14
55	4.00	4.50	0.161	0.095	0.21	0.21
60	4.00	4.50	0.279	0.168	0.30	0.30
65	4.00	4.50	0.507	0.334	0.41	0.41

¹Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D

(Continued)

SCHOOL DIVISION

The select withdrawal assumptions for members with less than five years of service are shown in the following table:

Completed Years of Service	Males	Females
0	39.0%	36.0%
1	20.0	19.0
2	15.0	14.0
3	11.0	11.0
4	10.0	10.0

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year		Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year	
	Males	Females	Males	Females
50	12%	12%	45%	45%
51	12	12	38	34
52	12	12	38	35
53	10	12	35	35
54	16	18	32	35
55	18	18	28	30
56	10	12	25	25
57	10	15	25	25
58	10	18	25	25
59	18	18	25	25
60	12	13	25	25
61	10	13	25	25
62	14	15	28	25
63	14	15	25	25
64	14	15	22	25
65	0	0	30	28
66	0	0	20	22
67	0	0	20	22
68	0	0	20	22
69	0	0	16	22
70 & over	0	0	100	100



SCHEDULE D

(Continued)

LOCAL GOVERNMENT DIVISION

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	6.97%	4.50%	11.47%
25	4.31	4.50	8.81
30	2.65	4.50	7.15
35	1.72	4.50	6.22
40	1.23	4.50	5.73
45	0.99	4.50	5.49
50	0.79	4.50	5.29
55	0.60	4.50	5.10
60	0.25	4.50	4.75
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	12.00%	15.00%	0.022%	0.014%	0.01%	0.01%
25	11.00	12.00	0.028	0.015	0.01	0.01
30	7.00	11.00	0.036	0.016	0.01	0.01
35	6.00	8.00	0.042	0.021	0.02	0.02
40	5.00	6.00	0.045	0.030	0.04	0.04
45	4.00	5.00	0.063	0.044	0.08	0.08
50	4.00	5.50	0.095	0.060	0.14	0.14
55	4.00	5.50	0.161	0.095	0.21	0.21
60	4.00	5.50	0.279	0.168	0.30	0.30
65	4.00	5.50	0.507	0.334	0.41	0.41

¹Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D
(Continued)

LOCAL GOVERNMENT DIVISION

The select withdrawal assumptions for members with less than five years of service are shown in the following table:

Completed Years of Service	Males	Females
0	39.0%	37.0%
1	19.0	21.0
2	13.0	16.0
3	11.0	13.0
4	10.0	11.0

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year		Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year	
	Males	Females	Males	Females
50	12%	15%	45%	45%
51	12	17	25	35
52	12	20	22	35
53	12	10	22	35
54	20	20	22	35
55	10	20	22	23
56	12	10	22	23
57	13	15	22	25
58	13	17	22	25
59	15	20	22	25
60	15	10	25	20
61	15	12	20	17
62	18	12	20	25
63	13	12	20	30
64	10	12	25	14
65	0	0	30	35
66	0	0	27	20
67	0	0	27	20
68	0	0	27	25
69	0	0	27	20
70 & over	0	0	100	100



SCHEDULE D

(Continued)

JUDICIAL DIVISION

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
30	1.50%	4.50%	6.00%
35	1.50	4.50	6.00
40	0.67	4.50	5.17
45	0.50	4.50	5.00
50	0.50	4.50	5.00
55	0.50	4.50	5.00
60	0.50	4.50	5.00
65	0.50	4.50	5.00

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal ¹		Death ²		Disability	
	Males	Females	Males	Females	Males	Females
30	2.00%	2.00%	0.036%	0.016%	0.01%	0.01%
35	2.00	2.00	0.042	0.021	0.04	0.04
40	2.00	2.00	0.045	0.030	0.08	0.08
45	2.00	2.00	0.063	0.044	0.14	0.14
50	2.00	2.00	0.095	0.060	0.22	0.22
55	2.00	2.00	0.161	0.095	0.32	0.32
60	2.00	2.00	0.279	0.168	0.44	0.44
65	2.00	2.00	0.507	0.334	0.60	0.60

¹There are no select withdrawal assumptions for the Judicial Division.

²Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D

(Continued)

JUDICIAL DIVISION

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year	Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year
50	10%	10%
51	10	10
52	10	10
53	10	10
54	10	10
55	10	10
56	10	10
57	10	10
58	10	10
59	13	13
60	13	13
61	13	13
62	13	13
63	13	13
64	10	10
65	0	10
66	0	10
67	0	10
68	0	25
69	0	40
70 & over	0	100



SCHEDULE D

(Continued)

DENVER PUBLIC SCHOOLS DIVISION – DPS STRUCTURE

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	3.50%	4.50%	8.00%
25	3.50	4.50	8.00
30	3.20	4.50	7.70
35	2.76	4.50	7.26
40	2.12	4.50	6.62
45	1.34	4.50	5.84
50	0.80	4.50	5.30
55	0.42	4.50	4.92
60	0.20	4.50	4.70
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	8.05%	9.89%	0.022%	0.014%	0.00%	0.00%
25	7.36	9.89	0.028	0.015	0.06	0.05
30	6.09	8.85	0.036	0.016	0.06	0.05
35	5.12	7.36	0.042	0.021	0.07	0.06
40	4.43	5.82	0.045	0.030	0.10	0.09
45	3.91	3.93	0.063	0.044	0.17	0.15
50	3.39	2.76	0.095	0.060	0.31	0.28
55	3.11	2.53	0.161	0.095	0.56	0.50
60	2.88	2.53	0.279	0.168	1.19	1.07
65	2.30	2.53	0.507	0.334	0.00	0.00

¹Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D
(Continued)

DENVER PUBLIC SCHOOLS DIVISION – DPS STRUCTURE

The select withdrawal assumptions for members with less than five years of service are shown in the following table:

Completed Years of Service	Males	Females
0	23.0%	23.0%
1	20.0	20.0
2	16.0	16.0
3	14.0	14.0
4	12.0	12.0

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year		Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year	
	Males	Females	Males	Females
50	10%	5%	30%	30%
51	10	5	30	30
52	10	6	30	30
53	10	7	30	30
54	10	8	35	35
55	10	8	35	35
56	10	9	35	25
57	10	10	35	25
58	11	10	30	25
59	12	10	30	25
60	13	11	30	20
61	14	12	35	20
62	15	13	40	30
63	15	14	35	20
64	15	15	35	30
65	0	0	35	35
66	0	0	30	30
67	0	0	25	25
68	0	0	25	25
69	0	0	25	25
70 & over	0	0	100	100



SCHEDULE D

(Continued)

DENVER PUBLIC SCHOOLS DIVISION – PERA STRUCTURE

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.50% per annum:

Sample Ages	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
20	6.20%	4.50%	10.70%
25	4.10	4.50	8.60
30	2.95	4.50	7.45
35	2.50	4.50	7.00
40	1.95	4.50	6.45
45	1.35	4.50	5.85
50	0.80	4.50	5.30
55	0.35	4.50	4.85
60	0.00	4.50	4.50
65	0.00	4.50	4.50

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, death and disability are shown in the following tables:

Sample Ages	Percent of Members Separating Within the Next Year					
	Ultimate Withdrawal		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	12.00%	14.50%	0.022%	0.014%	0.01%	0.01%
25	10.00	12.00	0.028	0.015	0.01	0.01
30	5.50	8.00	0.036	0.016	0.01	0.01
35	4.00	6.50	0.042	0.021	0.02	0.02
40	4.00	5.00	0.045	0.030	0.04	0.04
45	4.00	4.50	0.063	0.044	0.08	0.08
50	4.00	4.50	0.095	0.060	0.14	0.14
55	4.00	4.50	0.161	0.095	0.21	0.21
60	4.00	4.50	0.279	0.168	0.30	0.30
65	4.00	4.50	0.507	0.334	0.41	0.41

¹Rates are shown for healthy members. Separate disability mortality tables are used for disabled retirees.



SCHEDULE D
(Continued)

DENVER PUBLIC SCHOOLS DIVISION – PERA STRUCTURE

The select withdrawal assumptions for members with less than five years of service are shown in the following table:

Completed Years of Service	Males	Females
0	39.0%	36.0%
1	20.0	19.0
2	15.0	14.0
3	11.0	11.0
4	10.0	10.0

RETIREMENT: Representative values of the assumed annual rates of service retirement are shown in the following table:

Retirement Ages	Percent of Members Who Are Eligible for Reduced Benefits Retiring Next Year		Percent of Members Who Are Eligible for Unreduced Benefits Retiring Next Year	
	Males	Females	Males	Females
50	12%	12%	45%	45%
51	12	12	38	34
52	12	12	38	35
53	10	12	35	35
54	16	18	32	35
55	18	18	28	30
56	10	12	25	25
57	10	15	25	25
58	10	18	25	25
59	18	18	25	25
60	12	13	25	25
61	10	13	25	25
62	14	15	28	25
63	14	15	25	25
64	14	15	22	25
65	0	0	30	28
66	0	0	20	22
67	0	0	20	22
68	0	0	20	22
69	0	0	16	22
70 & over	0	0	100	100



SCHEDULE D

(Continued)

SINGLE LIFE RETIREMENT VALUES

Sample Ages	Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 2.0% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females
40	\$147.11	\$149.29	\$187.13	\$191.40	43.02	46.45
45	143.59	146.54	180.46	185.84	38.23	41.61
50	138.77	142.73	172.01	178.71	33.49	36.80
55	132.36	137.48	161.52	169.64	28.85	32.05
60	124.13	130.44	148.88	158.33	24.39	27.39
65	114.05	121.60	134.30	144.96	20.18	22.96
70	102.60	111.26	118.51	130.07	16.37	18.86
75	90.03	98.86	101.95	113.20	12.98	15.04
80	76.17	84.51	84.56	94.74	9.96	11.57
85	62.26	69.31	67.81	76.09	7.44	8.58



SCHEDULE D

(Continued)

**METHODS AND ASSUMPTIONS SPECIFIC TO THE PERA DIVISIONS, THE PERA STRUCTURE,
AND THE PERA HCTF**

PERA Divisions Health Care Participation Rates

Current PERACare participants of the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, are assumed to maintain their current health care benefit elections in perpetuity. For active members retiring directly from the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, the following participation rates are assumed:

Attained Age(s)	Percent Electing Health Care Coverage
15-48	15%
49	25%
50	30%
51-52	35%
53-55	40%
56-57	45%
58-62	50%
63-64	55%
65-73	60%
74+	65%

The participation of current PERACare enrollees and members retiring directly from active service is adjusted to reflect the increasing rate of participation with age, as described in the above table.

For deferred vested members of the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, 25% are assumed to elect health care coverage upon commencement of their monthly benefit.

For spousal participation, actual census data and current plan elections of current benefit recipients were used. For spouses of deferred vested members and future retirees of the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, 25% are assumed to elect coverage for their spouse.



SCHEDULE D
(Continued)

PERA Divisions Health Care Plan Election Rates

Plan elections for future, Medicare-eligible retirees of the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, are assumed as follows:

Plan	Percent Electing Plan
Self-Funded Medicare Supplement Plans	60%
Kaiser Permanente Medicare Advantage HMO	25%
Rocky Mountain Health Plans Medicare HMO	10%
Secure Horizons Medicare Advantage HMO	5%

73% of those PERACare enrollees of the State, School (other than Denver Public Schools), Local Government, or the Judicial Division, who are participating in the self-funded plans are assumed to elect MS#1, 26% are assumed to elect MS#2, and 1% are assumed to elect MS#3.

PERA Structure Initial Health Care Cost Rates

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums were provided by PERA, and are assumed for 2011. All costs are subject to the Health Care Cost Trend Rates.

Self Funded Medicare Supplement Plans		Kaiser Permanente Medicare Advantage HMO	
Premium for Members without Medicare Part A	Premium for Members with Medicare Part A	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A
\$651	\$284	\$648	\$179

Rocky Mountain Health Plans Medicare HMO		Secure Horizons Medicare Advantage HMO		Medicare Part A Premium
Premium for Members without Medicare Part A	Premium for Members with Medicare Part A	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A	
\$538	\$225	\$599	\$187	\$450



SCHEDULE D
(Continued)

PERA Structure Health Care Cost Trend Rates

Year	Self Funded Medicare Supplement Plans		Kaiser Permanente Medicare Advantage HMO	
	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A
2011	8.18%	7.23%	7.55%	6.59%
2012	7.27%	6.55%	6.82%	6.14%
2013	6.36%	5.86%	6.09%	5.68%
2014	5.91%	5.60%	5.73%	5.45%
2015	5.45%	5.25%	5.36%	5.23%
2016+	5.00%	5.00%	5.00%	5.00%

Year	Rocky Mountain Health Plans Medicare HMO		Secure Horizons Medicare Advantage HMO	
	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A	Premium for Members without Medicare Part A	Premium for Members with Medicare Part A
2011	6.59%	5.95%	8.82%	8.18%
2012	6.14%	5.68%	7.73%	7.27%
2013	5.68%	5.41%	6.64%	6.36%
2014	5.45%	5.27%	6.09%	5.91%
2015	5.23%	5.14%	5.55%	5.45%
2016+	5.00%	5.00%	5.00%	5.00%

Year	Medicare Part A Premiums
2011	3.50%
2012	3.50%
2013	3.50%
2014	3.50%
2015	3.50%
2016	3.50%
2017	3.50%
2018+	3.50%

The service-based premium subsidy is assumed to remain constant at its current level.



SCHEDULE D

(Continued)

PERA Structure Assumptions Specific to the “No Part A” Subsidy

Under Colorado Revised Statute 24-51-1206(4), the premiums charged to a PERACare enrollee who is age sixty-five or older and who is not eligible for premium-free benefits under Medicare Part A shall be no greater than the premium charged to a PERACare enrollee eligible for premium-free benefits under Medicare Part A with the same plan option, coverage level, and service credit. As a result, an additional, “No Part A” subsidy is paid under the PERA Structure on behalf of those PERACare enrollees who are age sixty-five or older and are not eligible for premium-free benefits under Medicare Part A.

For those current PERACare enrollees who are age 65 and older, the premium-free Medicare Part A eligibility status is provided by PERA and is assumed to be maintained in perpetuity. For current PERACare enrollees not yet age 65, hired prior to April 1, 1986, and not assumed eligible for premium-free Medicare Part A coverage through their spouse, and for those active employees hired prior to April 1, 1986, the following percentage of PERACare enrollees are assumed to not qualify for premium-free Medicare Part A benefits; thus qualifying for the “No Part A” subsidy from the PERA Structure:

Hire Age	Percent Qualifying for “No Part A” Subsidy
0-24	20.00%
25-29	14.00%
30-34	8.00%
35-39	4.00%
40+	2.00%

The qualifying assumptions are based upon the experience of current, Medicare eligible, PERACare enrollees. Date of hire and hire age are estimated based upon service and date of retirement for current benefit recipients, or service and the valuation date for active members. As a result, those who are re-employed or transfer to another PERA employer may have accumulated the required quarters of Medicare-covered employment.

95% of PERACare enrollees receiving health care benefits as a result of disability retirement are assumed to qualify for premium-free Medicare Part A. 100% of deferred vested members enrolled in PERACare are assumed to obtain the 40 or more quarters of Medicare-covered employment required for premium-free Medicare Part A coverage as a result of their subsequent employment.

Currently, the additional plan costs or premiums associated with those PERACare enrollees not eligible for premium-free Medicare Part A coverage are less than the costs of PERA paying the Medicare Part A premium on their behalf. However, future increases in the additional costs or premiums associated with PERACare enrollees not eligible for premium-free Medicare Part A coverage may exceed the Medicare Part A premium. As a result, it is assumed PERA will make the decision to pay the Medicare Part A premium when more cost-effective to do so. In making the decision to pay the Medicare Part A premium, it is assumed PERA’s decision will be based upon the level of additional plan costs, include the premium penalties associated with late enrollment in Medicare Part A, and be made when the additional cost, averaged across all plans, for all PERACare enrollees, exceeds the Medicare Part A premium.



SCHEDULE D
(Continued)

PERA Structure Assumptions Specific to the “No Part A” Subsidy (continued)

The premium penalty associated with enrollment in Medicare Part A after initial eligibility is 10% of the Part A premium and is payable for a period that is twice as long as the delay in enrollment. For example, someone enrolling at age 70 would need to pay the premium penalty for 10 years, assuming initial eligibility at age 65.

PERA Structure Morbidity

Under GASB Statements 43 and 45, liabilities for medical and drug post-employment benefits are to be based, in most circumstances, on assumed claims costs that vary by age. This is generally accomplished using rates of morbidity, or, an aging curve, modeling the growth in assumed claims as a PERACare enrollee ages. The service-based premium subsidy for health care does not result in annually increasing costs to the PERA Structure as a PERACare enrollee ages (excluding the subsidy reduction at age 65 or the costs associated with Medicare disability eligibility). Under the assumption the Medicare Part A premium will be paid under the PERA Structure when less than the average “No Part A” claims cost, and the treatment of Medicare as a community-rated plan, no morbidity has been assumed in determining the “No Part A” liability.

PERA HCTF Retiree Drug Subsidy (RDS) under Medicare Part D:

The PERA HCTF receives the Retiree Drug Subsidy (RDS) from the Centers for Medicare & Medicaid Services’ (CMS) Retiree Drug Subsidy Program for those PERACare enrollees participating in the self-insured Medicare supplement plans and the Medicare HMO plan offered by Rocky Mountain Health Plans. The PERA HCTF uses each year’s estimated RDS payments to reduce the premium paid by the PERACare enrollees of these plans, thus creating a liability under GASB Statements No. 43 and No. 45 for those future years the plans are projected to be eligible to receive the RDS.

As the service-based premium subsidy does not increase over time, PERACare enrollees are required to pay the entire increase in annual health care costs each year, resulting in monthly contributions that increase more rapidly over time than the total cost of coverage. As a result, the prescription drug benefit provided to those PERACare enrollees covered under the plans receiving the RDS, and who are eligible for Medicare Part D, is expected to lose its status as a qualified retiree prescription drug plan by failing the Actuarial Equivalence Test at some point in the future, resulting in a termination of the RDS. This valuation assumes PERACare will last qualify for RDS payments in 2018, assuming no changes in plan design are made.



SCHEDULE D
(Continued)

PERA HCTF Monthly RDS Payments

In determining the liability associated with the RDS subsidy, the following monthly payments were provided by PERA, and are assumed for 2011. All payments are subject to the Health Care Cost Trend Rates.

Plan	Estimated Retiree Drug Subsidy Payment
Self- Funded Medicare Supplement Plan #1 (MS#1)	\$54.59
Self- Funded Medicare Supplement Plan #2 (MS#2)	\$36.89
Self- Funded Medicare Supplement Plan #3 (MS#3)	\$36.89
Kaiser Permanente Medicare Advantage HMO*	\$ 0.00
Rocky Mountain Health Plans Medicare HMO	\$37.00
Secure Horizons Medicare Advantage HMO*	\$ 0.00

*Members eligible for Medicare Part D that are enrolled in Kaiser Permanente or Secure Horizons receive prescription drug benefits in a Medicare Advantage Prescription Drug Plan (MA-PDP) and do not qualify to generate an RDS for the PERA HCTF.

PERA HCTF Health Care Cost Trend Rates

Year	Retiree Drug Subsidy Payments
2011	4.25%
2012	4.50%
2013	4.75%
2014	5.25%
2015	5.50%
2016	6.00%
2017	6.25%
2018+	6.50%

PERA HCTF Morbidity

Under GASB Statements 43 and 45, liabilities for medical and drug post-employment benefits are to be based, in most circumstances, on assumed claims costs that vary by age. This is generally accomplished using rates of morbidity, or, an aging curve, modeling the growth in assumed claims as a PERACare enrollee ages. RDS premium subsidies are based upon the premium reduction applicable to all PERACare enrollees eligible for Medicare, and are not assumed to be liabilities varying by age. Therefore, no morbidity assumptions are utilized in the determination of PERA HCTF liabilities.



SCHEDULE D

(Continued)

PERA HCTF Dual Status Members and Retirees

Some members and retirees may be represented under both the PERA Structure and the DPS Structure, and are considered as members or retirees in both structures due to their dual status. In calculating the PERA HCTF's liabilities for members with a liability under both the PERA HCTF and the DPS HCTF, recognition is given to the choice of benefit structure, and the allocation of member contributions between the two HCTFs, as set forth in C.R.S. 24-51-1206.5. The choice of benefit structure is based upon what is assumed to be of the highest economic value to the benefit recipient. Current allocation percentages and member contribution account balances were provided by PERA for dual status members and retirees. For active members, member contribution account balances were projected assuming annual interest crediting of 3% and member contributions of 8.0% of projected salary.



SCHEDULE D

(Continued)

METHODS AND ASSUMPTIONS SPECIFIC TO THE DPS DIVISION, THE DPS STRUCTURE, AND THE DPS HEALTH CARE TRUST FUND

DPS Division Health Care Participation Rates

Current PERACare enrollees of the Denver Public Schools (DPS) Division are assumed to maintain their current health care benefit elections in perpetuity. For active members retiring directly from the DPS Division, the following participation rates are assumed:

Attained Age(s)	Percent Electing Health Care Coverage
15-49	5%
50-56	35%
57-59	50%
60-68	60%
69+	65%

The participation of current PERACare enrollees and members retiring directly from active service is adjusted to reflect the increasing rate of participation with age, as described in the above table.

For deferred vested members of the DPS Division, 15% are assumed to elect health care coverage upon commencement of their monthly benefit.

For spousal participation, actual census data and current plan elections of current benefit recipients were used. For spouses of deferred vested members and future retirees of the DPS Division, 15% are assumed to elect coverage for their spouse.

DPS Division Health Care Plan Election Rates

Plan elections for future, Medicare-eligible retirees of the DPS Division are assumed as follows:

Plan	Percent Electing Plan
Self-Funded Medicare Supplement Plans	20%
Kaiser Permanente Medicare Advantage HMO	35%
Rocky Mountain Health Plans Medicare HMO	5%
Secure Horizons Medicare Advantage HMO	40%

90% of those PERACare enrollees of the DPS Division who are participating in the self-funded plans are assumed to elect MS#1, 8% are assumed to elect MS#2, and 2% are assumed to elect MS#3



SCHEDULE D

(Continued)

DPS Structure Additional Premium Subsidy

In determining the additional liability for retirees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following, additional monthly costs are assumed:

Years of Service	Subsidy for Members without Medicare Part A
20+	\$115.00
19	109.25
18	103.50
17	97.75
16	92.00
15	86.25
14	80.50
13	74.75
12	69.00
11	63.25
10	57.50
9	51.75
8	46.00
7	40.25
6	34.50
5	28.75
4	23.00
3	17.25
2	11.50
1	5.75

The additional premium subsidy for retirees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A is assumed to remain constant at its current level.

DPS Structure Assumptions Specific to the “No Part A” Subsidy

For those retirees who are age 65 or older and are not eligible for premium-free benefits under Medicare Part A, an additional, “No Part A” premium subsidy is paid under the DPS Structure.

For those current retirees who are age 65 and older, the premium-free Medicare Part A eligibility status is provided by PERA and is assumed to be maintained in perpetuity. For current retirees not yet age 65, hired prior to April 1, 1986, and not assumed eligible for premium-free Medicare Part A coverage through their spouse, and for those active employees hired prior to April 1, 1986, the following percentage of retirees are assumed to not qualify for premium-free Medicare Part A benefits; thus qualifying for the “No Part A” subsidy from the DPS Structure:

Hire Age	Percent Qualifying for “No Part A” Subsidy
0-24	20.00%
25-29	14.00%
30-34	8.00%
35-39	4.00%
40+	2.00%



SCHEDULE D
(Continued)

DPS Structure Assumptions Specific to the “No Part A” Subsidy (continued)

The qualifying assumptions are based upon the experience of current, Medicare eligible, PERACare enrollees. Date of hire and hire age are estimated based upon service and date of retirement for current benefit recipients, or service and the valuation date for active members. As a result, those who are re-employed or transfer to another PERA employer may have accumulated the required quarters of Medicare-covered employment.

95% of members enrolled in PERACare as a result of disability retirement are assumed to qualify for premium-free Medicare Part A.

100% of deferred vested members receiving health care benefits are assumed to obtain the 40 or more quarters of Medicare-covered employment required for premium-free Medicare Part A coverage as a result of their subsequent employment.

DPS Structure Morbidity

Under GASB Statements 43 and 45, liabilities for medical and drug post-employment benefits are to be based, in most circumstances, on assumed claims costs that vary by age. This is generally accomplished using rates of morbidity, or, an aging curve, modeling the growth in assumed claims as a PERACare enrollee ages. As the service-based premium subsidies for health care do not result in annually increasing costs to the DPS Structure as a retiree ages (excluding the subsidy reduction at age 65 or the costs associated with Medicare disability eligibility, no morbidity assumptions are utilized in the determination of DPS Structure liabilities.

DPS HCTF Retiree Drug Subsidy (RDS) under Medicare Part D:

The DPS HCTF receives the Retiree Drug Subsidy (RDS) from the Centers for Medicare & Medicaid Services' (CMS) Retiree Drug Subsidy Program for those PERACare enrollees participating in the self-insured Medicare supplement plans and the Medicare HMO plan offered by Rocky Mountain Health Plans. The DPS HCTF uses each year's estimated RDS payments to reduce the premium paid by the PERACare enrollees of these plans, thus creating a liability under GASB Statements No. 43 and No. 45 for those future years the plans are projected to be eligible to receive the RDS.

As the service-based premium subsidies do not increase over time, PERACare enrollees are required to pay the entire increase in annual health care costs each year, resulting in monthly contributions that increase more rapidly over time than the total cost of coverage. As a result, the prescription drug benefit provided to those PERACare enrollees covered under the plans receiving the RDS, and who are eligible for Medicare Part D, is expected to lose its status as a qualified retiree prescription drug plan by failing the Actuarial Equivalence Test at some point in the future, resulting in a termination of the RDS. This valuation assumes PERACare will last qualify for RDS payments in 2018, assuming no changes in plan design are made.



SCHEDULE D
(Continued)

DPS HCTF Monthly RDS Payments

In determining the liability associated with the RDS subsidy, the following monthly payments were provided by PERA, and are assumed for 2011. All payments are subject to the Health Care Cost Trend Rates.

Plan	Estimated Retiree Drug Subsidy Payment
Self- Funded Medicare Supplement Plan #1 (MS#1)	\$54.59
Self- Funded Medicare Supplement Plan #2 (MS#2)	\$36.89
Self- Funded Medicare Supplement Plan #3 (MS#3)	\$36.89
Kaiser Permanente Medicare Advantage HMO*	\$ 0.00
Rocky Mountain Health Plans Medicare HMO	\$37.00
Secure Horizons Medicare Advantage HMO*	\$ 0.00

*Members eligible for Medicare Part D that are enrolled in Kaiser Permanente or Secure Horizons receive prescription drug benefits in a Medicare Advantage Prescription Drug Plan (MA-PDP) and do not qualify to generate an RDS for the DPS HCTF.

DPS HCTF Health Care Cost Trend Rates

Year	Retiree Drug Subsidy Payments
2011	4.25%
2012	4.50%
2013	4.75%
2014	5.25%
2015	5.50%
2016	6.00%
2017	6.25%
2018+	6.50%

DPS HCTF Morbidity

Under GASB Statements 43 and 45, liabilities for medical and drug post-employment benefits are to be based, in most circumstances, on assumed claims costs that vary by age. This is generally accomplished using rates of morbidity, or, an aging curve, modeling the growth in assumed claims as a PERACare enrollee ages. RDS premium subsidies are based upon the premium reduction applicable to all PERACare enrollees eligible for Medicare, and are not assumed to be liabilities varying by age. Therefore, no morbidity assumptions are utilized in the determination of DPS HCTF liabilities.



SCHEDULE D
(Continued)

DPS HCTF Dual Status Members and Retirees

Some members and retirees may be represented under both the PERA Structure and the DPS Structure, and are considered as members or retirees in both structures due to their dual status. In calculating the DPS HCTF's liabilities for members with a liability under both the PERA HCTF and the DPS HCTF, recognition is given to the choice of benefit structure, and the allocation of member contributions between the two HCTFs, as set forth in C.R.S. 24-51-1206.5. The choice of benefit structure is based upon what is assumed to be of the highest economic value to the benefit recipient. Current allocation percentages and member contribution account balances were provided by PERA for dual status members and retirees. For active members, member contribution account balances were projected assuming annual interest crediting of 3% and member contributions of 8.0% of projected salary.



SCHEDULE E

ACTUARIAL COST METHOD

1. The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 8.00%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.
2. The employer contributions required to support the benefits of PERA are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf. For health care benefits, the calculation of the normal contribution is similar but is determined based on total expected career service and is independent of compensation.
4. The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the PERA. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.



SCHEDULE F

SUMMARY OF MAIN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

Effective Date

Pension: Established in 1931, most recently amended during 2010. The Denver Public Schools Retirement System (DPSRS) was merged into PERA effective January 1, 2010. On that date all liabilities and assets of DPSRS were transferred to and became liabilities and assets of the DPS Division of PERA. The benefit provisions of DPSRS were incorporated into PERA as the DPS Benefit Structure. The benefit provisions of existing members of PERA on the merger date and all new hires post- merger date are identified as the PERA Benefit Structure.

PERA Health Care Trust Fund (HCTF): On July 1, 1985, employer contributions to the HCTF commenced. Plan coverage and premium subsidy payments began July 1, 1986.

DPS Health Care Trust Fund (HCTF). On January 1, 2010, as part of the merger, the liabilities and assets of the Denver Public Schools health care trust fund were transferred into a newly created DPS Division Health Care Trust Fund and employer contributions from employers in the DPS Division commenced.

DEFINITIONS

Affiliated Employers

State agencies and institutions of higher education, political subdivisions of the state, all school districts, courts, cities and municipalities and any other public entities which affiliate with PERA.

Annual Increase Reserve

Applicable for PERA benefit structure members hired on or after January 1, 2007 and prior non-DPSRS members who became PERA members as of January 1, 2010, a portion of the employer contribution, currently equal to one percent of the salaries of affected members, is accumulated in the Annual Increase Reserve to be paid out in annual increases each July 1, to the extent affordable. The PERA Board is responsible for a separate annual actuarial valuation to determine affordability and the percentage of annual increases to the eligible members within the groups previously defined. The maximum annual increase awarded, if any, by the PERA Board is the least of:

- a) Two percent of current benefits,
- b) The average of the annual CPI-W increase determined each month published for the preceding calendar year, and
- c) An increase that will exhaust ten percent of the year-end market value of the Annual Increase Reserve.

Covered Members

Employees of Affiliated Employers who work in a position subject to membership and for whom contributions are made.



Division

One of five separate divisions which include: State, School, Local Government, Judicial and Denver Public Schools (DPS). Only local government entities can voluntarily affiliate with PERA and these entities are assigned to the local government division. The financial activities of each division are accounted for in separate trust funds.

Highest Average Salary

For PERA benefit structure members, not in the Judicial Division, who are eligible for retirement as of January 1, 2011, one-twelfth of the average of the highest annual salaries upon which contributions were made during three periods of twelve consecutive months of Service Credit; or for a member with less than three years of Service Credit, one-twelfth of the average of the annual salaries upon which contributions were made. Annual salary increases recognized in the determination of HAS are limited to 15% a year for members who began membership prior to January 1, 2007. For members who began membership on or after January 1, 2007, the annual salary increases recognized in the determination of HAS are limited to 8% a year.

For PERA benefit structure members, not in the Judicial Division, who are not eligible for retirement as of January 1, 2011, one-twelfth of the average of the highest annual salaries upon which contributions were made during three periods of twelve consecutive months of Service Credit; or for a member with less than three years of Service Credit, one-twelfth of the average of the annual salaries upon which contributions were made. Annual salary increases recognized in the determination of HAS are limited to 8% a year.

For Judicial Division members, one-twelfth of the highest annual salary upon which contributions were made during one period of twelve consecutive months of Service Credit.

For DPS benefit structure members, who are eligible for retirement as of January 1, 2011, the greater of the average of the 36 months of highest annual salaries or the career average salary.

For DPS benefit structure members, who are not eligible for retirement as of January 1, 2011, one-twelfth of the average of the highest annual salaries upon which contributions were made during three periods of twelve consecutive months of Service Credit; or for a member with less than three years of Service Credit, one-twelfth of the average of the annual salaries upon which contributions were made. Annual salary increases recognized in the determination of HAS are limited to 8% a year.



Interest Credit Rate	3% per annum, on member contribution account balances.
Service Credit	The total of all earned, purchased, (disability) projected, and military service credit which is used to determine benefit eligibility and amounts.
Vested	Members who accrue five or more years of Service Credit are vested for benefits.



CONTRIBUTIONS

Member Contributions

Members, except for State Troopers, contribute 8.0% of salary. State Troopers contribute 10.0% of salary. Member contributions, together with any purchased service credit payments and interest, are credited to individual Member Contribution Accounts.

Employer Contributions

State Division (except State Troopers): 10.15% of salary on and after 7/1/2003

School Division: 10.15% of salary on and after 7/1/2003

State Troopers: 12.85% of salary on and after 7/1/2003

Local Government Division: 10.00% of salary on and after 1/1/2004

Judicial Division: 13.66% of salary on and after 7/1/2004

DPS Division: 13.75% of salary on and after 1/1/2010. Actual employer contributions are reduced by an amount equal to the principal payments plus interest at 8.5% necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008. The amount of the credit for 2011 is 14.72% of salary. The net DPS Division employer contribution rate for 2011 will be 3.63% when including the AED and SAED as described on the following page.

The employer contribution rates of the State, School, Local Government, and Judicial Divisions include the contribution of 1.02% allocated to the PERA Health Care Trust Fund

The employer contribution rate of the DPS Division includes the contribution of 1.02% allocated to the DPS Health Care Trust Fund.

For PERA benefit structure members, hired on or after January 1, 2007, these contribution rates also include the 1.00% of payroll contribution earmarked for the Annual Increase Reserve.

Employer contributions to the State and Judicial Divisions are reduced by 2.5% of payroll for the period July 1, 2010 through June 30, 2012 and member contributions are increased by a like amount during the same period.

Employer contributions are credited to the employer reserve of each division.



Amortization Equalization Disbursement (AED)*

Beginning January 1, 2006 (January 1, 2010 for DPS Division), each employer shall pay to PERA a disbursement equal to a percent of total payroll in accordance with the following schedule:

Year	State Division	Schools/DPS Division
2006	0.50%	0.50%
2007	1.00%	1.00%
2008	1.40%	1.40%
2009	1.80%	1.80%
2010	2.20%	2.20%
2011	2.60%	2.60%
2012	3.00%	3.00%
2013	3.40%	3.40%
2014	3.80%	3.80%
2015	4.20%	4.20%
2016	4.60%	4.50%
2017 & after	5.00%	4.50%

If, at any time, the actuarial funded ratio for a division is 103% or more, then the amount of the disbursement shall be reduced by 0.5% of pay.

Supplemental Amortization Equalization Disbursement (SAED)*

Beginning January 1, 2008 (January 1, 2010 for DPS Division), each employer shall pay to PERA a supplemental disbursement equal to a percent of total payroll in accordance with the following schedule:

Year	State Division	Schools/DPS Division
2008	0.50%	0.50%
2009	1.00%	1.00%
2010	1.50%	1.50%
2011	2.00%	2.00%
2012	2.50%	2.50%
2013	3.00%	3.00%
2014	3.50%	3.50%
2015	4.00%	4.00%
2016	4.50%	4.50%
2017	5.00%	5.00%
2018 & after	5.00%	5.50%

If, at any time, the actuarial funded ratio for a division is 103% or more, then the amount of the disbursement shall be reduced by 0.5% of pay.

For the Local Government and Judicial Divisions, the AED and SAED contributions are frozen at the 2010 levels. If, at any time, the actuarial funded ratio for a division is 103% or more, then the amount of the disbursement shall be reduced by 0.5% of pay.



Matching Contributions

A match applied to individual Member Contribution Accounts when a refund is made or when a money purchase benefit is calculated. The match is applied to the account balance less:

1. Any amount paid for the purchase of service credit,
2. Any payments in lieu of member contributions, and
3. Any interest accrued on 1 and 2.

For members who receive a refund and meet the requirements for a service or reduced service retirement at the time the match is applied, or for payments made to survivors or beneficiaries of members who die before retirement, the match is 100% of eligible amounts.

For PERA benefit structure members who receive a refund prior to meeting the requirements for a service or reduced service retirement, the match is 50% of eligible amounts. Effective January 1, 2011, members must have five years of earned service credit in order to receive the 50% match on a refund. Contributions received prior to January 1, 2011, are matched regardless if the member has five years of service credit on the refund date.

For DPS benefit structure members who receive a refund prior to meeting the requirements for a service or reduced service retirement, no match is provided.



ELIGIBILITY FOR BENEFITS – PERA BENEFIT STRUCTURE

Refund of Member Contributions

In the event a member leaves service for a reason other than death or retirement, member contribution accounts including interest plus matching employer contributions on eligible amounts with interest are refunded upon request.

Service Retirement

The Age and Service Credit requirements to be eligible for a full Service Retirement are listed below:

- **Members, except State Troopers, hired before 7/1/2005 who have 5 or more years of service credit as of 1/1/2011**

Age	Service Credit
50	30
55	Age and Service = 80 years or more
60	20
65	5
65	Less than 5 but 60 payroll postings

- **Members, except State Troopers, hired on and after 7/1/2005 but before 1/1/2007, and who have 5 or more years of service credit as of 1/1/2011**

Age	Service Credit
Any Age	35
55	Age and Service = 80 years or more
60	20
65	5
65	Less than 5 but 60 payroll postings

- **Members, except State Troopers, hired on and after 1/1/2007 but before 1/1/2011, or who have less than 5 years of service credit as of 1/1/2011**

Age	Service Credit
Any Age	35
55	30
55	Age and Service = 85 years or more
60	25
65	5
65	Less than 5 but 60 payroll postings



- **Members, except State Troopers, hired on and after 1/1/2011 but before 1/1/2017 and Members, except State Troopers, hired on and after 1/1/2017 whose last 10 years of service credit are in either the School or DPS Division**

Age	Service Credit
58	Age and Service = 88 years or more
65	5
65	Less than 5 but 60 payroll postings

- **Members, except State Troopers hired on and after 1/1/2017 whose last 10 years of service credit are not in either the School of DPS Divisions**

Age	Service Credit
60	Age and Service = 90 years or more
65	5
65	Less than 5 but 60 payroll postings

- **State Troopers, regardless of date of hire**

Age	Service Credit
Any Age	30
50	25
55	20
65	5
65	Less than 5 but 60 payroll postings

Reduced Service Retirement

The Age and Service Credit requirements to be eligible for a Reduced Service Retirement are listed below:

- **Members, except State Troopers, regardless of date of hire**

Age	Service Credit
50	25
55	20
60	5

- **State Troopers, regardless of date of hire**

Age	Service Credit
50	20
60	5



Disability Retirement

Active members with five or more years of earned service credit, with at least 6 months of this time earned in the most recent period of membership are eligible to apply for disability retirement. To be eligible, the member must be found to be totally and permanently disabled (mentally or physically) from regular and gainful employment. The service credit requirement is waived for state troopers injured in the line of duty and for judges found disabled by the Colorado Supreme Court.

Survivor Benefits

The qualified survivors of members who die before retirement with at least one year of service credit are eligible for monthly survivor benefits. The service credit requirement is waived if the death was job related.

MONTHLY BENEFIT CALCULATIONS – PERA BENEFIT STRUCTURE

Service Retirement Benefit

State including state troopers, School, Local Government, DPS Divisions and Members of the Judicial Division who were on the bench on and after July 1, 1973:

The greater of a) or b)

- a) 2.5% of HAS times years of Service Credit up to 40
- b) The money purchase benefit which is actuarially determined based on the value of the member contribution account and matching employer contributions on the effective date of retirement.

Members age 65 with less than 5 years and less than 60 payroll postings are eligible for the money purchase benefit only.

Members of the Judicial Division who were on the bench prior to July 1, 1973:

The greater of c) or d)

- c) The greater of a) or b) above
- d)
 1. 4% of HAS times years of Service Credit up to 10, plus
 2. 1 2/3% of HAS times years of Service Credit in excess of 10 up to 16, plus
 3. 1.5% of HAS times years of Service Credit in excess of 16 up to 20, plus
 4. 2.5% of HAS times years of Service Credit in excess of 20, the total not to exceed 100% of HAS.

In all cases, the benefit is limited to 100% of HAS.



Reduced Service Retirement Benefit

For all members, except State Troopers:

The service retirement benefit calculated above reduced 4% for each year after age 60, 3% for each year from age 55 to age 60, 6% for each year prior to 55, and proportionately for fractions of a year, from the effective date of reduced service retirement to the date the member would have been eligible for a service retirement benefit.

For State Troopers:

The service retirement benefit calculated above reduced 4% for each year after age 60, 3% for each year from age 50 to age 60, and proportionately for fractions of a year, from the effective date of reduced service retirement to the date the member would have been eligible for a service retirement benefit.

Effective January 1, 2011, for all members that are not retirement eligible on January 1, 2011, the service retirement benefit calculated above shall be reduced using actuarial equivalent factors, from the effective date of reduced service retirement to the date the member would have been eligible for a service retirement benefit.

Disability Retirement Benefit

If years of Service Credit at disability are greater than 20, the disability retirement benefit is calculated based on actual Service Credit at disability; otherwise, the disability retirement benefit is calculated based on actual Service Credit at disability plus Service Credit projected to age 65, but not to exceed a total of 20 years of Service Credit.

Benefits for disability retirees with an effective disability retirement date on or after July 1, 1988 and before January 1, 1999, who work after retirement will be reduced by 1/3 of the amount, if any, by which the initial annual PERA benefit plus earned income exceeds the annualized HAS.

Disability benefits are payable for as long as the disability retiree is disabled. Benefits cease upon recovery.



Survivor Benefits

➤ If the deceased was not Eligible for Reduced or Service Retirement at the time of Death

Benefits are payable in the following order:

- a) Qualified Children Under Age 23: 40% of HAS for one child, an equal share of 50% of HAS if there are two or more children.
- b) Spouse: If no qualified children in (a) exist: i) less than 10 years of Service Credit, 25% of HAS, benefits begin at age 60; ii) 10 or more years of Service Credit, the greater of 25% of HAS or the benefit which would have been payable as a 100% joint and survivor option if the deceased member had been eligible for service retirement and retired on the date of death, benefits begin immediately.
- c) Qualified Children Age 23 or Over: If no persons in (a) or (b) exist, 40% of HAS for one child, an equal share of 50% of HAS if there are two or more children.
- d) Dependent Parents: If no persons in (a) to (c) exist, 25% of HAS for one dependent parent or 40% of HAS for two dependent parents (minimum of \$100 per month for each dependent parent). Benefits begin immediately and continue until the death of the parent(s).
- e) Named Beneficiary: If no persons in (a) to (d) exist, single payment equal to the member contribution account plus the appropriate matching contribution, plus interest.
- f) Estate of Deceased Member: If no persons in (a) to (e) exist, single payment equal to the member contribution account plus the appropriate matching contribution, plus interest.

➤ If the deceased was eligible for Reduced or Service Retirement at the time of Death

The co-beneficiary is eligible for the amount that would have been payable had the member retired on the date of death and elected the 100% joint and survivor option. The order of payment is:

- a) Co-beneficiary – If the deceased member designated a co-beneficiary prior to death, that individual takes precedence in payment of benefits.
- b) Surviving Spouse
- c) Qualified Children
- d) Dependent Parents
- e) Named beneficiary
- f) Estate



Benefit Options

Retirement and disability benefits are payable for the life of the retired member. Optional reduced benefits may be elected at the time of retirement to provide for continuation of 50% or 100% of a reduced benefit amount to a designated co-beneficiary. If the member retires any time after the date on which service retirement eligibility is first met, the reduction for 50% or 100% continuation option will be actuarially determined as of the date the member first became eligible for service retirement.

Post-Retirement Benefit Increases

For members hired prior to January 1, 2007, each year on July 1, benefits which have been paid for at least twelve months preceding July 1 are increased.

For 2010 only, the increase equals the lesser of i) 2% compounded annually or, ii) the average of the annual CPI-W increases determined monthly, published for 2009.

For 2011 and beyond, the increase is 2.0% compounded annually for each year of retirement. If the investment return for the prior year is negative, then the increase will be an amount equal to the average of the annual CPI-W increases determined monthly for the prior year with a cap of 2%.

In addition, the increase will be first paid on the July 1 that is at least 12 months after retirement for those members who retire on or after January 1, 2011. Members not eligible to retire as of January 1, 2011 who retire with a reduced service retirement allowance must reach age 60 or the age and service requirements for unreduced service retirement to be eligible for the Post-Retirement Benefit Increases.

For PERA benefit structure service and disability retirees who were hired on or after January 1, 2007, and for PERA benefit structure survivor benefit recipients of deceased members who were hired on or after January 1, 2007:

- The increase is the lower of 2.0 percent or the average of the CPI-W for each of the months during the prior calendar year. Increases to all benefit recipients in this group are limited to 10 percent of the total funds available in the Annual Increase Reserve in the division from which they retired or were a member before death.
- Members must receive benefits for a full calendar year to be eligible for the increase.
- The increase for service retirees who retire with a reduced service retirement does not begin until the retiree has been receiving benefits for a full calendar year and has on January 1 of the year the increase is paid, either reached age 60, or years of service plus age equal 85, 88, or 90, whichever is applicable.
- No minimum age or service credit requirement shall apply for disability retirees or survivor benefit recipients.



ELIGIBILITY FOR BENEFITS – DPS BENEFIT STRUCTURE

Refund of Member Contributions

In the event a member leaves service for a reason other than death or retirement, member contribution accounts including interest plus applicable matching employer contributions with interest are refunded upon request.

Service Retirement

The Age and Service Credit requirements to be eligible for a full Service Retirement are listed below:

- **Members, hired before 1/1/2010 who have 5 or more years of service credit on 1/1/2011**

Age	Service Credit
50	30
55	25 (must include 15 years of earned service)
65	5

- **Members, hired before 1/1/2010 who have less than 5 years of service credit as of 1/1/2011**

Age	Service Credit
Any Age	35
55	30 (must include 20 years of earned service)
55	Age and Service = 85 years or more
60	25
65	5
65	Less than 5 but 60 payroll postings

Reduced Service Retirement

The Age and Service Credit requirements to be eligible for a Reduced Service Retirement are listed below:

- **Members, regardless of date of hire who have 5 or more years of service credit on 1/1/2011**

Age	Service Credit
55	15
Any Age	25

- **Members, regardless of date of hire who have less than 5 years of service credit on 1/1/2011**

Age	Service Credit
50	25
55	20
60	5



Disability Retirement

Active members with five or more years of earned service credit, with at least 6 months of this time earned in the most recent period of membership are eligible to apply for disability retirement. To be eligible, the member must be found to be totally and permanently disabled (mentally or physically) from regular and gainful employment.

Survivor Benefits

The qualified survivors of members who die before retirement with at least five years of service credit and are active at time of death are eligible for monthly survivor benefits.

MONTHLY BENEFIT CALCULATIONS – DPS BENEFIT STRUCTURE

Service Retirement Benefit The greater of a) or b)

- a) 2.5% of HAS times years of Service Credit
- b) \$15 times first 10 years of service credit plus \$20 times service credit over 10 years plus an amount equal to annuitized member balance.*

* May include matching dollars if eligible.

Reduced Service Retirement Benefit

Age	Service	Reduction Amount
Under 50	30 years	4% for each year prior to age 50
Under 50	25 – 30 years	Greater of: <ul style="list-style-type: none"> • 4% for each year of service below 30 years • 4% for each year below age 50
Age 50 - 55	25 – 30 years	Lesser of: <ul style="list-style-type: none"> • 4% for each year under age 50 • 4% for each year of service below 30 years
Over 55	15 years	Lesser of: <ul style="list-style-type: none"> • 4% for each year under age 65 • 4% for each year of service below 25 years

The reduction factor in the table above equals 6% per year for those hired on or after 7/1/2005 but before 1/1/2010.

Effective 1/1/2011, for all members that are not retirement eligible on 1/1/2011, the service retirement benefit calculated above shall be reduced using actuarial equivalent factors, from the effective date of reduced service retirement to the date the member would have been eligible for a service retirement benefit.



Disability Retirement Benefit

If years of Service Credit at disability are greater than 20, the disability retirement benefit is calculated based on actual Service Credit at disability; otherwise, the disability retirement benefit is calculated based on actual Service Credit at disability plus Service Credit projected to age 65, but not to exceed a total of 20 years of Service Credit.

Disability benefits are payable for as long as the disability retiree is disabled. Benefits cease upon recovery.

Survivor Benefits

- a) Child: Greater of 10% of HAS for each child up to a limit of 30%; and \$160 (pro-rated) for each child up to a limit of \$480.
- b) Spouse with eligible children: The greater of the difference between the child benefit above and 30% (40% if 15 years of service plus 2% for each year of service beyond 25 years) of HAS, and \$480.
- c) Dependent Parents: The greater of 10% of HAS for each parent; and \$240 per parent.
- d) Spouse (less than 15 years of service): Lesser of 30% of HAS; and \$480, payable at later of age 60 or when last eligible child loses eligibility.
- e) Spouse (15 years of service or more): Greater of 30% of HAS, plus an additional 1% for each year of service over 15 years; and \$480, payable at later of age 50 or when last eligible child loses eligibility.

Benefit Options

- Option A: Single life annuity (SLA) with residual refund of member contributions.
- Option B: Single life annuity with guarantee period determined based on accumulated employee contribution balance at retirement.
- Option C: 100% joint and survivor with 10 years certain. – Not available to members retiring post 1/1/2010
- Option D: Cash refund on annuity portion and SLA on pension portion. – Not available to members retiring post 1/1/2010
- Option E: 50% joint and survivor with 10 years certain. – Not available to members retiring post 1/1/2010



Option P2: 50% joint and survivor with pop-up and residual refund of member contributions.

Option P3: 100% joint and survivor with pop-up and residual refund of member contributions.

Post-Retirement Benefit Increases

Each year on July 1, benefits which have been paid for at least twelve months preceding July 1 are increased.

For 2010 only, the increase equals the lesser of i) 2% compounded annually or, ii) the average of the annual CPI-W increases determined monthly, published for 2009.

For 2011 and beyond, the increase is 2.0% compounded annually for each year of retirement. If the investment return for the prior year is negative, then the increase will be an amount equal to the average of the annual CPI-W increases determined monthly for the prior year with a cap of 2%.

In addition, the increase will be first paid on the July 1 that is at least 12 months after retirement for those members who retire on or after January 1, 2011. Members not eligible to retire as of January 1, 2011 who retire with a reduced service retirement allowance must reach age 60 or the age and service requirements for unreduced service retirement to be eligible for the Post-Retirement Benefit Increases.



OTHER PROVISIONS SPECIFIC TO THE PERA HEALTH CARE TRUST FUND

Eligibility for Health Care Coverage The PERA Health Care Trust Fund (PERA HCTF) includes assets for the purpose of paying premium subsidies on behalf of PERA benefit structure benefit recipients and DPS Benefit Structure retirees who worked for an employer in the State, School, Local Government, and Judicial Divisions within PERA who enroll in PERACare.

The following individuals are eligible to enroll in PERACare:

- Anyone receiving a monthly PERA benefit (benefit recipient). If the Benefit Recipient is enrolled in PERACare, the following dependents may be enrolled: spouses, domestic partners, unmarried, dependent children under age 25, certain mentally or physically incapacitated adult children, and dependent parents.
- PERA Members receiving short-term disability payments.
- Guardians of children receiving PERA survivor benefits, if children are receiving health care benefits.
- PERA retirees temporarily not receiving PERA benefits.
- Surviving spouses of deceased retirees who are not receiving PERA benefits but were enrolled in PERACare at the time when death occurred.
- Divorced spouses of retirees who are not receiving PERA benefits, but were receiving health care benefits, when the divorce occurred.

Enrollment Enrollment is voluntary, with annual open enrollment for coverage effective each January 1. If a surviving spouse or divorced spouse discontinues coverage, re-enrollment is not allowed.

Premium Subsidy A monthly subsidy is allocated to each benefit recipient under the PERA benefit structure and each retiree under the DPS benefit structure electing health care coverage. Survivors of retirees under the PERA benefit structure are eligible to receive the subsidy. The following monthly amounts are allocated per year of credited service, up to a maximum of 20 years of service:

DPS Benefit Structure Retirees Who Retire On or After July 1, 1994:

- \$ 5.75 if age 65 and older and eligible for Medicare Parts A and B.
- \$11.50 if not yet age 65, or if age 65 and older and not eligible for premium-free Medicare Part A.

PERA Benefit Structure Benefit Recipients:

- \$ 5.75 if age 65 and older or eligible for Medicare Part B.
- \$11.50 if not yet age 65 or not eligible for Medicare Part B.



This subsidy is used to determine member premiums, which are the projected full cost of coverage less the premium subsidy. The full costs for claims, administration, premiums, etc. are allocated and paid by the PERA HCTF and the DPS HCTF.

Historically, this has resulted in net costs to the PERA HCTF and the DPS HCTF being very close to the premium subsidy, with all costs of coverage above this subsidy paid by the member. For those benefit recipients who are age 65 or older, the full cost of coverage is considered to be based on the full cost of coverage assuming Medicare Part A eligibility. This is independent of actual Medicare Part A eligibility.

Members not receiving a PERA monthly benefit do not qualify for this subsidy and bear the full cost of coverage.

This premium subsidy is only available to those enrolled in PERACare and meeting the requirements defined by the benefit structure under which they retire.

Special Note on Members not qualifying for Medicare Part A:

The PERA HCTF pays an implicit subsidy for members not eligible for premium-free Medicare Part A benefits. For members in the fully-insured HMOs, this amount is the difference in premiums charged for those without Medicare Part A and for those enrolled in Medicare Part A. For the self-funded plans, this amount is the assumed difference in claims costs for services covered under Medicare Part A between members without Medicare Part A coverage and those enrolled in Medicare Part A.

Special Note on Members eligible for Medicare Part D:

For members electing coverage in a plan option that produces a Retiree Drug Subsidy (RDS), which is payable to PERA, under Part D of the Medicare Modernization Act of 2003 (MMA), PERA has reduced the full cost of coverage by estimated RDS receipts. GASB Statements 43 and 45 do not allow for future assumed RDS payments to be used as a direct offset for future liabilities. Therefore, a liability for these payments has been included in the total PERA HCTF liability. Plan options producing an RDS for PERA in 2011 are the self-funded Medicare Supplement plans and the Rocky Mountain Health Plan Medicare HMO.

Special Note on Premium Subsidy Funding for Members in both the PERA HCTF and the DPS HCTF:

For members covered under both the PERA HCTF and the DPS HCTF, the allocation of the subsidy amounts is done via an allocation method set forth in C.R.S. 24-51-1206.5.



OTHER PROVISIONS SPECIFIC TO THE DPS HEALTH CARE TRUST FUND

Eligibility for Health Care Coverage

The DPS Health Care Trust Fund (DPS HCTF) includes assets for the purpose of paying premium subsidies on behalf of PERA benefit structure benefit recipients and DPS Benefit Structure retirees who worked for employers of the DPS Division and who enroll in PERACare.

The following individuals are eligible to enroll in PERACare:

- Anyone receiving a monthly PERA benefit including; spouses, domestic partners, unmarried, dependent children under age 25, certain mentally or physically incapacitated adult children, and dependent parents.
- PERA Members receiving short-term disability payments.
- Guardians of children receiving PERA survivor benefits if children are receiving health care benefits.
- PERA Retirees temporarily not receiving benefits.
- Surviving spouses of deceased retirees who are not receiving PERA benefits but were receiving health care benefits at the time when death occurred.
- Divorced spouses of retirees who are not receiving PERA benefits, but were receiving health care benefits, when the divorce occurred.

Enrollment

Enrollment is voluntary, with annual open enrollment for coverage effective each January 1. If a surviving spouse or divorced spouse discontinues coverage, re-enrollment is not allowed.

Premium Subsidy

A monthly subsidy is allocated to each benefit recipient under the PERA benefit structure and each retiree under the DPS benefit structure electing health care coverage. Survivors receiving benefits under the PERA benefit structure are eligible to receive the subsidy. The following monthly amounts are based on the date of retirement:

DPS Benefit Structure Retirees Who Retired Prior to July 1, 1994:

- \$230 per month for retirees without Medicare Part A.
- \$115 per month for retirees with Medicare Part A.

DPS Benefit Structure Retirees Who Retire On or After July 1, 1994, the following monthly amounts are allocated per year of credited service up to a maximum of 20 years of service:

- \$ 5.75 if age 65 and older and eligible for Medicare Parts A and B.
- \$11.50 if not yet age 65, or if age 65 and older and not eligible for premium-free Medicare Part A.



PERA Benefit Structure Benefit Recipients, the following monthly amounts are allocated per year of credited service up to a maximum of 20 years of service:

- \$ 5.75 if age 65 and older or eligible for Medicare Part B.
- \$11.50 if not yet age 65 or not eligible for Medicare Part B.

This subsidy is used to determine member premiums, which are the projected full costs of coverage less the premium subsidy. The full costs for claims, administration, premiums, etc. are allocated and paid by the PERA HCTF and the DPS HCTF.

This should result in net costs to the PERA HCTF and DPS HCTF being very close to the premium subsidy, with all costs of coverage above this subsidy paid by the member.

This premium subsidy is only available to those enrolled in PERACare and meeting the requirements defined by the benefit structure under which they retire.

Special Note on DPS Benefit Structure Members Not Qualifying for Premium-Free Medicare Part A Coverage:

The DPS HCTF pays an explicit subsidy for those members eligible to receive the premium subsidy and are not eligible for premium-free Medicare Part A coverage. For these members, an additional subsidy of \$5.75 per month for each year of credited service (up to a maximum of 20 years of service), is allocated.

Special Note on PERA Benefit Structure Members not qualifying for Medicare Part A:

The DPS HCTF pays an implicit subsidy for members not eligible for premium-free Medicare Part A benefits. For members in the fully-insured HMOs, this amount is the difference in premiums charged for those without Medicare Part A and for those enrolled in Medicare Part A. For the self-funded plans, this amount is the assumed difference in claims costs for services covered under Medicare Part A between members without Medicare Part A coverage and those enrolled in Medicare Part A.

Special Note on Members Eligible for Medicare Part D:

For members electing coverage in a plan option that produces a Retiree Drug Subsidy (RDS), which is payable to PERA under Part D of the Medicare Modernization Act of 2003 (MMA), PERA has reduced the full cost of coverage by the estimated RDS. GASB Statements 43 and 45 do not allow for future assumed RDS payments to be used as a direct offset for future liabilities. Therefore, a liability for these payments has been included in the total DPS HCTF liability. Plan options producing an RDS for PERA in 2011 are the Self-Funded Medicare Supplement plans and the Rocky Mountain Health Plan Medicare HMO.



Special Note on Premium Subsidy Funding for Members in both the PERA HCTF and the DPS HCTF:

For members covered under both the PERA HCTF and the DPS HCTF, the allocation of the subsidy amounts is done via an allocation method set forth in C.R.S. 24-51-1206.5



SCHEDULE G

**SCHEDULE OF ACTIVE MEMBER DATA
AS OF DECEMBER 31, 2010**

STATE DIVISION

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	179	0	0	0	0	0	0	179	\$ 1,130,034
20 to 24	1,457	15	0	0	0	0	0	1,472	\$ 26,430,832
25 to 29	3,502	441	17	0	0	0	0	3,960	\$ 120,515,736
30 to 34	3,424	1,532	308	6	0	0	0	5,270	\$ 195,732,552
35 to 39	2,751	1,612	1,114	196	8	0	0	5,681	\$ 242,681,325
40 to 44	2,674	1,604	1,341	863	280	23	0	6,785	\$ 316,101,897
45 to 49	4,321	1,610	1,293	936	767	470	48	9,445	\$ 419,566,932
50 to 54	2,278	1,614	1,223	977	908	829	330	8,159	\$ 404,585,620
55 to 59	1,913	1,381	1,098	966	876	605	383	7,222	\$ 355,756,676
60	328	241	188	173	144	81	71	1,226	\$ 58,044,391
61	269	224	163	133	134	89	69	1,081	\$ 51,353,715
62	246	181	157	106	94	86	57	927	\$ 45,754,306
63	205	149	118	112	77	64	54	779	\$ 36,735,532
64	190	160	116	81	89	65	43	744	\$ 35,364,876
65	111	113	78	62	29	30	51	474	\$ 22,302,634
66	98	74	56	48	40	26	24	366	\$ 16,555,538
67	76	46	37	38	23	19	29	268	\$ 12,275,634
68	65	60	28	23	23	12	23	234	\$ 9,301,813
69	51	25	15	18	18	9	12	148	\$ 6,398,178
70 & Over	244	93	82	50	32	20	36	557	\$ 15,491,907
Total	24,382	11,175	7,432	4,788	3,542	2,428	1,230	54,977	\$ 2,392,080,128

Average Age (Non-Trooper): 45.92

Average Service (Non-Trooper): 8.87

Average Age (Trooper): 40.38

Average Service (Trooper): 11.09



SCHEDULE G

**SCHEDULE OF ACTIVE MEMBER DATA
AS OF DECEMBER 31, 2010**

SCHOOL DIVISION

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	761	0	0	0	0	0	0	761	\$ 4,101,697
20 to 24	3,745	91	0	0	0	0	0	3,836	\$ 57,716,548
25 to 29	8,897	1,362	30	0	0	0	0	10,289	\$ 280,032,985
30 to 34	6,662	4,973	749	19	0	0	0	12,403	\$ 418,927,192
35 to 39	6,004	3,838	2,937	388	9	0	0	13,176	\$ 467,754,917
40 to 44	7,560	3,876	2,825	2,052	342	6	0	16,661	\$ 571,060,829
45 to 49	5,845	4,137	2,712	1,882	1,572	534	38	16,720	\$ 592,702,834
50 to 54	4,688	3,898	3,099	2,084	1,526	1,669	434	17,398	\$ 645,284,172
55 to 59	3,284	2,619	2,166	1,992	1,482	1,141	694	13,378	\$ 502,157,626
60	557	383	303	310	232	175	95	2,055	\$ 76,052,628
61	459	381	265	253	194	141	91	1,784	\$ 65,458,995
62	433	306	223	195	161	124	76	1,518	\$ 54,403,906
63	400	263	202	151	127	112	65	1,320	\$ 44,765,443
64	431	233	206	137	125	73	56	1,261	\$ 38,952,283
65	271	160	98	89	64	42	32	756	\$ 22,193,720
66	247	121	70	61	39	28	24	590	\$ 14,685,038
67	204	107	57	37	28	25	11	469	\$ 11,022,066
68	216	99	39	38	21	10	15	438	\$ 8,510,578
69	153	70	36	25	4	22	4	314	\$ 5,763,789
70 & Over	705	313	153	80	37	34	37	1,359	\$ 19,114,330
Total	51,522	27,230	16,170	9,793	5,963	4,136	1,672	116,486	\$ 3,900,661,576

Average Age: 44.46
Average Service: 8.29



SCHEDULE G

**SCHEDULE OF ACTIVE MEMBER DATA
AS OF DECEMBER 31, 2010**

LOCAL GOVERNMENT DIVISION

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	412	0	0	0	0	0	0	412	\$ 1,792,555
20 to 24	797	21	0	0	0	0	0	818	\$ 12,171,072
25 to 29	1,095	207	13	0	0	0	0	1,315	\$ 41,297,370
30 to 34	1,024	417	100	7	0	0	0	1,548	\$ 60,083,075
35 to 39	965	526	230	48	1	0	0	1,770	\$ 79,147,807
40 to 44	964	608	298	160	58	8	0	2,096	\$ 99,294,718
45 to 49	814	584	343	230	161	126	22	2,280	\$ 120,074,556
50 to 54	696	531	356	261	204	185	82	2,315	\$ 124,096,786
55 to 59	536	429	249	223	187	111	80	1,815	\$ 96,317,624
60	85	65	37	34	19	22	17	279	\$ 13,674,234
61	102	72	42	25	15	16	11	283	\$ 13,897,184
62	63	50	34	21	19	14	7	208	\$ 10,669,804
63	48	50	23	20	16	6	5	168	\$ 7,947,404
64	61	54	22	15	16	11	7	186	\$ 7,623,846
65	36	27	16	12	6	4	4	105	\$ 4,439,944
66	31	26	8	9	6	4	3	87	\$ 3,059,370
67	36	21	7	5	4	1	4	78	\$ 2,748,406
68	28	20	6	6	1	3	2	66	\$ 1,989,196
69	37	15	4	3	2	2	0	63	\$ 1,606,781
70 & Over	170	42	19	11	8	0	2	252	\$ 3,333,599
Total	8,000	3,765	1,807	1,090	723	513	246	16,144	\$ 705,265,331

Average Age: 43.99
Average Service: 7.60



SCHEDULE G

**SCHEDULE OF ACTIVE MEMBER DATA
AS OF DECEMBER 31, 2010**

JUDICIAL DIVISION

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	0	0	0	0	0	0	0	0	\$ 0
20 to 24	0	0	0	0	0	0	0	0	\$ 0
25 to 29	0	0	0	0	0	0	0	0	\$ 0
30 to 34	0	0	0	0	0	0	0	0	\$ 0
35 to 39	2	1	0	0	0	0	0	3	\$ 182,451
40 to 44	9	10	1	3	1	0	0	24	\$ 2,774,631
45 to 49	20	9	7	4	5	0	0	45	\$ 5,350,865
50 to 54	16	12	10	9	6	5	1	59	\$ 7,079,272
55 to 59	11	13	13	8	10	4	4	63	\$ 7,573,920
60	3	4	3	2	3	2	2	19	\$ 2,348,239
61	3	3	2	3	3	3	2	19	\$ 2,020,540
62	1	5	2	4	3	3	4	22	\$ 2,414,023
63	0	1	3	3	3	2	1	13	\$ 1,620,582
64	2	3	1	0	2	3	1	12	\$ 1,427,222
65	0	0	4	0	2	0	2	8	\$ 1,007,656
66	0	0	3	1	2	2	0	8	\$ 1,006,721
67	1	1	1	1	1	1	1	7	\$ 737,663
68	0	0	0	0	1	0	1	2	\$ 266,964
69	1	2	0	1	1	0	0	5	\$ 542,378
70 & Over	0	0	0	1	2	2	3	8	\$ 1,059,012
Total	69	64	50	40	45	27	22	317	\$ 37,412,139

Average Age: 56.01
Average Service: 14.08



SCHEDULE G

**SCHEDULE OF ACTIVE MEMBER DATA
AS OF DECEMBER 31, 2010**

DENVER PUBLIC SCHOOLS DIVISION

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	55	0	0	0	0	0	0	55	\$ 501,021
20 to 24	688	1	0	0	0	0	0	689	\$ 12,883,207
25 to 29	1,457	46	2	0	0	0	0	1,505	\$ 42,211,589
30 to 34	1,198	281	28	1	0	0	0	1,508	\$ 51,166,435
35 to 39	921	309	201	14	1	0	0	1,446	\$ 54,909,533
40 to 44	1,587	284	212	71	12	0	0	2,166	\$ 66,963,614
45 to 49	683	225	198	130	100	19	0	1,355	\$ 57,333,202
50 to 54	645	202	191	132	165	79	16	1,430	\$ 58,646,551
55 to 59	564	181	191	168	159	65	47	1,375	\$ 60,179,687
60	98	34	40	31	28	7	5	243	\$ 10,684,800
61	107	23	40	32	19	11	7	239	\$ 10,369,375
62	93	23	28	19	29	10	4	206	\$ 9,466,191
63	71	23	30	17	18	7	3	169	\$ 7,461,885
64	65	21	27	15	20	7	11	166	\$ 7,480,652
65	45	18	19	17	15	7	5	126	\$ 5,829,642
66	53	11	10	8	9	3	3	97	\$ 3,787,007
67	46	8	12	7	5	2	4	84	\$ 3,080,464
68	29	5	6	7	5	2	0	54	\$ 1,947,682
69	32	7	4	2	3	0	1	49	\$ 1,532,537
70 & Over	160	12	9	9	10	3	6	209	\$ 4,338,672
Total	8,597	1,714	1,248	680	598	222	112	13,171	\$ 470,773,746

Average Age: 43.52
Average Service: 5.65