

PERA  
FY 2021-22 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, January 5, 2021  
11:00 am – 12:00 pm

**11:00-11:05 INTRODUCTIONS AND OPENING COMMENTS**

Presenter: Ron Baker, PERA Executive Director

**11:05-12:00 PERA PRESENTATION**

Main Presenters:

- Ron Baker, PERA Executive Director
- Amy McGarrity, PERA Chief Investment Officer

Supporting Presenters:

- Tim O'Brien, PERA Board of Trustees'
- Marcus Pennell, PERA Board of Trustees'

# Joint Budget Committee

January 5, 2021

Ron Baker, Executive Director  
Amy C. McGarrity, Chief Investment Officer



# Public Employees' Retirement Association of Colorado (PERA)

## Voluntary Investment Program

PERAPlus 401(k) and 457 Plans



## Defined Benefit Plan

Stable benefit payments to over 121,000 retired public employees

## Defined Contribution Plan

Choice available to State and Local Government employees

## Health Benefits Program

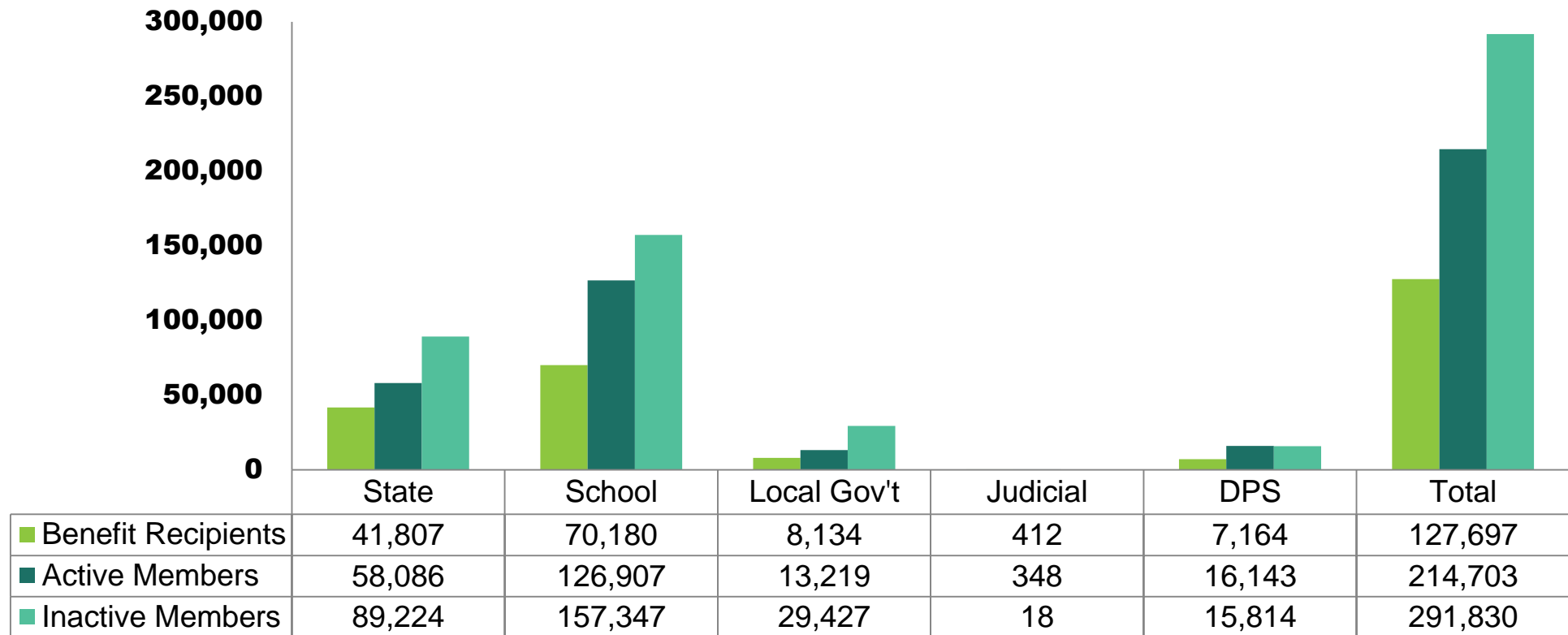
Active and retired member coverage



# PERA Provides for 1 in 10 Coloradans

*As of September 30, 2020*

**Total: 634,230**





# 2019 *Comprehensive Annual Financial Report*

## » HOW ARE PERA'S INVESTMENTS DOING?

- At the end of 2019, PERA's investment return was 20.3% net-of-fees.

## » WHAT IS PERA'S FUNDED STATUS?

- PERA's funded status increased to 61.9%.

# Projected Amortization Periods (in years)

For the Year Ended December 31, 2019

Division Trust Fund	2019 Valuation Results Considering HB 20-1379 and HB 20-1394	2019 Valuation Results	2018 Valuation Results
State	22	22	28
School	24	24	34
Local Government	14	14	29
Judicial	12	12	21
Denver Public Schools (DPS)	11	11	17

# How PERA Limits Investment Costs to Maximize Returns



**\$52.1 billion**

Assets under management on behalf of PERA membership



**\$164 million**

Internal and external investment management expenses

INTERNAL/EXTERNAL MONEY MANAGEMENT FEES



**63%**

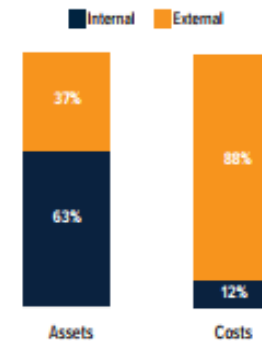
Assets managed in-house by PERA staff



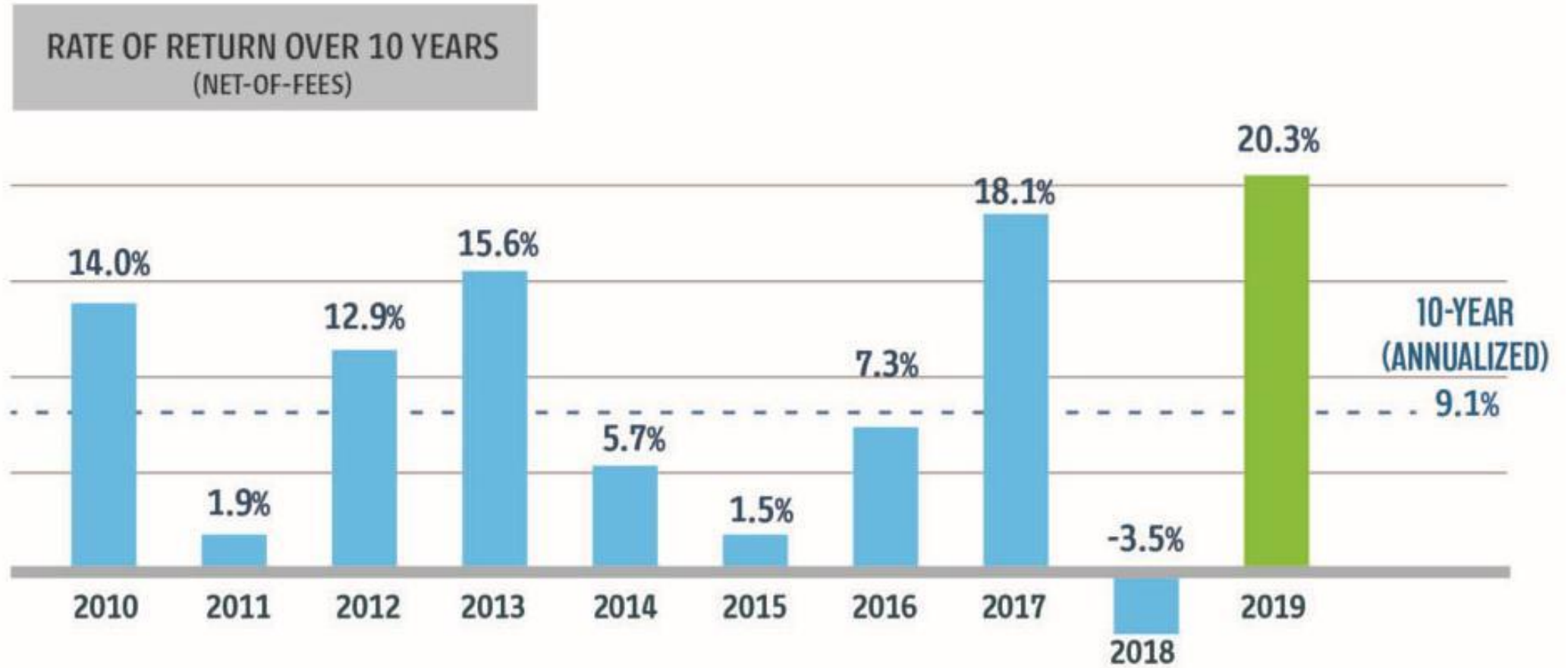
**\$55 million**

Savings in 2019 due to the use of internal investment management

INTERNAL/EXTERNAL ASSETS AND COSTS



# Investing for the Long Term



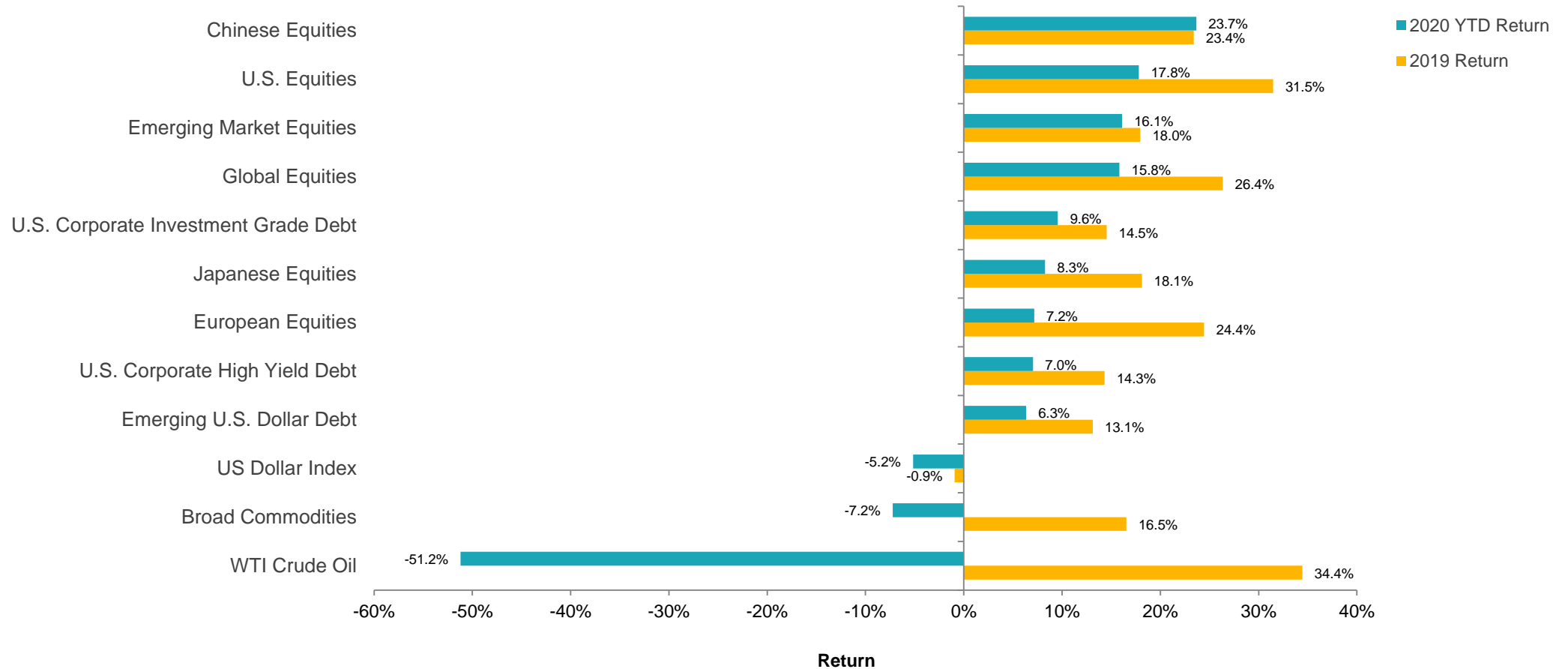
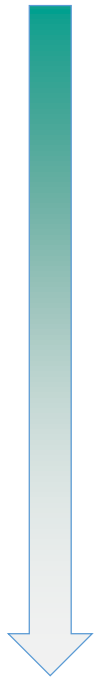


# Market Performance

## 2020 YTD\* vs. 2019 Calendar Year

The rebound in “risk assets” has continued YTD

2020\* Highest Performers

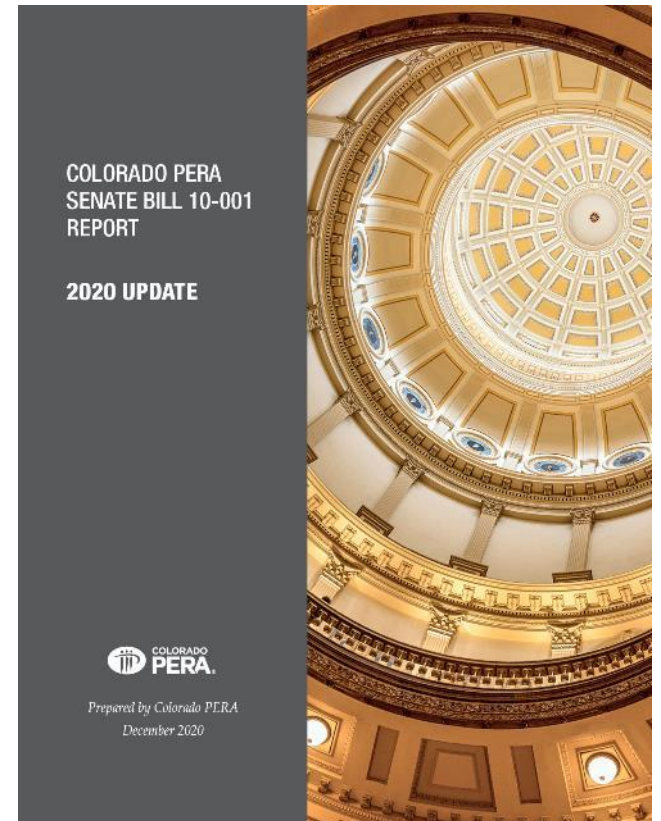


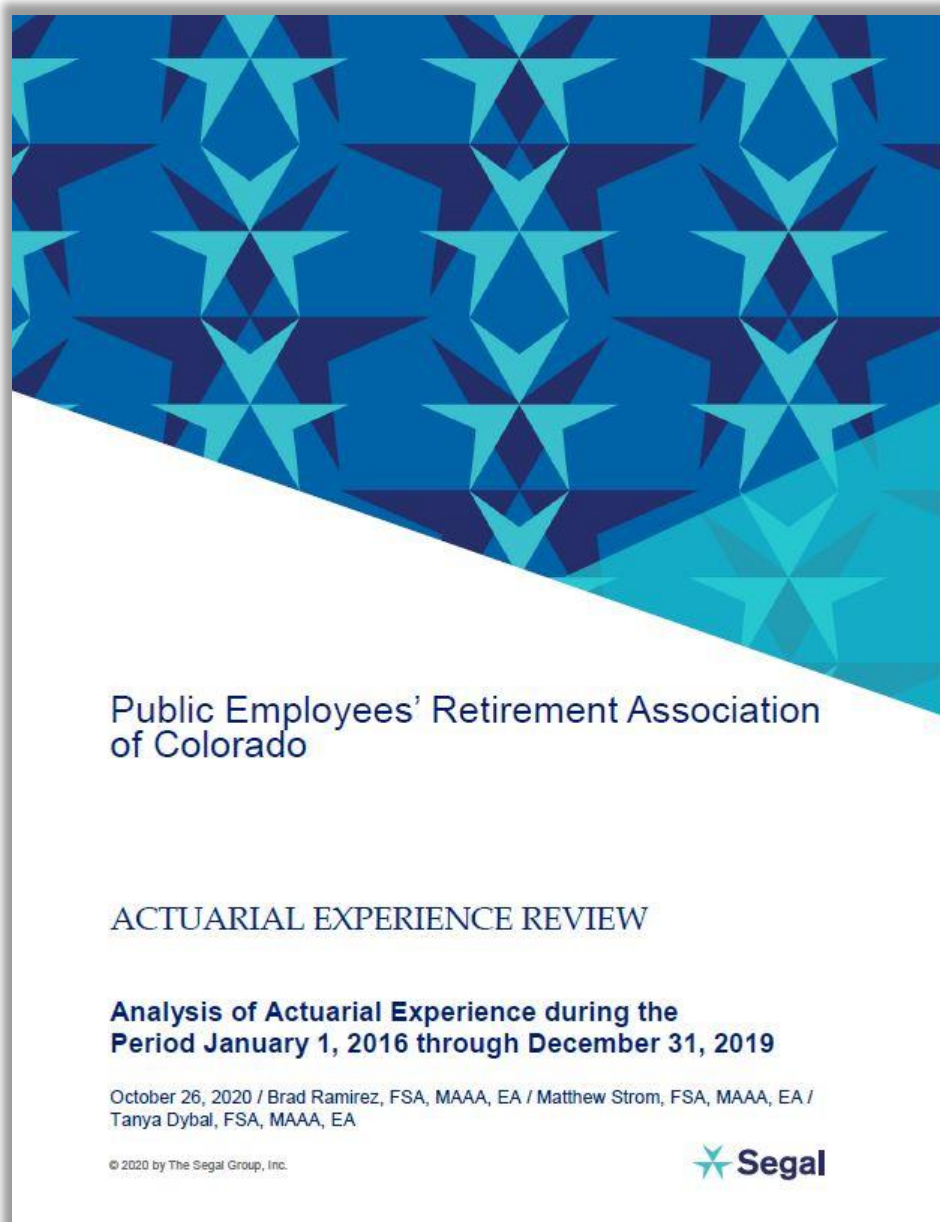
# PERA Reports

Senate Bill 10-001 (Senate Bill 18-200)  
Report

Critical Shortage Report

Experience Study





# Experience Study: Periodic and Comprehensive Review

## » Overview

- Purpose
- How assumptions are set
- Actuarial Assumptions: Economic and Demographic

## » Recent Board Action

- Adopted new assumptions
  - » Mortality tables
  - » Salary scale
  - » Headcount growth

A vertical banner on the left side of the slide features a blurred background of a financial chart. The chart includes a candlestick pattern with red and green bars, overlaid with a white line graph and several dashed trend lines. A numerical value '1,00.00' is visible in the upper left corner of the chart area.

# What to Expect in 2021

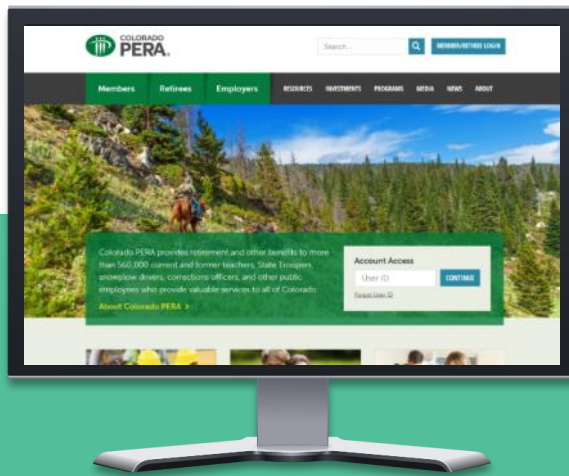
» 3<sup>rd</sup> and final year of member (employee) contribution increase phase-in from Senate Bill 18-200

- 10.5% member contribution rate effective July 1, 2021

» Financial Results for 2020 will be calculated as of December 31, 2020

- Automatic Adjustment determination made in June 2021 for July 2022

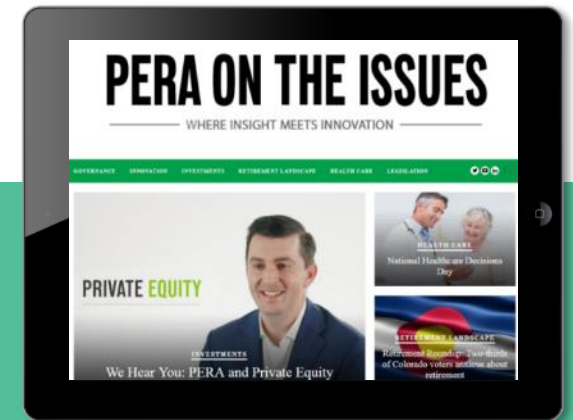
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