

Public Employees' Retirement Association of Colorado

Actuarial Valuation and Review

As of December 31, 2023

State Division Trust Fund
School Division Trust Fund
Local Government Division Trust Fund
Judicial Division Trust Fund
Denver Public Schools Division Trust Fund

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June 6, 2024

The Board of Trustees
Public Employees' Retirement Association of Colorado
1301 Pennsylvania Street
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Dear Trustees:

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Division Trust Funds of the Public Employees' Retirement Association of Colorado (PERA) as of December 31, 2023.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion the results presented also comply with Colorado Statutes, and, where applicable, the Internal Revenue Code, and ERISA. The undersigned are independent actuaries. All are Fellows of the Society of Actuaries, Enrolled Actuaries, and Members of the American Academy of Actuaries, and are experienced in performing valuations for large public retirement systems. All meet the Qualification Standards of the American Academy of Actuaries.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. PERA is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

PENSION FUNDING ACTUARIAL VALUATION – DIVISION TRUST FUNDS

The primary purposes of the valuation report are to determine the adequacy of the current employer contribution rates, to describe the current financial condition of PERA, and to analyze changes in PERA's financial condition. Valuations are prepared annually, as of December 31 of each year, the last day of PERA's plan and fiscal year.

PENSION FINANCING OBJECTIVES

PERA maintains five pre-funded, hybrid defined benefit pension plans (i.e., State Division Trust Fund, School Division Trust Fund, Local Government Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools (DPS) Division Trust Fund). Each defined benefit pension plan is funded through PERA-affiliated employer and member contributions including adjustments resulting from the Automatic Adjustment Provision (AAP), a \$225 million direct distribution from the State of Colorado, and the investment earnings resulting from those contributions. In addition, for employees of employers of the State and Local Government Divisions, hired on or after January 1, 2019, who chose to participate in the PERAChoice Defined Contribution (DC) Plan in lieu of participating in PERA's Defined Benefit (DB) Plan, a DC Supplement is paid to the Defined Benefit Plan to help fund the unfunded actuarial accrued liability (UAAL). Determined separately for the State and Local Government Divisions and calculated as a rate of pay, the DC Supplement was first payable as of January 1, 2021, by all employers of the two divisions, and is updated annually with each funding actuarial valuation. The fixed contribution rate at which each division's employers and members contribute is determined by the Colorado General Assembly and defined within the statutes governing PERA.

The following legislation, enacted in 2022, 2023, and 2024 was reflected, to the extent possible, in this actuarial valuation:

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to (in addition to the regularly scheduled \$225 million direct distribution) issue a warrant to PERA in the amount of \$380 million, upon enactment, with potential reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024, based upon the actual investment returns reported by PERA for 2021 and 2022, respectively. The payment scheduled for July 1, 2023, was reduced by \$190 million, from \$225 million to \$35 million, based on the total fund investment return in 2021 of 16.1%. No reduction is required for the payment scheduled to occur July 1, 2024, due to a negative investment return in 2022.
- SB 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of HB 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant to PERA consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.56 million.
- SB 23-163, enacted and effective June 6, 2023, states that beginning July 1, 2023, a wildlife officer and a parks and recreation officer (officer), employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a State Trooper for the purpose of determining the officer's service retirement eligibility and benefit under PERA.
- SB 24-099, enacted April 11, 2024, and effective 90 days following adjournment, adds superintendents and principals to the list of service retirees (along with teachers, school bus drivers, food services cooks, school nurses and paraprofessionals) that may be hired by a rural school district and employed without a reduction in retirement benefits. This legislation clarifies

that the exemption for a rural school district also includes a small rural school district which has a funded pupil count for the prior budget year of less than 1,000 pupils. The bill extends the BOCES critical shortage provisions through June 30, 2030, and also clarifies that the two-year moratorium for those who have not met full-service retirement applies to all critical shortage positions and aligns the designation date for reporting critical shortage positions to September 1st of each year.

- HB 24-1044, enacted April 19, 2024, and effective July 1, 2024, increases the number of retirees that can be designated under the 140-day provision. This legislation increases the current retiree limit of 10 “140-day provision” designees, for certain districts. For districts with over 10,000 students, an additional retiree may be designated under the “140-day provision” for each thousand students in excess of 10,000. In addition, this bill modifies the requirement that positions be filled based on a “critical shortage of qualified candidates” test to filling positions based on “need”. The bill places a 6-year cap on the total years a retiree may be designated under the “140-day provision” and aligns the designation date for all “140-day” designees to September 1st of each year.
- SB 24-169, enacted May 24, 2024, and effective July 1, 2025, modifies the definition of “state trooper” to include a duly sworn employee of the division of fire prevention and control in the department of public safety. The bill applies the “state trooper” member and employer contribution rates and benefit structure to eligible employees whose duties include structural or wildfire management, wildfire response, live-fire training, or wildfire leadership, as determined by the executive director of the department of public safety.
- SB 24-186, enacted June 5, 2024, and effective January 1, 2025, modifies the definition of “state trooper” to include employees of a local government division employer classified as a coroner or deputy coroner who were elected, reelected, or appointed on or after January 1, 2021, which includes the Boulder County Coroner. The bill applies the “state trooper” member and employer contribution rates and benefit structure to eligible employees meeting these criteria.

Note that 2022, 2023, and 2024 PERA-related legislation listed above had minimal impact on the results of the funding actuarial valuation as of December 31, 2023, however, HB 22-1029 and SB 23-056 directly impact the market and actuarial value of assets as of the December 31, 2023, valuation date for all divisions except the Local Government Division.

PERA’s defined benefit pension plan funding policy, as developed and maintained by the PERA Board of Trustees (Board), is used to gauge the adequacy of the statutory contributions. The purposes of this pension funding policy are to state the overall funding goals and annual actuarial metrics and to guide the Board when considering whether to pursue or support proposed contribution and benefit legislation related to the Division Trust Funds. The policy also includes a brief list of governance responsibilities regarding the commissioning, collection, and review of actuarial information, as described in the Board’s Governance Manual.

PERA also maintains two pre-funded defined benefit retiree health care subsidy plans (i.e., Health Care Trust Fund and DPS Health Care Trust Fund), classified as other postemployment benefit (OPEB) plans. The Board maintains a separate defined benefit OPEB

plan funding policy (OPEB funding policy) with regard to these plans. The results of the OPEB funding actuarial valuation are included in a separate report.

PERA's pension funding policy is provided in *Section 4, Exhibit III*.

PROGRESS TOWARD REALIZATION OF PENSION FINANCING OBJECTIVES

The Board's funding policy, in accordance with Senate Bill 18-200, is targeted to fully fund the UAAL determined as of December 31, 2017, for each of the five pension Division Trust Funds over a closed 30-year period (24 years remaining as of December 31, 2023). Changes in UAAL arising subsequent to 2017 are amortized over separate closed periods, where the length of the amortization period depends on the nature of the source¹. Shown in the following table are the resulting effective amortization periods for each division as of December 31, 2023, recognizing all current sources of income from employer contributions, member contributions, and the direct distribution as applicable, and any future changes to the base employer contributions, member contributions, Amortization Equalization Disbursement (AED), Supplemental Amortization Equalization Disbursement (SAED), and Pension Certificates of Participation (PCOP). **Based upon the current effective amortization periods, all Trust Funds are on schedule to meet the funding policy goal:**

Trust Fund	Effective Amortization Period
State Division	18 years
School Division	23 years
Local Government Division	8 years
Judicial Division	5 years
Denver Public Schools (DPS) Division*	6 years

* The resulting amortization period assumes an annually declining (rather than static) PCOP offset rate as described in statute.

Note that the amortization periods above are determined on a closed-group basis, considering only the census data as of the valuation date, which is appropriate for measuring funding progress using current contribution rates. However, projections are performed on an open-group basis, considering demographic and benefit tier membership changes over the projection period, which yield different amortization or funding period results. For example, PERA members who begin membership after December 31, 2019, are covered by a different benefit structure with a lower normal cost rate, so, as members who began membership prior to January 1, 2020, leave covered employment and are replaced by members in the lower cost benefit structure, the total normal cost rate is

¹ Outlined in *Section 4, Exhibit III, Item V*.

expected to decline. As a result, the portion of the total statutory contribution rate available to pay off the UAAL is expected to increase each year in the future until all active members in the valuation are covered by the provisions in the most recent benefit tier. Certain results from the open-group projections performed to assist the Board in evaluating the long-term funding of each division, are provided within the "Risk" discussion found in *Section 2* of this report.

The December 31, 2023, valuation results for the DPS Division are based upon the current statutory levels of funding, including the assumed decline in the PCOP offset applied each year until 2039, the target date of equalization. Colorado statutes call for a "true-up" calculation every five years, targeting 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. As such, future levels of funding for the DPS Division may differ from those assumed. The next true-up is scheduled for 2025, based upon an evaluation performed as of December 31, 2023.

REPORTING CONSEQUENCES

Information required by PERA in connection with the Governmental Accounting Standards Board Statements No. 67 and 68 (GASB 67 and GASB 68) are included in a separate report. PERA is required to disclose certain actuarial information in its Annual Comprehensive Financial Report, including the Net Pension Liability (NPL), the sensitivity of the NPL to changes in the discount rate, a schedule of changes in NPL, and a comparison of actual contributions to the ADC. PERA's affiliated employers are required to comply with GASB 68, which also requires disclosure of certain actuarial information in their financial statements.

BENEFIT PROVISIONS

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. A summary of the plan provisions is provided in *Section 4, Exhibit II*.

ASSUMPTIONS AND METHODS

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation resulted from the 2020 Experience Analysis report, titled, *Public Employees' Retirement Association of Colorado Analysis of Actuarial Experience during the Period January 1, 2016 through December 31, 2019*. All recommended changes to the demographic and economic actuarial assumptions resulting from this study were reviewed and adopted by the Board at their November 20, 2020, meeting, and made effective for the December 31, 2020, actuarial valuation and following. As a result of the 2019 Asset Liability Study, concluded at the November 15, 2019, Board meeting, the Board reaffirmed the 7.25% assumed long-term rate of investment return effective as of January 1, 2020. This Board decision also was in alignment with the analysis provided in the 2020 Analysis of Actuarial

Experience report. In addition, most recently updated effective January 19, 2024, the pension funding policy recognizes the 30-year period to achieve 100% funding as targeted through the enactment of SB 18-200. Therefore, the UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL, is amortized over the same closed period. Thus, the 2023 contribution deficiency/(surplus) is amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period. A summary of the assumptions and methods applied in this valuation is provided in *Section 4, Exhibit I*.

As of December 31, 2023, plan assets for the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for funding actuarial valuation purposes: a \$24.000 million payment received on December 4, 2023, and a \$2.000 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.

DATA

Member data for retired, active, and inactive participants was supplied as of December 31, 2023, by PERA. We have not subjected this data to any auditing procedures but have examined the data for reasonableness and consistency with the prior year's data. Asset information was also supplied by PERA. That assistance is gratefully acknowledged.

Sincerely,
Segal



Matthew Strom, FSA, MAAA, EA
Senior Vice President and Actuary



Brad Ramirez, FSA, MAAA, EA
Vice President and Actuary



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Section 1: Actuarial Valuation Summary

Purpose and basis

This report was prepared by Segal to present a funding valuation of the Division Trust Funds of the Public Employees' Retirement Association of Colorado (PERA) as of December 31, 2023. The funding valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of PERA's Division Trust Fund assets to cover the estimated cost of settling the coordinated benefit obligations of those trusts. Future actuarial measurements may differ significantly from the current measurements 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; and changes in plan provisions or applicable law.

Certain disclosure information required by GASB 67 and GASB 68 as of December 31, 2023, for PERA is provided in a separate report.

The contribution requirements presented in this report are based on:

- The benefit provisions set forth in the Colorado Revised Statutes, as administered by the PERA Board of Trustees ("Board"), as detailed in the Plan Provisions section of this report in *Section 4, Exhibit II*;
- The characteristics of covered active members, inactive members, and retirees and survivors as of December 31, 2023, provided by PERA;
- The assets of PERA's Division Trust Funds as of December 31, 2023, provided by PERA;
- Economic and other actuarial assumptions regarding future salary increases, investment earnings, employee terminations, retirement, death, etc., as updated and approved by the Board, at the November 20, 2020, Board meeting, first effective for the December 31, 2020, actuarial valuation; and
- The pension funding policy adopted by the PERA Board of Trustees, most recently updated effective January 19, 2024.

The DC Supplement presented in this report is based on PERAChoice census data as of December 31, 2023, determined separately for the State and Local Government Divisions as a rate of pay, and payment of such, will be applicable to the DB plan year ending December 31, 2025.

In addition, contribution requirements resulting from the December 31, 2023, funding actuarial valuation and applicable to the plan year ending December 31, 2025, will be used in the contribution adequacy test under the Automatic Adjustment Provision ("AAP") enacted under Senate Bill 2018-200 (SB 18-200). See *Section 2* of this report for additional detail.

Section 1: Actuarial Valuation Summary

Valuation highlights – State Division Trust Fund

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and a portion of the principal balance. The pension funding policy adopted by PERA for evaluating the State Division Trust Fund meets this standard.
2. The employers' contributions to the State Division on account of benefits consist of the following amounts set by statute:
 - a) As of December 31, 2023, the basic amount is 10.38% of salary for Members other than Safety Officers and 13.08% of salary for Safety Officers (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary).
 - b) 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 pre-fund the Annual Increase Reserve (AIR), which provides post-retirement increases for these members in retirement.
 - c) An Amortization Equalization Disbursement (AED) contribution of 5.00%.
 - d) A Supplemental Amortization Equalization Disbursement (SAED) contribution of 5.00%.

In addition, an annual direct distribution is paid from the State Treasury and is allocated to the State Division until PERA is 100% funded. The allocation for each year beginning July 1, 2025, and forward, is estimated at \$74.9 million. This additional amount is considered in the number of years to amortize the Unfunded Actuarial Accrued Liability (UAAL).

3. The employer statutory contribution rate for the plan year beginning January 1, 2025, is equal to 19.83% of salary. Based upon the results of the December 31, 2023, actuarial valuation, after recognizing the net employer normal cost rate of 1.85% of salary, the remaining basic contribution is 17.98% of salary. Contributions at this level will amortize the UAAL of \$9.6 billion over 18 years, assuming the aggregate payroll of the State Division increases by 3.00% per year. This meets the Board's funding policy, in accordance with Senate Bill 18-200, to fully fund the State Division Trust Fund over the closed 30-year period that began December 31, 2017 (24 years remaining as of December 31, 2023).
4. The AAP assessment, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the Annual Increase (AI) cap, beginning July 1, 2025.
5. Beginning January 1, 2021, and each year thereafter, the employer contribution rate is adjusted to include the DC supplement, which is calculated separately for the State Division. The DC supplement is the employer contribution amount made to the State Division Trust Fund (the DB plan) on behalf of DC Plan members who commence employment on or after January 1, 2019. The DC Supplement calculation as of December 31, 2023, increases employer contribution rates effective January 1, 2025, by 0.23%.

Section 1: Actuarial Valuation Summary

6. The UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL is amortized over the same closed period. Thus, the 2023 contribution surplus is also amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period.
7. Actual employer contributions and the State's direct distribution made during the plan year ending December 31, 2023, totaled \$780.6 million, which is 105.4% of the actuarially determined contribution. In the prior plan year, actual employer contributions were \$880.6 million, which is 117.9% of the prior year actuarially determined contribution.
8. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2023, is 66.2%, compared to 66.5% as of December 31, 2022. This ratio is a measure of funded status, and its history is a measure of funding progress. Based on the market value of assets, the funded ratio as of December 31, 2023, is 63.1%, compared to 59.6% as of December 31, 2022. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
9. For the year ended December 31, 2023, PERA's total fund annualized rate of return on a market value basis was reported to be 13.4%. For the same period, Segal has estimated specifically for the State Division Trust Fund, the asset return on a market value basis was 13.3%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.5%. This represents an experience loss when compared to the assumed rate of 7.25%. As of December 31, 2023, the actuarial value of assets of \$18.9 billion represented 105.0% of the market value of \$18.0 billion.
10. The portion of deferred investment gains and losses recognized during the calculation of the December 31, 2023, actuarial value of assets contributed a loss of \$140.2 million. The demographic and liability experience, including administrative expenses, resulted in a net loss of \$348.8 million.
11. The term "Safety Officer" is used throughout this report to better describe the expanded definition of the term "State Trooper". The change from "State Trooper" to the broader term "Safety Officer", mirrors the language recently adopted within all PERA publications and communications.

Section 1: Actuarial Valuation Summary

Valuation highlights – School Division Trust Fund

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and a portion of the principal balance. The pension funding policy adopted by PERA for evaluating the School Division Trust Fund meets this standard.
2. The employers' contributions to the School Division on account of benefits consist of the following amounts set by statute:
 - a) As of December 31, 2023, the basic amount is 10.38% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary).
 - b) 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 pre-fund the AIR, which provides post-retirement increases for these members in retirement.
 - c) An AED contribution of 4.50%.
 - d) A SAED contribution of 5.50%.

In addition, an annual direct distribution is paid from the State Treasury and allocated to the School Division until PERA is 100% funded. The allocation for each year beginning July 1, 2025, and forward, is estimated at \$129.9 million. This additional amount is considered in the number of years to amortize the UAAL.

3. The employer statutory contribution rate for the plan year beginning January 1, 2025, is equal to 19.74% of salary. Based upon the results of the December 31, 2023, actuarial valuation, after recognizing the net employer normal cost rate of 3.60% of salary, the remaining basic contribution is 16.14% of salary. Contributions at this level will amortize the UAAL of \$16.8 billion over 23 years, assuming the aggregate payroll of the School Division increases by 3.00% per year. This meets the Board's funding policy, in accordance with Senate Bill 18-200, to fully fund the School Division Trust Fund over the closed 30-year period that began December 31, 2017 (24 years remaining as of December 31, 2023).
4. The AAP assessment, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the AI cap, beginning July 1, 2025.
5. The UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL is amortized over the same closed period. Thus, the 2023 contribution surplus is also amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period.
6. Actual employer contributions and the State's direct distribution made during the plan year ending December 31, 2023, totaled \$1.3 billion, which is 100.1% of the actuarially determined contribution. In the prior plan year, actual employer contributions were \$1.5 billion, which is 109.0% of the prior year actuarially determined contribution.

Section 1: Actuarial Valuation Summary

7. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2023, is 66.7%, compared to 67.0% as of December 31, 2022. This ratio is a measure of funding status, and its history is a measure of funded progress. Based on the market value of assets, the funded ratio as of December 31, 2023, is 63.6%, compared to 60.2% as of December 31, 2022. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
8. For the year ended December 31, 2023, PERA's total fund annualized rate of return on a market value basis was reported to be 13.4%. For the same period, Segal has estimated specifically for the School Division Trust Fund, the asset return on a market value basis was 13.4%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.5%. This represents an experience loss when compared to the assumed rate of 7.25%. As of December 31, 2023, the actuarial value of assets of \$33.6 billion represented 104.8% of the market value of \$32.0 billion.
9. The portion of deferred investment gains and losses recognized during the calculation of the December 31, 2023, actuarial value of assets contributed a loss of \$250.8 million. The demographic and liability experience, including administrative expenses, resulted in a net loss of \$677.1 million.

Section 1: Actuarial Valuation Summary

Valuation highlights – Local Government Division Trust Fund

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and a portion of the principal balance. The pension funding policy adopted by PERA for evaluating the Local Government Division Trust Fund meets this standard.
2. The employers' contributions to the Local Government Division on account of benefits consist of the following amounts set by statute:
 - a) As of December 31, 2023, the basic amount is 9.98% of salary for Members other than Safety Officers and 13.08% of salary for Safety Officers (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary).
 - b) 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 pre-fund the AIR, which provides post-retirement increases for these members in retirement.
 - c) An AED contribution of 2.20%.
 - d) A SAED contribution of 1.50%.
3. The employer statutory contribution rate for the plan year beginning January 1, 2025, is equal to 12.95% of salary. Based upon the results of the December 31, 2023, actuarial valuation, after recognizing the net employer normal cost rate of 3.87% of salary, the remaining basic contribution is 9.08% of salary. Contributions at this level will amortize the UAAL of \$571.8 million over eight years, assuming the aggregate payroll of the Local Government Division increases by 3.00% per year. This meets the Board's funding policy, in accordance with Senate Bill 18-200, to fully fund the Local Government Division Trust Fund over the closed 30-year period that began December 31, 2017 (24 years remaining as of December 31, 2023).
4. The AAP assessment, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the AI cap, beginning July 1, 2025.
5. Beginning January 1, 2021, and each year thereafter, the employer contribution rate is adjusted to include the DC supplement, which is calculated separately for the Local Government Division. The DC supplement is the employer contribution amount made to the Local Government Division Trust Fund (the DB plan) on behalf of DC Plan members who commence employment on or after January 1, 2019. The DC Supplement calculation as of December 31, 2023, increases employer contribution rates effective January 1, 2025, by 0.11%.
6. The UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL is amortized over the same closed period. Thus, the 2023 contribution surplus is

Section 1: Actuarial Valuation Summary

also amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period.

7. Actual employer contributions made during the plan year ending December 31, 2023, were \$113.1 million, which is 145.7% of the actuarially determined contribution. In the prior plan year, actual contributions were \$103.0 million, which is 106.5% of the prior year actuarially determined contribution.
8. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2023, is 90.7%, compared to 91.0% as of December 31, 2022. This ratio is a measure of funding status, and its history is a measure of funded progress. Based on the market value of assets, the funded ratio as of December 31, 2023, is 86.5%, compared to 81.6% as of December 31, 2022. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
9. For the year ended December 31, 2023, PERA's total fund annualized rate of return on a market value basis was reported to be 13.4%. For the same period, Segal has estimated specifically for the Local Government Division Trust Fund, the asset return on a market value basis was also 13.4%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.5%. This represents an experience loss when compared to the assumed rate of 7.25%. As of December 31, 2023, the actuarial value of assets of \$5.6 billion represented 104.9% of the market value of \$5.3 billion.
10. The portion of deferred investment gains and losses recognized during the calculation of the December 31, 2023, actuarial value of assets contributed a loss of \$41.4 million. The demographic and liability experience, including administrative expenses, resulted in a net loss of \$82.8 million.
11. As of December 31, 2023, plan assets for the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for funding actuarial valuation purposes: a \$24.000 million payment received on December 4, 2023, and a \$2.000 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.
12. The term "Safety Officer" is used throughout this report to better describe the expanded definition of the term "State Trooper". The change from "State Trooper" to the broader term "Safety Officer", mirrors the language recently adopted within all PERA publications and communications.

Section 1: Actuarial Valuation Summary

Valuation highlights – Judicial Division Trust Fund

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and a portion of the principal balance. The pension funding policy adopted by PERA for evaluating the Judicial Division Trust Fund meets this standard.
2. The employers' contributions to the Judicial Division on account of benefits consist of the following amounts set by statute:
 - a) As of December 31, 2023, the basic amount is 13.89% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary).
 - b) 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 pre-fund the AIR, which provides post-retirement increases for these members in retirement.
 - c) An AED contribution of 5.00%.
 - d) A SAED contribution of 5.00%.

In addition, an annual direct distribution is paid from the State Treasury and allocated to the Judicial Division until PERA is 100% funded. The allocation for each year beginning July 1, 2025, and forward, is estimated at \$1.3 million. This additional amount is considered in the number of years to amortize the UAAL.

3. The employer statutory contribution rate for the plan year beginning January 1, 2025, is equal to 23.23% of salary. Based upon the results of the December 31, 2023, actuarial valuation, after recognizing the net employer normal cost rate of 6.01% of salary, the remaining basic contribution amounts to 17.22% of salary. Contributions at this level will amortize the UAAL of \$57.3 million over five years, assuming the aggregate payroll of the Judicial Division increases by 3.00% per year. This meets the Board's funding policy, in accordance with Senate Bill 18-200, to fully fund the Judicial Division Trust Fund over the closed 30-year period that began December 31, 2017 (24 years remaining as of December 31, 2023).
4. The AAP assessment, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the AI cap, beginning July 1, 2025.
5. The UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL is amortized over the same closed period. Thus, the 2023 contribution surplus is also amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period.
6. Actual employer contributions and the State's direct distribution made during the plan year ending December 31, 2023, totaled \$14.8 million, which is 176.7% of the actuarially determined contribution. In the prior plan year, actual employer contributions were \$15.5 million, which is 176.5% of the prior year actuarially determined contribution.

Section 1: Actuarial Valuation Summary

7. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2023, is 89.2%, compared to 88.5% as of December 31, 2022. This ratio is a measure of funding status, and its history is a measure of funded progress. Based on the market value of assets, the funded ratio as of December 31, 2023, is 85.1%, compared to 79.5% as of December 31, 2022. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
8. For the year ended December 31, 2023, PERA's total fund annualized rate of return on a market value basis was reported to be 13.4%. For the same period, Segal has estimated specifically for the Judicial Division Trust Fund, the asset return on a market value basis was 13.3%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.4%. This represents an experience loss when compared to the assumed rate of 7.25%. As of December 31, 2023, the actuarial value of assets of \$471.1 million represented 104.8% of the market value of \$449.7 million.
9. The portion of deferred investment gains and losses recognized during the calculation of the December 31, 2023, actuarial value of assets contributed a loss of \$3.8 million. The demographic and liability experience, including administrative expenses, resulted in a net loss of \$6.5 million.

Section 1: Actuarial Valuation Summary

Valuation highlights – Denver Public Schools Division Trust Fund

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and a portion of the principal balance. The pension funding policy adopted by PERA for evaluating the Denver Public Schools (DPS) Division Trust Fund meets this standard.
2. The employers' contributions to the DPS Division on account of benefits consist of the following amounts set by statute:
 - a) As of December 31, 2023, the basic amount is 10.38% of salary (after reduction for the Health Care Trust Fund Contribution of 1.02% of salary).
 - b) 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 pre-fund the AIR, which provides post-retirement increases for these members in retirement.
 - c) An AED contribution of 4.50%.
 - d) A SAED contribution of 5.50%.

In addition, an annual direct distribution is paid from the State Treasury and allocated to the DPS Division until PERA is 100% funded. The allocation for each year beginning July 1, 2025, and forward, is estimated at \$19.0 million. This additional amount is considered in the number of years to amortize the UAAL.

3. The employer statutory contribution rate for the plan year beginning January 1, 2025, is equal to a net of 9.94% of salary as shown below.

	Contribution
Employer Statutory (weighted and equal to the statutory base rate less the adjustment for the 1.02% Health Care Trust Fund Contribution)	10.38%
AIR contribution for post-2006 members	(0.75%)
AED and SAED	10.00%
PCOP Credit	(9.69%)
Net	9.94%

4. Based upon the results of the December 31, 2023, actuarial valuation, after recognizing the net employer normal cost rate of 2.39% of salary, the remaining basic contribution amounts to 7.55% of salary. Contributions at this level will amortize the UAAL of \$520.7 million over six years, assuming the aggregate payroll of the DPS Division increases by 3.00% per year. This meets the Board's funding policy, in accordance with Senate Bill 18-200, to fully fund the DPS Division Trust Fund over the closed 30-year period that began December 31, 2017 (24 years remaining as of December 31, 2023).

Section 1: Actuarial Valuation Summary

5. The six-year effective amortization period of the DPS Division reflects the expected level (current and future) of the DPS Division's employer contribution offsets resulting from the cost of certain Pension Certificates of Participation (PCOP) continued into the future. Additionally, Colorado statutes call for a "true-up" calculation every five years, targeting equalization of the ratio of UAAL over payroll between the DPS Division and the School Division as of December 31, 2039. The most recent true-up indicated that the Employer Contribution Rate for the DPS Division could be reduced, but not less than allowable pursuant to C.R.S. §24-51-412(2) and §24-51-413.
6. The AAP assessment, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the AI cap, beginning July 1, 2025.
7. The UAAL as of December 31, 2017, is the initial legacy liability and is amortized over 30 years from December 31, 2017 (i.e., 24 years remaining as of December 31, 2023). Pursuant to the Board's funding policy, any growth (or reduction) in unfunded liabilities resulting from the initial legacy UAAL is amortized over the same closed period. Thus, the 2023 contribution surplus is also amortized over a 24-year period, but the 2023 actuarial experience gain or loss, recognized as a new layer of UAAL, is amortized over a closed 30-year period.
8. Actual employer contributions and the State's direct distribution made during the plan year ending December 31, 2023, totaled \$84.8 million, which is 140.0% of the actuarially determined contribution. In the prior plan year, actual employer contributions were \$120.8 million, which is 161.2% of the prior year actuarially determined contribution.
9. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2023, is 89.6%, compared to 90.3% as of December 31, 2022. This ratio is a measure of funding status, and its history is a measure of funded progress. Based on the market value of assets, the funded ratio as of December 31, 2023, is 85.5%, compared to 81.1% as of December 31, 2022. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
10. For the year ended December 31, 2023, PERA's total fund annualized rate of return on a market value basis was reported to be 13.4%. For the same period, Segal has estimated specifically for the DPS Division Trust Fund, the asset return on a market value basis was 13.3%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.5%. This represents an experience loss when compared to the assumed rate of 7.25%. As of December 31, 2023, the actuarial value of assets of \$4.5 billion represented 104.8% of the market value of \$4.3 billion.
11. The portion of deferred investment gains and losses recognized during the calculation of the December 31, 2023, actuarial value of assets contributed a loss of \$33.1 million. The demographic and liability experience, including administrative expenses, resulted in a net loss of \$68.8 million.

Section 1: Actuarial Valuation Summary

Summary of key valuation results for State Division

		2023	2022
Demographic data for plan year beginning December 31:	• Number of retirees and survivors	44,517	43,860
	• Number of terminated vested members	9,887	9,738
	• Number of inactive members	94,780	91,705
	• Number of active members		
	○ Other than Safety Officers	50,738	48,820
	○ Safety Officers	<u>2,949</u>	<u>2,072</u>
	○ Total	53,687	50,892
	• Total payroll supplied by PERA		
	○ Other than Safety Officers	\$3,337,089,720	\$3,020,177,643
	○ Safety Officers	<u>239,111,074</u>	<u>163,777,561</u>
	○ Total	\$3,576,200,794	\$3,183,955,204
• Average payroll supplied by PERA			
○ Other than Safety Officers	\$65,771	\$61,864	
○ Safety Officers	81,082	79,043	
○ Total	\$66,612	\$62,563	
Actuarial accrued liability as of December 31:	• Retirees and survivors	\$18,657,598,227	\$18,451,701,828
	• Terminated vested members	840,627,184	832,679,428
	• Inactive members	248,520,548	230,111,296
	• Active members	<u>8,714,068,697</u>	<u>8,132,877,669</u>
	• Total	\$28,460,814,656	\$27,647,370,221
Assets as of December 31:	• Market value of assets (MVA)	\$17,958,261,699	\$16,490,174,031
	• Actuarial value of assets (AVA)	18,851,972,388	18,371,696,860
	• AVA as a percentage of MVA	105.0%	111.4%
Funded status for plan year ending December 31:	• Unfunded/(overfunded) actuarial accrued liability on MVA	\$10,502,552,957	\$11,157,196,190
	• Funded percentage on MVA basis	63.1%	59.6%
	• Unfunded/(overfunded) actuarial accrued liability on AVA	\$9,608,842,268	\$9,275,673,361
	• Funded percentage on AVA basis	66.2%	66.5%
	• Effective amortization period	18 years	20 years

Section 1: Actuarial Valuation Summary

Summary of key valuation results for State Division (continued)

	2023	2022
Gains/(losses):		
• Asset experience	(\$140,189,583)	\$359,738,470
• Liability and other experience	(348,762,097)	(41,676,046)
• Plan changes	0	0
• Assumption/method changes	<u>0</u>	<u>0</u>
• Total gain/(loss)	(\$488,951,680)	\$318,062,424
Contribution for plan year ending December 31¹:	12/31/2025	12/31/2024
• Total normal cost rate	12.99%	12.86%
• Less member contribution rate	<u>(11.14%)</u>	<u>(11.10%)</u>
• Employer normal cost rate	1.85%	1.76%
• Unfunded actuarial accrued liability rate	<u>16.93%</u>	<u>18.01%</u>
• Actuarially determined contribution rate	18.78%	19.77%
• Equivalent single amortization period ²	22 years	22 years
• DC Supplement rate	0.23%	0.21%

¹ The underlying calculations involve more precision than what is presented and the rounded rates shown may not add as a result.

² State Division reflects an adjustment for the impact of AED and SAED as well as DC Supplement (for members hired on or after January 1, 2019) contributions received from employers on the estimated pensionable payroll of employees electing to participate in the defined contribution plan.

Section 1: Actuarial Valuation Summary

Summary of key valuation results for School Division

		2023	2022
Demographic data for plan year beginning December 31:	• Number of retirees and survivors	77,165	75,094
	• Number of terminated vested members	24,561	23,817
	• Number of inactive members	159,333	151,524
	• Number of active members	131,188	128,057
	• Total payroll supplied by PERA	\$6,176,712,495	\$5,670,279,844
	• Average payroll supplied by PERA	47,083	44,279
Actuarial accrued liability as of December 31:	• Retirees and survivors	\$29,674,347,726	\$28,980,421,427
	• Terminated vested members	1,332,499,227	1,282,349,662
	• Inactive members	345,670,400	313,580,219
	• Active members	<u>18,978,933,583</u>	<u>17,750,395,887</u>
	• Total	\$50,331,450,936	\$48,326,747,195
Assets as of December 31:	• Market value of assets (MVA)	\$32,020,642,076	\$29,089,360,272
	• Actuarial value of assets (AVA)	33,565,369,366	32,393,722,195
	• AVA as a percentage of MVA	104.8%	111.4%
Funded status for plan year ending December 31:	• Unfunded/(overfunded) actuarial accrued liability on MVA	\$18,310,808,860	\$19,237,386,923
	• Funded percentage on MVA basis	63.6%	60.2%
	• Unfunded/(overfunded) actuarial accrued liability on AVA	\$16,766,081,570	\$15,933,025,000
	• Funded percentage on AVA basis	66.7%	67.0%
	• Effective amortization period	23 years	24 years
Gains/(losses):	• Asset experience	(\$250,813,859)	\$590,014,480
	• Liability and other experience	(677,119,884)	(707,343,109)
	• Plan changes	0	0
	• Assumption/method changes	<u>0</u>	<u>0</u>
	• Total gain/(loss)	(\$927,933,743)	(\$117,328,629)
Contribution for plan year ending December 31¹:		12/31/2025	12/31/2024
	• Total normal cost rate	14.60%	14.43%
	• Less member contribution rate	<u>(11.00%)</u>	<u>(11.00%)</u>
	• Employer normal cost rate	3.60%	3.43%
	• Unfunded actuarial accrued liability rate	<u>16.88%</u>	<u>17.16%</u>
	• Actuarially determined contribution rate	20.49%	20.58%
	• Equivalent single amortization period	24 years	25 years

¹ The underlying calculations involve more precision than what is presented and the rounded rates shown may not add as a result.

Section 1: Actuarial Valuation Summary

Summary of key valuation results for Local Government Division

		2023	2022
Demographic data for plan year beginning December 31:	• Number of retirees and survivors	9,095	8,829
	• Number of terminated vested members	3,174	3,173
	• Number of inactive members	31,426	30,243
	• Number of active members		
	○ Other than Safety Officers	12,651	12,071
	○ Safety Officers	<u>49</u>	<u>32</u>
	○ Total	12,700	12,103
	• Total payroll supplied by PERA		
	○ Other than Safety Officers	\$839,327,003	\$757,861,026
	○ Safety Officers	<u>4,126,255</u>	<u>2,400,726</u>
	○ Total	\$843,453,258	\$760,261,752
• Average payroll supplied by PERA			
○ Other than Safety Officers	\$66,345	\$62,784	
○ Safety Officers	84,209	75,023	
○ Total	\$66,414	\$62,816	
Actuarial accrued liability as of December 31:	• Retirees and survivors	\$3,833,668,045	\$3,737,552,284
	• Terminated vested members	306,211,165	307,004,626
	• Inactive members	71,864,392	67,774,571
	• Active members	<u>1,936,414,083</u>	<u>1,801,112,498</u>
	• Total	\$6,148,157,685	\$5,913,443,979
Assets as of December 31:	• Market value of assets (MVA)	\$5,315,184,822	\$4,825,366,606
	• Actuarial value of assets (AVA)	5,576,370,605	5,379,487,482
	• AVA as a percentage of MVA	104.9%	111.5%
Funded status for plan year ending December 31:	• Unfunded/(overfunded) actuarial accrued liability on MVA	\$832,972,863	\$1,088,077,373
	• Funded percentage on MVA basis	86.5%	81.6%
	• Unfunded/(overfunded) actuarial accrued liability on AVA	\$571,787,080	\$533,956,497
	• Funded percentage on AVA basis	90.7%	91.0%
	• Effective amortization period	8 years	9 years

Section 1: Actuarial Valuation Summary

Summary of key valuation results for Local Government Division (continued)

		2023	2022
Gains/(losses):			
	• Asset experience	(\$41,434,849)	\$101,625,963
	• Liability and other experience	(82,803,493)	(24,334,648)
	• Plan changes	0	0
	• Assumption/method changes	<u>0</u>	<u>0</u>
	• Total gain/(loss)	(\$124,238,342)	\$77,291,315
Contribution for plan year ending December 31¹:		12/31/2025	12/31/2024
	• Total normal cost rate	12.89%	12.82%
	• Less member contribution rate	<u>(9.02%)</u>	<u>(9.01%)</u>
	• Employer normal cost rate	3.87%	3.81%
	• Unfunded actuarial accrued liability rate	<u>4.36%</u>	<u>4.47%</u>
	• Actuarially determined contribution rate	8.22%	8.28%
	• Equivalent single amortization period ²	21 years	22 years
	• DC Supplement rate	0.11%	0.08%

¹ The underlying calculations involve more precision than what is presented and the rounded rates shown may not add as a result.

² Local Government Division reflects an adjustment for the impact of AED and SAED as well as DC Supplement (for members hired on or after January 1, 2019) contributions received from employers on the estimated pensionable payroll of employees electing to participate in the defined contribution plan.

Section 1: Actuarial Valuation Summary

Summary of key valuation results for Judicial Division

		2023	2022
Demographic data for plan year beginning December 31:	• Number of retirees and survivors	460	446
	• Number of terminated vested members	29	31
	• Number of inactive members	9	7
	• Number of active members	347	340
	• Total payroll supplied by PERA	\$60,606,139	\$56,565,330
	• Average payroll supplied by PERA	174,657	166,369
Actuarial accrued liability as of December 31:	• Retirees and survivors	\$359,765,058	\$345,694,001
	• Terminated vested members	13,129,733	14,989,891
	• Inactive members	403,490	238,025
	• Active members	<u>155,100,341</u>	<u>150,280,158</u>
	• Total	\$528,398,622	\$511,202,075
Assets as of December 31:	• Market value of assets (MVA)	\$449,692,062	\$406,382,010
	• Actuarial value of assets (AVA)	471,110,914	452,508,787
	• AVA as a percentage of MVA	104.8%	111.4%
Funded status for plan year Ending December 31:	• Unfunded/(overfunded) actuarial accrued liability on MVA	\$78,706,560	\$104,820,065
	• Funded percentage on MVA basis	85.1%	79.5%
	• Unfunded/(overfunded) actuarial accrued liability on AVA	\$57,287,708	\$58,693,288
	• Funded percentage on AVA basis	89.2%	88.5%
	• Effective amortization period	5 years	6 years
Gains/(losses):	• Asset experience	(\$3,774,805)	\$7,298,966
	• Liability and other experience	(6,465,622)	(11,834,971)
	• Plan changes	0	0
	• Assumption/method changes	<u>0</u>	<u>0</u>
	• Total gain/(loss)	(\$10,240,427)	(\$4,536,005)
Contribution for plan year ending December 31¹:		12/31/2025	12/31/2024
	• Total normal cost rate	17.01%	17.09%
	• Less member contribution rate	<u>(11.00%)</u>	<u>(11.00%)</u>
	• Employer normal cost rate	6.01%	6.09%
	• Unfunded actuarial accrued liability rate	<u>6.19%</u>	<u>6.68%</u>
	• Actuarially determined contribution rate	12.20%	12.78%
	• Equivalent single amortization period	23 years	23 years

¹ The underlying calculations involve more precision than what is presented and the rounded rates shown may not add as a result.

Section 1: Actuarial Valuation Summary

Summary of key valuation results for Denver Public Schools Division

		2023	2022
Demographic data for plan year beginning December 31:	• Number of retirees and survivors	7,316	7,256
	• Number of terminated vested members	3,364	3,165
	• Number of inactive members	17,173	16,377
	• Number of active members		
	○ DPS benefit structure	1,893	2,046
	○ PERA benefit structure	<u>13,733</u>	<u>13,208</u>
	○ Total	15,626	15,254
	• Total payroll supplied by PERA		
	○ DPS benefit structure	\$172,458,058	\$172,773,729
	○ PERA benefit structure	<u>721,786,955</u>	<u>637,628,914</u>
	○ Total	\$894,245,013	\$810,402,643
	• Average payroll supplied by PERA		
	○ DPS benefit structure	\$91,103	\$84,445
○ PERA benefit structure	52,559	48,276	
○ Total	\$57,228	\$53,127	
Actuarial accrued liability as of December 31:	• Retirees and survivors	\$2,777,357,392	\$2,773,404,692
	• Terminated vested members	178,257,012	158,842,522
	• Inactive members	64,939,942	59,467,603
	• Active members	<u>1,976,499,619</u>	<u>1,786,894,338</u>
	• Total	\$4,997,053,965	\$4,778,609,155
Assets as of December 31:	• Market value of assets (MVA)	\$4,270,306,539	\$3,873,515,312
	• Actuarial value of assets (AVA)	4,476,376,590	4,313,601,801
	• AVA as a percentage of MVA	104.8%	111.4%
Funded status for plan year ending December 31:	• Unfunded/(overfunded) actuarial accrued liability on MVA	\$726,747,426	\$905,093,843
	• Funded percentage on MVA basis	85.5%	81.1%
	• Unfunded/(overfunded) actuarial accrued liability on AVA	\$520,677,375	\$465,007,354
	• Funded percentage on AVA basis	89.6%	90.3%
	• Effective amortization period	6 years	7 years

Section 1: Actuarial Valuation Summary

Summary of key valuation results for Denver Public Schools Division (continued)

		2023	2022
Gains/(losses):			
	• Asset experience	(\$33,119,942)	\$80,579,913
	• Liability and other experience	(68,847,571)	2,325,056
	• Plan changes	0	0
	• Assumption/method changes	<u>0</u>	<u>0</u>
	• Total gain/(loss)	(\$101,967,513)	\$82,904,969
Contribution for plan year ending December 31¹:		12/31/2025	12/31/2024
	• Total normal cost rate	13.39%	13.42%
	• Less member contribution rate	<u>(11.00%)</u>	<u>(11.00%)</u>
	• Employer normal cost rate	2.39%	2.42%
	• Unfunded actuarial accrued liability rate	<u>3.69%</u>	<u>3.62%</u>
	• Actuarially determined contribution rate	6.08%	6.04%
	• Equivalent single amortization period	23 years	23 years

¹ The underlying calculations involve more precision than what is presented and the rounded rates shown may not add as a result.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member data	An actuarial valuation for a plan is based on data provided to the actuary by the Association. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the Association. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If the Association is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan provisions, but they may be subject to alternative interpretations. The Association should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Association upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 2: Actuarial Valuation Results

Member data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive members, retirees and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, C, D and E.*

STATE DIVISION Member Population: 2014 – 2023

As of December 31	Active Members Other Than Safety Officers	Active Safety Officers Members	Active Total	Terminated Vested Members	Inactive Members	Retirees and Survivors	Total Membership	Ratio of Retirees and Survivors to Actives
2014	54,471	829	55,300	5,678	66,330	35,937	163,245	0.65
2015	54,450	841	55,291	6,075	69,385	36,992	167,743	0.67
2016	54,889	836	55,725	6,426	72,398	38,140	172,689	0.68
2017	54,814	872	55,686	6,788	75,350	39,364	177,188	0.71
2018	54,623	888	55,511	7,074	78,576	40,446	181,607	0.73
2019	54,380	872	55,252	7,412	81,012	41,305	184,981	0.75
2020	52,152	1,491	53,643	7,802	83,941	41,988	187,374	0.78
2021	51,885	1,592	53,477	8,156	85,985	43,049	190,667	0.81
2022	48,820	2,072	50,892	9,738	91,705	43,860	196,195	0.86
2023	50,738	2,949	53,687	9,887	94,780	44,517	202,871	0.83

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Member Population: 2014 – 2023

As of December 31	Active Members	Terminated Vested Members	Inactive Members	Retirees and Survivors	Total Membership	Ratio of Retirees and Survivors to Actives
2014	119,618	13,807	101,603	58,145	293,173	0.49
2015	120,239	14,904	108,184	60,109	303,436	0.50
2016	121,945	15,727	113,942	62,102	313,716	0.51
2017	122,990	16,439	120,037	64,327	323,793	0.52
2018	126,333	17,001	125,944	66,543	335,821	0.53
2019	128,938	17,693	132,833	68,523	347,987	0.53
2020	119,421	19,413	144,066	70,397	353,297	0.59
2021	125,007	19,882	147,435	72,852	365,176	0.58
2022	128,057	23,817	151,524	75,094	378,492	0.59
2023	131,188	24,561	159,333	77,165	392,247	0.59

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Member Population: 2014 – 2023

As of December 31	Active Members Other Than Safety Officers	Active Safety Officers	Active Total	Terminated Vested Members	Inactive Members	Retirees and Survivors	Total Membership	Ratio of Retirees and Survivors to Actives
2014	12,084	0	12,084	2,788	20,956	6,466	42,294	0.54
2015	12,176	0	12,176	2,791	21,915	6,777	43,659	0.56
2016	12,736	0	12,736	2,748	22,896	7,065	45,445	0.55
2017	12,770	0	12,770	2,741	23,937	7,369	46,817	0.58
2018	13,260	0	13,260	2,696	25,034	7,662	48,652	0.58
2019	13,086	0	13,086	2,677	26,274	7,951	49,988	0.61
2020	12,743	14	12,757	2,730	27,245	8,198	50,930	0.64
2021	12,716	29	12,745	2,713	28,333	8,590	52,381	0.67
2022	12,071	32	12,103	3,173	30,243	8,829	54,348	0.73
2023	12,651	49	12,700	3,174	31,426	9,095	56,395	0.72

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Member Population: 2014 – 2023

As of December 31	Active Members	Terminated Vested Members	Inactive Members	Retirees and Survivors	Total Membership	Ratio of Retirees and Survivors to Actives
2014	334	5	9	331	679	0.99
2015	334	7	8	345	694	1.03
2016	335	8	5	361	709	1.08
2017	332	9	5	376	722	1.13
2018	332	12	4	382	730	1.15
2019	339	14	6	401	760	1.18
2020	344	14	5	416	779	1.21
2021	345	15	7	434	801	1.26
2022	340	31	7	446	824	1.31
2023	347	29	9	460	845	1.33

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Member Population: 2014 – 2023

As of December 31	Active Members	Terminated Vested Members	Inactive Members	Retirees and Survivors	Total Membership	Ratio of Retirees and Survivors to Actives
2014	15,414	850	6,787	6,698	29,749	0.43
2015	15,929	1,109	8,118	6,812	31,968	0.43
2016	15,950	1,374	9,545	6,941	33,810	0.44
2017	15,991	1,596	10,919	7,044	35,550	0.44
2018	16,148	1,780	12,286	7,156	37,370	0.44
2019	15,679	1,988	13,522	7,148	38,337	0.46
2020	14,693	2,237	14,661	7,134	38,725	0.49
2021	15,695	2,249	15,426	7,186	40,556	0.46
2022	15,254	3,165	16,377	7,256	42,052	0.48
2023	15,626	3,364	17,173	7,316	43,479	0.47

Section 2: Actuarial Valuation Results

Active members

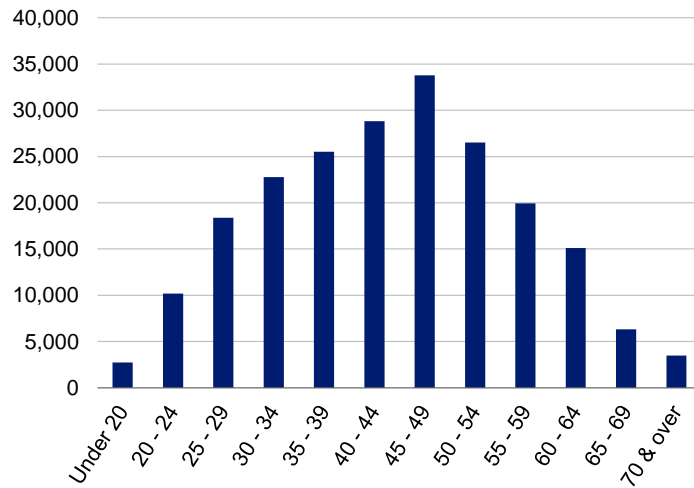
Plan costs are affected by the age, years of service and compensation of active members. The following table shows the number of active members, average age, average years of service, and average payroll for the Division Trust Funds for the current and prior year valuations.

Item	State Division Other Than Safety Officers	State Division Safety Officers	School Division	Local Government Division Other Than Safety Officers	Local Government Division Safety Officers	Judicial Division	Denver Public Schools Division
December 31, 2023:							
Number	50,738	2,949	131,188	12,651	49	347	15,626
Average age	45.32	35.27	44.47	44.36	37.17	53.07	41.16
Average service	9.05	4.84	8.93	7.66	1.88	11.63	7.74
Average payroll	\$65,771	\$81,082	\$47,083	\$66,345	\$84,209	\$174,657	\$57,228
December 31, 2022:							
Number	48,820	2,072	128,057	12,071	32	340	15,254
Average age	45.53	36.34	44.48	43.89	37.12	53.31	41.13
Average service	9.23	5.62	9.01	7.83	2.06	11.86	7.58
Average payroll	\$61,864	\$79,043	\$44,279	\$62,784	\$75,023	\$166,369	\$53,127

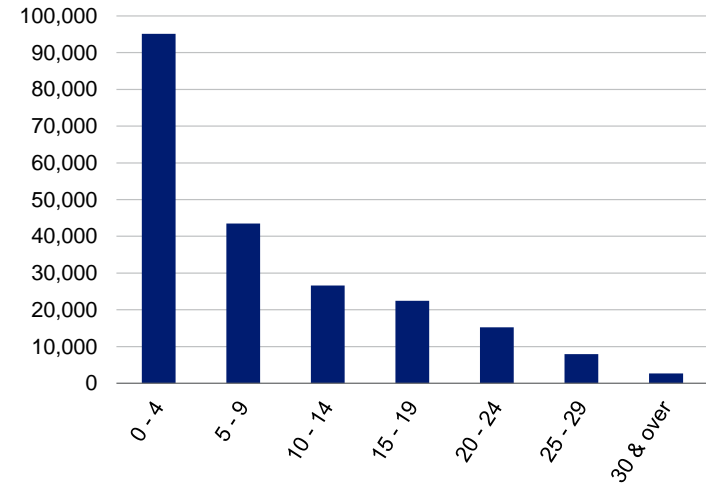
Section 2: Actuarial Valuation Results

ALL DIVISION TRUST FUNDS ACTIVE MEMBER DATA

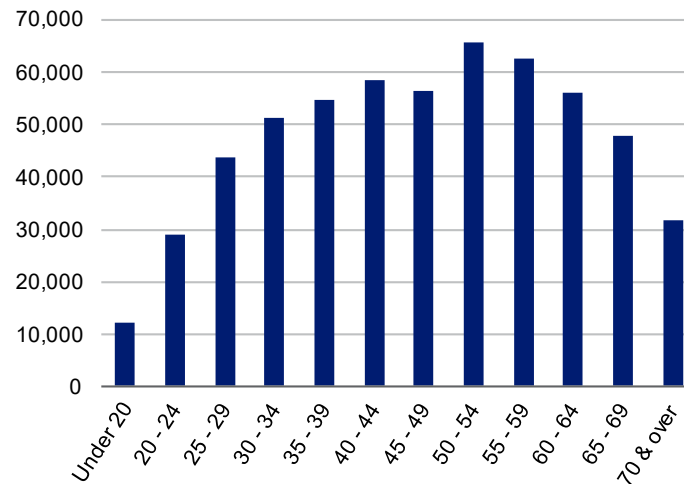
Actives by Age



Actives by Years of Service



Average Payroll of Actives by Age



Section 2: Actuarial Valuation Results

Retirees and survivors

The following table shows the number of retirees and survivors, average age, and average annual benefit for the current and prior valuations.

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
December 31, 2023:					
Number of service retirees	40,602	73,013	8,301	435	6,865
Number of disability retirees	2,836	2,723	583	15	308
Number of survivors ¹	1,079	1,429	211	10	143
Total number of all retirees and survivors ¹	44,517	77,165	9,095	460	7,316
Average age of all retirees and survivors ¹	73.0	72.7	71.3	75.4	75.1
Average annual benefit of all retirees and survivors ²	\$41,152	\$36,931	\$38,761	\$77,844	\$39,275
December 31, 2022:					
Number of service retirees	39,875	70,886	8,033	420	6,798
Number of disability retirees	2,925	2,807	597	15	320
Number of survivors ¹	1,060	1,401	199	11	138
Total number of all retirees and survivors ¹	43,860	75,094	8,829	446	7,256
Average age of all retirees and survivors ¹	72.6	72.4	70.9	75.2	74.9
Average annual benefit of all retirees and survivors ²	\$40,909	\$36,798	\$38,530	\$76,355	\$39,250

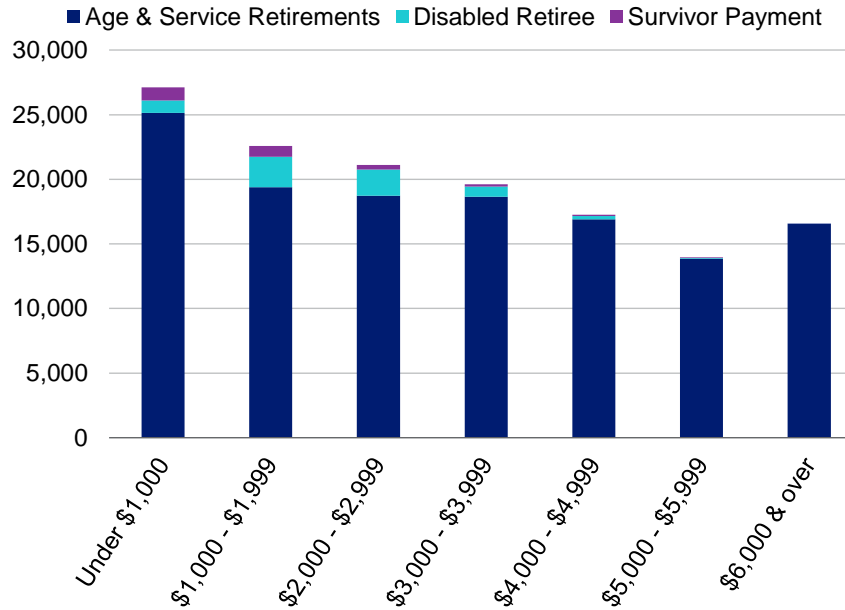
¹ Includes those with future survivor benefits.

² Average annual benefit considering only those in pay status as of December 31.

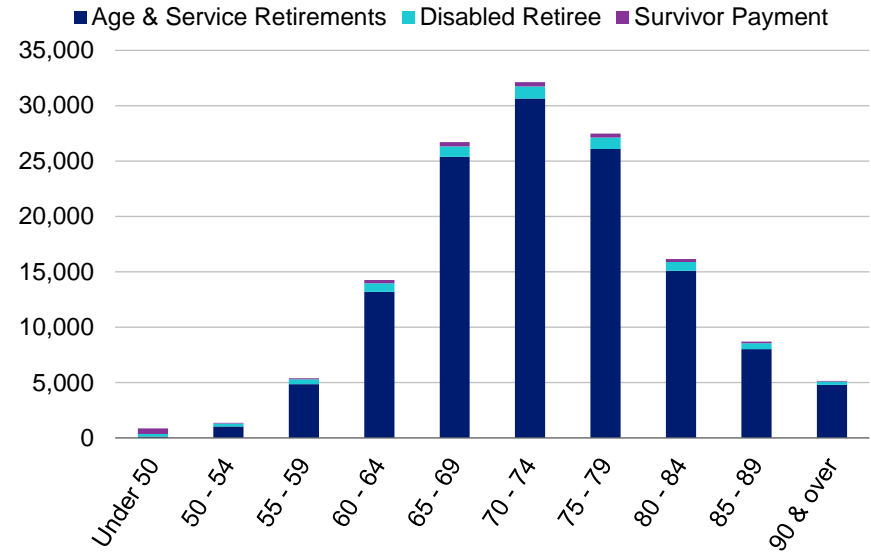
Section 2: Actuarial Valuation Results

ALL DIVISION TRUST FUNDS RETIREE AND SURVIVOR DATA

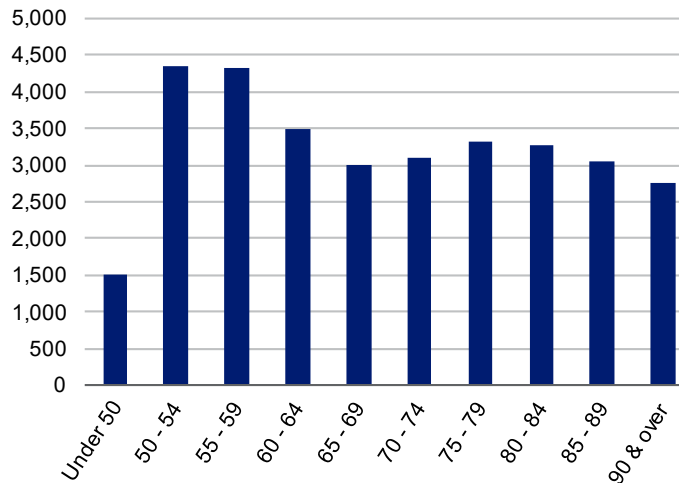
Retirees and Survivors by Type and Amount



Retirees and Survivors by Type and Age



Average Benefit Amounts of Retirees and Survivors by Age



Section 2: Actuarial Valuation Results

Historical plan population

The charts below demonstrate the progression of the active population over the last 10 years.

STATE DIVISION Active Member Data Statistics: 2014 – 2023

As of December 31	Active Members		Total Payroll Supplied by PERA, Annualized		Average Payroll		Average Age	Average Service
	Number	Percent Change	Amount in \$ Thousands	Percent Change	\$ Amount	Percent Change		
2014	55,300	--	\$2,564,670	--	\$46,377	--	46.01	9.02
2015	55,291	(0.02%)	2,641,867	3.01%	47,781	3.03%	45.87	8.97
2016	55,725	0.78%	2,710,651	2.60%	48,643	1.80%	45.66	8.84
2017	55,686	(0.07%)	2,774,207	2.34%	49,819	2.42%	45.50	8.78
2018	55,511	(0.31%)	2,898,827	4.49%	52,221	4.82%	45.36	8.75
2019	55,252	(0.47%)	2,995,453	3.33%	54,214	3.82%	45.33	8.80
2020	53,643	(2.91%)	3,089,161	3.13%	57,587	6.22%	45.37	9.06
2021	53,477	(0.31%)	3,092,509	0.11%	57,829	0.42%	45.20	8.96
2022	50,892	(4.83%)	3,183,955	2.96%	62,563	8.19%	45.16	9.09
2023	53,687	5.49%	3,576,201	12.32%	66,612	6.47%	44.77	8.82

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Active Member Data Statistics: 2014 – 2023

As of December 31	Active Members		Total Payroll Supplied by PERA, Annualized		Average Payroll		Average Age	Average Service
	Number	Percent Change	Amount in \$ Thousands	Percent Change	\$ Amount	Percent Change		
2014	119,618	--	\$4,063,236	--	\$33,968	--	44.49	8.29
2015	120,239	0.52%	4,235,290	4.23%	35,224	3.70%	44.55	8.36
2016	121,945	1.42%	4,349,320	2.69%	35,666	1.25%	44.53	8.38
2017	122,990	0.86%	4,471,357	2.81%	36,355	1.93%	44.60	8.42
2018	126,333	2.72%	4,789,503	7.12%	37,912	4.28%	44.56	8.38
2019	128,938	2.06%	5,104,431	6.58%	39,588	4.42%	44.56	8.41
2020	119,421	(7.38%)	5,146,118	0.82%	43,092	8.85%	44.67	9.09
2021	125,007	4.68%	5,465,866	6.21%	43,724	1.47%	44.68	8.78
2022	128,057	2.44%	5,670,280	3.74%	44,279	1.27%	44.48	9.01
2023	131,188	2.45%	6,176,712	8.93%	47,083	6.33%	44.47	8.93

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Active Member Data Statistics: 2014 – 2023

As of December 31	Active Members		Total Payroll Supplied by PERA, Annualized		Average Payroll		Average Age	Average Service
	Number	Percent Change	Amount in \$ Thousands	Percent Change	\$ Amount	Percent Change		
2014	12,084	--	\$540,468	--	\$44,726	--	44.67	7.89
2015	12,176	0.76%	561,518	3.89%	46,117	3.11%	44.45	7.80
2016	12,736	4.60%	608,223	8.32%	47,756	3.55%	44.53	7.60
2017	12,770	0.27%	632,768	4.04%	49,551	3.76%	43.97	7.58
2018	13,260	3.84%	660,998	4.46%	49,849	0.60%	44.08	7.31
2019	13,086	(1.31%)	681,093	3.04%	52,047	4.41%	43.96	7.51
2020	12,757	(2.51%)	698,060	2.49%	54,720	5.14%	44.65	7.74
2021	12,745	(0.09%)	723,744	3.68%	56,787	3.78%	44.96	7.76
2022	12,103	(5.04%)	760,262	5.05%	62,816	10.62%	43.87	7.82
2023	12,700	4.93%	843,453	10.94%	66,414	5.73%	44.33	7.64

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Active Member Data Statistics: 2014 – 2023

As of December 31	Active Members		Total Payroll Supplied by PERA, Annualized		Average Payroll		Average Age	Average Service
	Number	Percent Change	Amount in \$ Thousands	Percent Change	\$ Amount	Percent Change		
2014	334	--	\$42,977	--	\$128,674	--	56.54	14.36
2015	334	0.00%	46,870	9.06%	140,329	9.06%	56.65	14.32
2016	335	0.30%	48,700	3.90%	145,372	3.59%	55.93	13.79
2017	332	(0.90%)	48,948	0.51%	147,433	1.42%	55.39	13.22
2018	332	0.00%	50,506	3.18%	152,126	3.18%	56.06	13.71
2019	339	2.11%	53,427	5.78%	157,603	3.60%	55.25	13.14
2020	344	1.47%	54,780	2.53%	159,244	1.04%	54.57	12.71
2021	345	0.29%	55,780	1.83%	161,681	1.53%	54.12	12.24
2022	340	(1.45%)	56,565	1.41%	166,369	2.90%	53.31	11.86
2023	347	2.06%	60,606	7.14%	174,657	4.98%	53.07	11.63

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Active Member Data Statistics: 2014 – 2023

As of December 31	Active Members		Total Payroll Supplied by PERA, Annualized		Average Payroll		Average Age	Average Service
	Number	Percent Change	Amount in \$ Thousands	Percent Change	\$ Amount	Percent Change		
2014	15,414	--	\$584,319	--	\$37,908	--	41.00	5.80
2015	15,929	3.34%	621,115	6.30%	38,993	2.86%	41.78	7.15
2016	15,950	0.13%	642,177	3.39%	40,262	3.25%	40.42	5.88
2017	15,991	0.26%	658,198	2.49%	41,161	2.23%	40.48	6.06
2018	16,148	0.98%	722,040	9.70%	44,714	8.63%	40.44	6.21
2019	15,679	(2.90%)	736,264	1.97%	46,959	5.02%	40.83	6.56
2020	14,693	(6.29%)	771,348	4.77%	52,498	11.80%	41.02	7.21
2021	15,695	6.82%	823,395	6.75%	52,462	(0.07%)	40.94	7.22
2022	15,254	(2.81%)	810,403	(1.58%)	53,127	1.27%	41.13	7.58
2023	15,626	2.44%	894,245	10.35%	57,228	7.72%	41.16	7.74

Section 2: Actuarial Valuation Results

The charts below show the growth among the service retiree population over the last 10 years. Disability retirees and survivors are not included in the charts.

STATE DIVISION Service Retiree Data Statistics: 2014 – 2023

As of December 31	Service Retirees		Average Annual Amount		Average Age
	Number	Percent Change	\$ Amount	Percent Change	
2014	31,511	--	\$40,271	--	71.2
2015	32,594	3.44%	40,886	1.53%	71.4
2016	33,756	3.57%	41,857	2.37%	71.6
2017	34,974	3.61%	42,021	0.39%	71.8
2018	36,063	3.11%	41,958	(0.15%)	72.0
2019	36,999	2.60%	41,631	(0.78%)	72.2
2020	37,807	2.18%	41,951	0.77%	72.5
2021	38,844	2.74%	42,261	0.74%	72.7
2022	39,875	2.65%	42,416	0.37%	72.9
2023	40,602	1.82%	42,613	0.46%	73.3

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Service Retiree Data Statistics: 2014 – 2023

As of December 31	Service Retirees		Average Annual Amount		Average Age
	Number	Percent Change	\$ Amount	Percent Change	
2014	53,778	--	\$36,858	--	70.4
2015	55,747	3.66%	37,255	1.08%	70.8
2016	57,748	3.59%	38,003	2.01%	71.1
2017	59,968	3.84%	37,938	(0.17%)	71.4
2018	62,154	3.65%	37,724	(0.56%)	71.7
2019	64,144	3.20%	37,273	(1.20%)	72.0
2020	66,096	3.04%	37,440	0.45%	72.3
2021	68,469	3.59%	37,567	0.34%	72.5
2022	70,886	3.53%	37,689	0.32%	72.7
2023	73,013	3.00%	37,791	0.27%	73.0

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Service Retiree Data Statistics: 2014 – 2023

As of December 31	Service Retirees		Average Annual Amount		Average Age
	Number	Percent Change	\$ Amount	Percent Change	
2014	5,595	--	\$38,244	--	68.5
2015	5,908	5.59%	38,709	1.22%	68.8
2016	6,197	4.89%	39,371	1.71%	69.1
2017	6,510	5.05%	39,403	0.08%	69.5
2018	6,813	4.65%	39,509	0.27%	69.8
2019	7,105	4.29%	39,077	(1.09%)	70.1
2020	7,375	3.80%	39,494	1.07%	70.5
2021	7,758	5.19%	39,568	0.19%	70.9
2022	8,033	3.54%	39,773	0.52%	71.2
2023	8,301	3.34%	39,989	0.54%	71.6

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Service Retiree Data Statistics: 2014 – 2023

As of December 31	Service Retirees		Average Annual Amount		Average Age
	Number	Percent Change	\$ Amount	Percent Change	
2014	299	--	\$62,341	--	74.7
2015	311	4.01%	65,048	4.34%	74.6
2016	327	5.14%	68,813	5.79%	74.3
2017	344	5.20%	71,084	3.30%	74.4
2018	349	1.45%	71,996	1.28%	75.1
2019	369	5.73%	72,855	1.19%	74.9
2020	387	4.88%	74,343	2.04%	75.1
2021	406	4.91%	75,701	1.83%	75.2
2022	420	3.45%	78,061	3.12%	75.3
2023	435	3.57%	79,482	1.82%	75.4

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Service Retiree Data Statistics: 2014 – 2023

As of December 31	Service Retirees		Average Annual Amount		Average Age
	Number	Percent Change	\$ Amount	Percent Change	
2014	6,203	--	\$38,683	--	74.0
2015	6,317	1.84%	39,124	1.14%	74.2
2016	6,456	2.20%	40,008	2.26%	74.3
2017	6,551	1.47%	40,111	0.26%	74.5
2018	6,659	1.65%	40,167	0.14%	74.6
2019	6,664	0.08%	39,812	(0.88%)	74.8
2020	6,662	(0.03%)	40,141	0.83%	75.1
2021	6,709	0.71%	40,227	0.21%	75.2
2022	6,798	1.33%	40,282	0.14%	75.3
2023	6,865	0.99%	40,284	0.00%	75.4

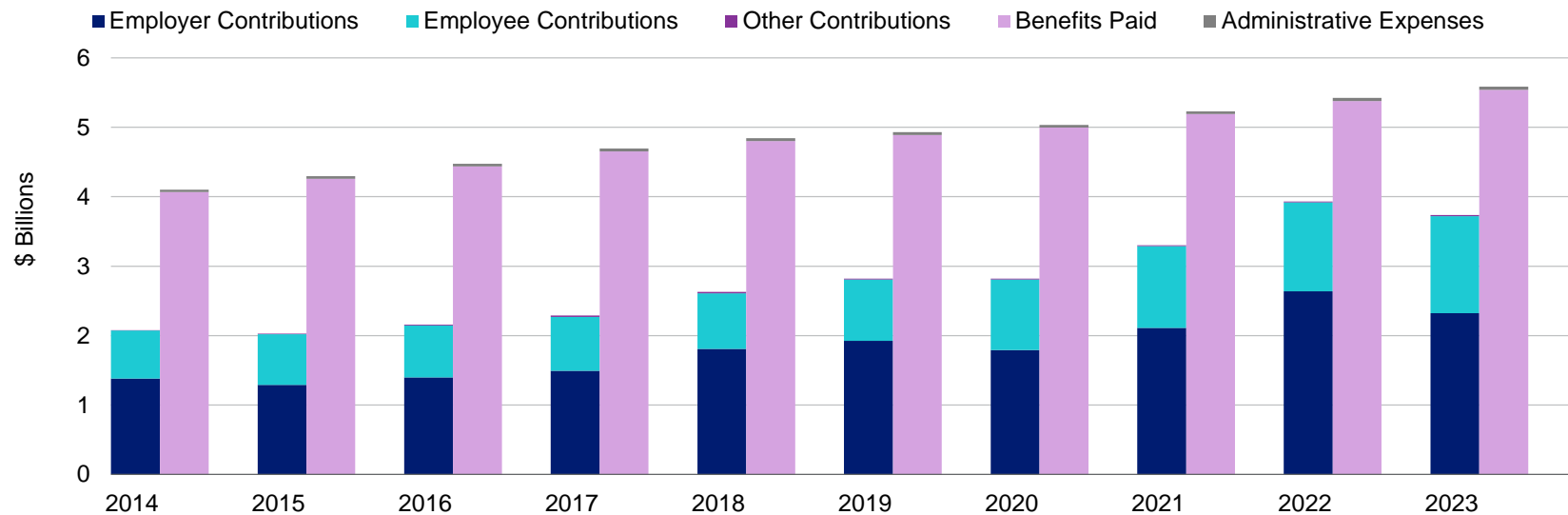
Section 2: Actuarial Valuation Results

Financial information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of these transactions for the valuation year, is presented in *Section 3, Exhibits F and G*.

Comparison of Contributions with Benefits Paid
for Years Ended December 31, 2014 – 2023
ALL DIVISION TRUST FUNDS



Section 2: Actuarial Valuation Results

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

STATE DIVISION

Determination of Actuarial Value of Assets for Year Ended December 31, 2023, and December 31, 2022

		2023		2022	
1	Market value of assets available for benefits			\$17,958,261,699	\$16,490,174,031
2	Calculation of unrecognized return ¹	Original Amount²	% Not Recognized		% Not Recognized
(a)	Year ended December 31, 2023	\$984,032,962	75%	\$738,024,722	
(b)	Year ended December 31, 2022	(4,021,755,988)	50%	(2,010,877,994)	75% (\$3,016,316,991)
(c)	Year ended December 31, 2021	1,516,570,331	25%	379,142,583	50% 758,285,166
(d)	Year ended December 31, 2020	1,506,035,982		<u>0</u>	25% <u>376,508,996</u>
(e)	Total unrecognized return			(\$893,710,689)	(\$1,881,522,829)
3	Actuarial value of assets: (1) – (2e)			\$18,851,972,388	\$18,371,696,860
4	Actuarial value as a percent of market value: (3) ÷ (1)			105.0%	111.4%

¹ Recognition at 25% per year over four years.

² Total return minus expected return on a market value basis.

Section 2: Actuarial Valuation Results

SCHOOL DIVISION

Determination of Actuarial Value of Assets for Year Ended December 31, 2023, and December 31, 2022

		2023		2022	
1	Market value of assets available for benefits			\$32,020,642,076	\$29,089,360,272
2	Calculation of unrecognized return ¹	Original Amount²	% Not Recognized		% Not Recognized
(a)	Year ended December 31, 2023	\$1,748,387,014	75%	\$1,311,290,261	
(b)	Year ended December 31, 2022	(7,026,626,858)	50%	(3,513,313,429)	75%
(c)	Year ended December 31, 2021	2,629,183,512	25%	657,295,878	50%
(d)	Year ended December 31, 2020	2,604,065,858		<u>0</u>	25%
(e)	Total unrecognized return			(\$1,544,727,290)	(\$3,304,361,923)
3	Actuarial value of assets: (1) – (2e)			\$33,565,369,366	\$32,393,722,195
4	Actuarial value as a percent of market value: (3) ÷ (1)			104.8%	111.4%

¹ Recognition at 25% per year over four years.

² Total return minus expected return on a market value basis.

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION

Determination of Actuarial Value of Assets for Year Ended December 31, 2023, and December 31, 2022

			2023	2022		
1	Market value of assets available for benefits		\$5,315,184,822	\$4,825,366,606		
2	Calculation of unrecognized return ¹	Original Amount²	% Not Recognized	% Not Recognized		
(a)	Year ended December 31, 2023	\$291,674,007	75%	\$218,755,505		
(b)	Year ended December 31, 2022	(1,182,346,179)	50%	(591,173,090)	75%	(\$886,759,634)
(c)	Year ended December 31, 2021	444,927,209	25%	111,231,802	50%	222,463,605
(d)	Year ended December 31, 2020	440,700,610		<u>0</u>	25%	<u>110,175,153</u>
(e)	Total unrecognized return			(\$261,185,783)		(\$554,120,876)
3	Actuarial value of assets: (1) – (2e)			\$5,576,370,605	\$5,379,487,482	
4	Actuarial value as a percent of market value: (3) ÷ (1)			104.9%	111.5%	

¹ Recognition at 25% per year over four years.

² Total return minus expected return on a market value basis.

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION

Determination of Actuarial Value of Assets for Year Ended December 31, 2023, and December 31, 2022

			2023	2022	
1	Market value of assets available for benefits		\$449,692,062	\$406,382,010	
2	Calculation of unrecognized return ¹	Original Amount²	% Not Recognized	% Not Recognized	
(a)	Year ended December 31, 2023	\$24,277,311	75%	\$18,207,983	
(b)	Year ended December 31, 2022	(97,142,878)	50%	(48,571,439)	75% (\$72,857,159)
(c)	Year ended December 31, 2021	35,778,414	25%	8,944,604	50% 17,889,207
(d)	Year ended December 31, 2020	35,364,699		<u>0</u>	25% <u>8,841,175</u>
(e)	Total unrecognized return			(\$21,418,852)	(\$46,126,777)
3	Actuarial value of assets: (1) – (2e)		\$471,110,914	\$452,508,787	
4	Actuarial value as a percent of market value: (3) ÷ (1)		104.8%	111.4%	

¹ Recognition at 25% per year over four years.

² Total return minus expected return on a market value basis.

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION

Determination of Actuarial Value of Assets for Year Ended December 31, 2023, and December 31, 2022

			2023	2022	
1	Market value of assets available for benefits		\$4,270,306,539	\$3,873,515,312	
2	Calculation of unrecognized return ¹	Original Amount²	% Not Recognized	% Not Recognized	
(a)	Year ended December 31, 2023	\$232,802,767	75%	\$174,602,075	
(b)	Year ended December 31, 2022	(937,096,132)	50%	(468,548,066)	75% (\$702,822,099)
(c)	Year ended December 31, 2021	351,503,761	25%	87,875,940	50% 175,751,881
(d)	Year ended December 31, 2020	347,934,915		<u>0</u>	25% <u>86,983,729</u>
(e)	Total unrecognized return			(\$206,070,051)	(\$440,086,489)
3	Actuarial value of assets: (1) – (2e)		\$4,476,376,590	\$4,313,601,801	
4	Actuarial value as a percent of market value: (3) ÷ (1)		104.8%	111.4%	

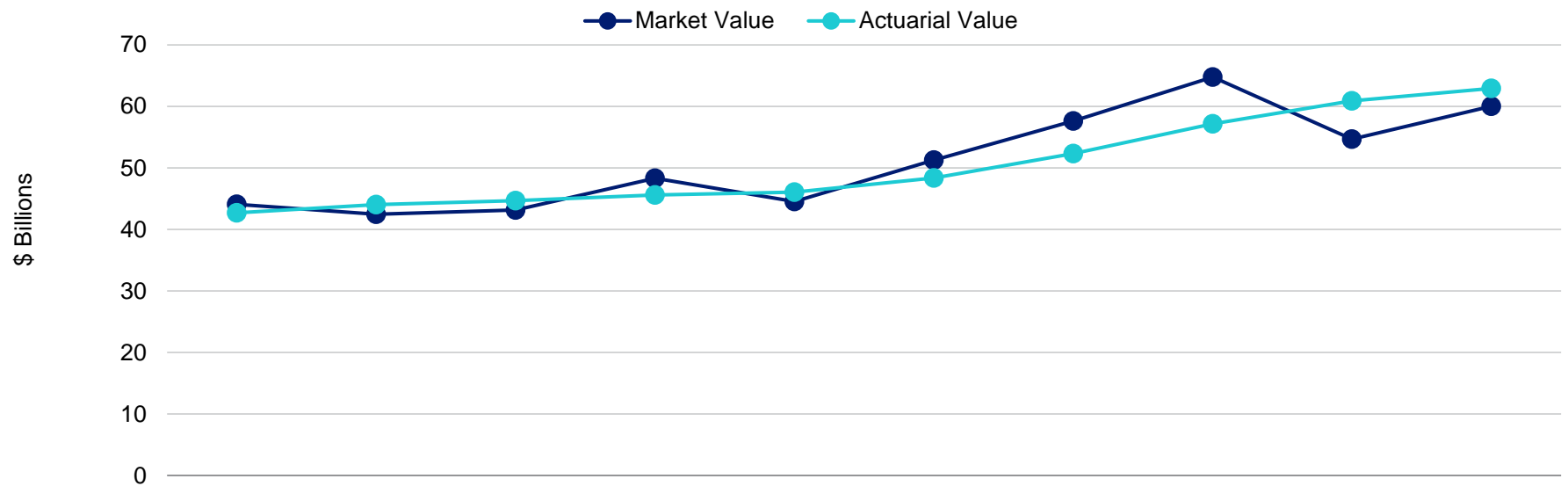
¹ Recognition at 25% per year over four years.

² Total return minus expected return on a market value basis.

Section 2: Actuarial Valuation Results

Both the actuarial value and market value of assets, when compared to actuarial accrued liabilities, are representations of PERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the actuarially determined contributions.

Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2014 – 2023
ALL DIVISION TRUST FUNDS



Legend	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
■ Actuarial value*	\$42.72	\$44.03	\$44.69	\$45.61	\$46.05	\$48.37	\$52.34	\$57.17	\$60.91	\$62.94
■ Market value*	44.07	42.46	43.15	48.34	44.54	51.28	57.64	64.80	54.68	60.01
Ratio	0.97	1.04	1.04	0.94	1.03	0.94	0.91	0.88	1.11	1.05

* In billions

Section 2: Actuarial Valuation Results

Actuarial experience

To calculate any actuarially determined contribution (ADC), assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the ADC will decrease relative to the previous year. On the other hand, the ADC will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single years' experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is \$1.7 billion, which includes \$0.5 billion from investment losses and \$1.2 billion in net losses from all other sources. The net experience variation from individual sources other than investments was 1.3% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

Actuarial Experience for Year Ended December 31, 2023

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
1 Net gain/(loss) from investments ¹	(\$140,189,583)	(\$250,813,859)	(\$41,434,849)	(\$3,774,805)	(\$33,119,942)	(\$469,333,038)
2 Net gain/(loss) from administrative expenses	(640,130)	(3,101,450)	(471,042)	(1,932)	159,113	(4,055,441)
3 Net gain/(loss) from liability and other experience	(348,121,967)	(674,018,434)	(82,332,451)	(6,463,690)	(69,006,684)	(1,179,943,226)
4 Net experience gain/(loss): 1 + 2 + 3	(\$488,951,680)	(\$927,933,743)	(\$124,238,342)	(\$10,240,427)	(\$101,967,513)	(\$1,653,331,705)

¹ Details on next page

Section 2: Actuarial Valuation Results

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on PERA's investment policy. PERA's total fund annualized rate of return on a market value basis was 13.4% (13.4% for the Division Trust Fund assets) for the year ended December 31, 2023.

For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.25%. The actual rate of return on an actuarial basis for the 2023 plan year was 6.5%. Since the actual return for the year was more than the assumed return, PERA experienced an actuarial loss during the year ended December 31, 2023, with regard to its investments.

Investment Experience – ALL DIVISION TRUST FUNDS

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Market Value	Actuarial Value	Market Value	Actuarial Value
1 Value assets at the beginning of year	\$54,684,798,231	\$60,911,017,125	\$64,796,790,323	\$57,171,609,034
2 Contributions during the plan year	3,713,407,433	3,713,407,433	3,931,654,378	3,931,654,378
3 Contributions receivable ¹	24,967,233	24,967,233	0	0
4 Benefits and expense during the plan year	5,586,990,254	5,586,990,254	5,422,405,988	5,422,405,988
5 Value of assets at the end of year	60,014,087,198	62,941,199,863	54,684,798,231	60,911,017,125
6 Net investment income: 5 – 1 – 2 – 3 + 4	\$7,177,904,555	\$3,878,798,326	(\$8,621,240,482)	\$5,230,159,701
7 Average value of assets ² : 1 + [2 – 4] x ½	\$53,748,006,821	\$59,974,225,715	\$64,051,414,518	\$56,426,233,229
8 Rate of return: 6 ÷ 7	13.35%	6.47%	-13.46%	9.27%
9 Assumed rate of return	7.25%	7.25%	7.25%	7.25%
10 Expected investment income: 7 x 9	3,896,730,494	4,348,131,364	\$4,643,727,553	\$4,090,901,909
11 Actuarial gain/(loss): 6 – 10	\$3,281,174,061	(\$469,333,038)	(\$13,264,968,035)	\$1,139,257,792

¹ Disaffiliation payments for Tri-County Health Department (TCHD).

² Adjusted to not include interest on the disaffiliation payments, as they were made after the plan year-end following the effective date of disaffiliation.

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last 30 years, including annualized returns over select time periods.

Investment Return – ALL DIVISION TRUST FUNDS Market Value vs. Actuarial Value: 1994 - 2023

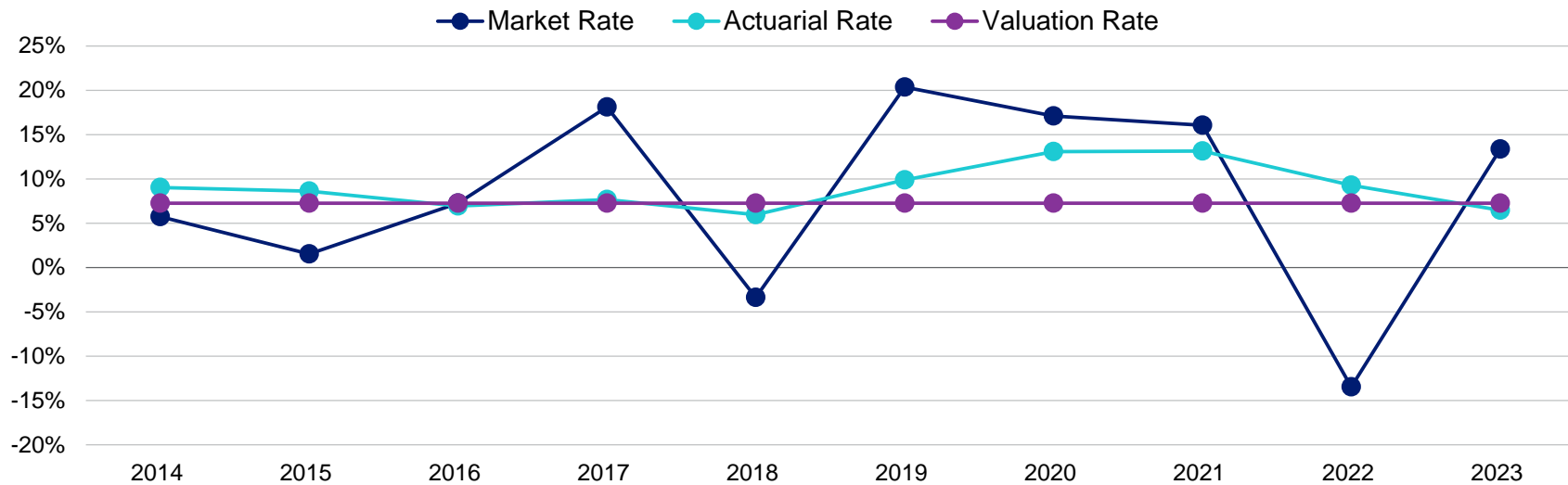
Year Ended December 31	Market Value	Actuarial Value	Year Ended December 31	Market Value	Actuarial Value	Year Ended December 31	Market Value	Actuarial Value
1994	1.1%	8.0%	2004	14.1%	3.0%	2014	5.7%	9.0%
1995	24.6%	11.9%	2005	9.6%	8.8%	2015	1.5%	8.6%
1996	13.6%	13.2%	2006	15.6%	10.6%	2016	7.3%	6.9%
1997	20.1%	14.8%	2007	10.0%	11.3%	2017	18.1%	7.7%
1998	15.7%	17.5%	2008	(26.0%)	2.1%	2018	(3.5%)	5.9%
1999	19.0%	16.6%	2009	17.4%	0.9%	2019	20.3%	9.9%
2000	0.2%	12.5%	2010	14.0%	0.9%	2020	17.4%	13.1%
2001	(7.7%)	6.1%	2011	1.9%	(0.3%)	2021	16.1%	13.2%
2002	(11.8%)	(0.1%)	2012	12.9%	10.9%	2022	(13.4%)	9.3%
2003	24.1%	0.3%	2013	15.6%	11.1%	2023	13.4%	6.5%
Most recent five-year annualized return							10.0%	10.3%
Most recent ten-year annualized return							7.8%	9.0%
Most recent 15-year annualized return							9.2%	7.5%
Most recent 20-year annualized return							7.7%	7.4%
Most recent 30-year annualized return							8.2%	8.2%

Note: For 1994-2023, investment returns on a market value basis were provided by PERA.

Section 2: Actuarial Valuation Results

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market and Actuarial Rates of Return for Years Ended December 31, 2014 – 2023
ALL DIVISION TRUST FUNDS



Section 2: Actuarial Valuation Results

Non-investment experience

Administrative expenses

- Administrative expenses for the year ended December 31, 2023, totaled \$48,048,259 as compared to the assumption of \$42,614,539. This resulted in a loss of \$4,055,441 the year, when adjusted for timing.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- retirement experience (earlier or later than projected),
- the number of disability retirements (more or fewer than projected),
- mortality (more or fewer deaths than projected),
- the extent of turnover among members,
- new members, and
- pay increases (greater or smaller than projected).

An experience study dated October 28, 2020, was completed based upon the experience covering the period January 1, 2016, through December 31, 2019. All changes to assumptions adopted by the Board of Trustees on November 20, 2020, were effective as of the December 31, 2020, measurement date.

Section 2: Actuarial Valuation Results

The net loss from the liability and other experience for the year ended December 31, 2023, amounted to \$1.2 billion, which is 1.3% of the actuarial accrued liability.

Liability Changes Due to Demographic Experience for Year Ended December 31, 2023

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
Age and service retirements	\$5,726,857	\$4,814,226	(\$4,444,750)	(\$224,239)	(\$4,538,207)	\$1,333,887
Disability retirements	(202,836)	(1,688,413)	(371,541)	102,543	423,822	(1,736,425)
Deaths	37,727,672	68,513,485	5,122,857	(1,436,394)	19,046,139	128,973,759
Withdrawals	(42,151,956)	(35,368,676)	(3,605,589)	453,645	41,355,891	(39,316,685)
New members	(132,645,832)	(144,992,468)	(21,426,568)	(4,389,394)	(58,610,133)	(362,064,395)
Pay increases	(175,929,243)	(512,073,136)	(50,517,885)	(86,868)	(53,243,090)	(791,850,222)
Other	(40,646,629)	(53,223,452)	(7,088,975)	(882,983)	(13,441,106)	(115,283,145)
Total gain/(loss)	(\$348,121,967)	(\$674,018,434)	(\$82,332,451)	(\$6,463,690)	(\$69,006,684)	(\$1,179,943,226)

Section 2: Actuarial Valuation Results

Contributions

An additional source of gain or loss that is separately identified and amortized over a period equal to the remaining years of the legacy UAAL amortization is the gain or loss due to contribution surplus or deficiency.

Contribution Deficiency or Surplus for Year Ended December 31, 2023

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
1 Actuarially determined employer contribution rate for 2023:					
(a) Total normal cost rate	12.76%	14.57%	12.71%	17.15%	13.32%
(b) Less member contribution rate	(11.08%)	(11.00%)	(9.01%)	(11.00%)	(11.00%)
(c) Employer normal cost rate 1(a) + 1(b)	1.68%	3.57%	3.70%	6.15%	2.32%
(d) UAAL contribution rate	19.03%	17.56%	5.50%	7.68%	4.45%
(e) Actuarially Determined Contribution rate: 1(c) + 1(d)	20.71%	21.13%	9.20%	13.83%	6.77%
2 Covered payroll for 2023	\$3,576,200,794	\$6,176,712,495	\$843,453,258	\$60,606,139	\$894,245,013
3 Expected contribution for 2023:					
(a) Employer (based on the ADC)	740,631,184	1,305,139,350	77,597,700	8,381,829	60,540,387
(b) Member	<u>396,243,048</u>	<u>679,438,374</u>	<u>75,995,139</u>	<u>6,666,675</u>	<u>98,366,951</u>
(c) Total: 3(a) + 3(b)	\$1,136,874,232	\$1,984,577,724	\$153,592,839	\$15,048,504	\$158,907,338
4 Actual contribution for 2023:					
(a) Employer	764,333,818	1,277,456,929	138,034,360	14,522,940	80,628,364
(b) Member	438,314,005	759,727,829	85,509,711	7,675,842	104,912,075
(c) Direct distribution	16,232,574	28,908,458	0	288,384	4,131,629
(d) Purchased service/disaffiliation payments	<u>30,864,318</u>	<u>48,198,089</u>	<u>31,910,198</u>	<u>788,115</u>	<u>3,025,288</u>
(e) Total: 4(a) + 4(b) + 4(c) – 4(d)	\$1,188,016,079	\$2,017,895,127	\$191,633,873	\$21,699,051	\$186,646,780
5 Contribution deficiency/(surplus), adjusted for interest: (3(c) – 4(e)) * 1.03625	(\$52,995,739)	(\$34,525,159)	(\$39,420,021)	(\$6,891,629)	(\$28,744,997)

Section 2: Actuarial Valuation Results

Changes in the actuarial accrued liability

The actuarial accrued liability for all Division Trust Funds combined as of December 31, 2023, is \$90,465,875,864, an increase of \$3,288,503,239, or 3.77%, from the actuarial accrued liability as of the prior valuation date. The change in liability is due to interest, accumulation and payment of benefits, and actuarial experience (as discussed in the previous subsection).

Actuarial assumptions

There are no assumption or method changes reflected in this report.

Details on actuarial assumptions and methods are in *Section 4, Exhibit I*.

Plan provisions

The Automatic Adjustment Provision (AAP) assessment of SB 18-200, performed as of December 31, 2023, does not indicate the need to modify contribution rates or the AI Cap beginning July 1, 2025.

The following legislation, enacted in 2022, 2023, and 2024 was reflected, to the extent possible, in this actuarial valuation:

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to (in addition to the regularly scheduled \$225 million direct distribution) issue a warrant to PERA in the amount of \$380 million, upon enactment, with potential reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024, based upon the actual investment returns reported by PERA for 2021 and 2022, respectively. The payment scheduled for July 1, 2023, was reduced by \$190 million, from \$225 million to \$35 million, based on the total fund investment return in 2021 of 16.1%. No reduction is required for the payment scheduled to occur July 1, 2024, due to a negative investment return in 2022.
- SB 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of HB 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant to PERA consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.56 million.
- SB 23-163, enacted and effective June 6, 2023, states that beginning July 1, 2023, a wildlife officer and a parks and recreation officer (officer), employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a State Trooper for the purpose of determining the officer's service retirement eligibility and benefit under PERA.

Section 2: Actuarial Valuation Results

- SB 24-099, enacted April 11, 2024, and effective 90 days following adjournment, adds superintendents and principals to the list of service retirees (along with teachers, school bus drivers, food services cooks, school nurses and paraprofessionals) that may be hired by a rural school district and employed without a reduction in retirement benefits. This legislation clarifies that the exemption for a rural school district also includes a small rural school district which has a funded pupil count for the prior budget year of less than 1,000 pupils. The bill extends the BOCES critical shortage provisions through June 30, 2030, and also clarifies that the two-year moratorium for those who have not met full-service retirement applies to all critical shortage positions and aligns the designation date for reporting critical shortage positions to September 1st of each year.
- HB 24-1044, enacted April 19, 2024, and effective July 1, 2024, increases the number of retirees that can be designated under the 140-day provision. This legislation increases the current retiree limit of 10 “140-day provision” designees, for certain districts. For districts with over 10,000 students, an additional retiree may be designated under the “140-day provision” for each thousand students in excess of 10,000. In addition, this bill modifies the requirement that positions be filled based on a “critical shortage of qualified candidates” test to filling positions based on “need”. The bill places a 6-year cap on the total years a retiree may be designated under the “140-day provision” and aligns the designation date for all “140-day” designees to September 1st of each year.
- SB 24-169, enacted May 24, 2024, and effective July 1, 2025, modifies the definition of “state trooper” to include a duly sworn employee of the division of fire prevention and control in the department of public safety. The bill applies the “state trooper” member and employer contribution rates and benefit structure to eligible employees whose duties include structural or wildfire management, wildfire response, live-fire training, or wildfire leadership, as determined by the executive director of the department of public safety.
- SB 24-186, enacted June 5, 2024, and effective January 1, 2025, modifies the definition of “state trooper” to include employees of a local government division employer classified as a coroner or deputy coroner who were elected, reelected, or appointed on or after January 1, 2021, which includes the Boulder County Coroner. The bill applies the “state trooper” member and employer contribution rates and benefit structure to eligible employees meeting these criteria.

Note that 2022, 2023, and 2024 PERA-related legislation listed above had minimal impact on the results of the funding actuarial valuation as of December 31, 2023, however, HB 22-1029 and SB 23-056 directly impact the market and actuarial value of assets as of the December 31, 2023, valuation date for all divisions except the Local Government Division.

A summary of plan provisions is in *Section 4, Exhibit II*.

Section 2: Actuarial Valuation Results

Cash flow

Cash flow is the difference between contributions and benefit payments, refunds, and expenses. Negative cash flow indicates that the payments made from the Plan exceed contributions made to the Plan.

STATE DIVISION History of Cash Flow: 2014 – 2023

As of December 31	Contributions and Other Additions ¹	Benefit Payments and Other Deductions	Administrative Expenses	Total Disbursements	Net Cash Flow for the Year ²	Market Value of Assets	Net Cash Flow as Percent of Market Value
2014	\$671,762,176	(\$1,418,924,953)	(\$10,066,516)	(\$1,428,991,469)	(\$757,229,293)	\$13,956,630,097	(5.4%)
2015	722,662,803	(1,486,924,073)	(10,778,521)	(1,497,702,594)	(775,039,791)	13,391,398,092	(5.8%)
2016	765,158,202	(1,549,111,043)	(11,270,928)	(1,560,381,971)	(795,223,769)	13,538,772,410	(5.9%)
2017	822,220,289	(1,618,673,714)	(11,744,733)	(1,630,418,447)	(808,198,158)	15,105,378,385	(5.4%)
2018	915,127,973	(1,678,897,880)	(11,901,923)	(1,690,799,803)	(775,671,830)	13,837,862,906	(5.6%)
2019	958,983,810	(1,703,671,352)	(11,294,106)	(1,714,965,458)	(755,981,648)	15,819,842,540	(4.8%)
2020	964,116,633	(1,736,962,744)	(11,385,187)	(1,748,347,931)	(784,231,298)	17,660,157,424	(4.4%)
2021	1,096,555,535	(1,804,984,108)	(12,050,944)	(1,817,035,052)	(720,479,517)	19,710,492,269	(3.7%)
2022	1,278,068,008	(1,870,375,085)	(13,312,165)	(1,883,687,250)	(605,619,242)	16,490,174,031	(3.7%)
2023	1,228,680,585	(1,901,296,228)	(13,978,240)	(1,915,274,468)	(686,593,883)	17,958,261,699	(3.8%)

¹ Includes member and employer contributions, the direct distribution allocation, as well as any purchased service credits during the year.

² Equal to Contributions and Other Additions + Total Disbursements

Section 2: Actuarial Valuation Results

SCHOOL DIVISION History of Cash Flow: 2014 – 2023

As of December 31	Contributions and Other Additions ¹	Benefit Payments and Other Deductions	Administrative Expenses	Total Disbursements	Net Cash Flow for the Year ²	Market Value of Assets	Net Cash Flow as Percent of Market Value
2014	\$1,029,538,024	(\$2,117,766,894)	(\$19,289,856)	(\$2,137,056,750)	(\$1,107,518,726)	\$22,846,249,402	(4.8%)
2015	1,111,049,048	(2,217,629,742)	(20,865,372)	(2,238,495,114)	(1,127,446,066)	22,062,123,913	(5.1%)
2016	1,181,421,769	(2,318,086,171)	(21,990,705)	(2,340,076,876)	(1,158,655,107)	22,465,387,820	(5.2%)
2017	1,237,200,737	(2,434,471,331)	(23,018,690)	(2,457,490,021)	(1,220,289,284)	25,204,919,910	(4.8%)
2018	1,450,188,672	(2,495,428,206)	(23,560,475)	(2,518,988,681)	(1,068,800,009)	23,304,910,906	(4.6%)
2019	1,567,275,836	(2,553,523,246)	(22,618,898)	(2,576,142,144)	(1,008,866,308)	26,936,490,370	(3.7%)
2020	1,558,431,913	(2,617,017,587)	(22,778,633)	(2,639,796,220)	(1,081,364,307)	30,372,888,017	(3.6%)
2021	1,842,018,966	(2,717,029,650)	(22,607,563)	(2,739,637,213)	(897,618,247)	34,273,949,002	(2.6%)
2022	2,222,617,994	(2,817,392,180)	(25,561,809)	(2,842,953,989)	(620,335,995)	29,089,360,272	(2.1%)
2023	2,067,484,880	(2,934,285,607)	(26,886,925)	(2,961,172,532)	(893,687,652)	32,020,642,076	(2.8%)

¹ Includes member and employer contributions, the direct distribution allocation, as well as any purchased service credits during the year.

² Equal to Contributions and Other Additions + Total Disbursements.

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION History of Cash Flow: 2014 – 2023

As of December 31	Contributions and Other Additions ¹	Benefit Payments and Other Deductions	Administrative Expenses	Total Disbursements	Net Cash Flow for the Year ²	Market Value of Assets	Net Cash Flow as Percent of Market Value
2014	\$301,832,863	(\$259,117,301)	(\$2,090,929)	(\$261,208,230)	\$40,624,633	\$3,733,495,817	1.1%
2015	119,961,560	(267,449,300)	(2,252,600)	(269,701,900)	(149,740,340)	3,639,914,028	(4.1%)
2016	124,622,164	(273,485,113)	(2,394,530)	(275,879,643)	(151,257,479)	3,748,369,298	(4.0%)
2017	132,855,191	(293,053,988)	(2,541,497)	(295,595,485)	(162,740,294)	4,249,852,277	(3.8%)
2018	136,453,253	(306,861,804)	(2,620,564)	(309,482,368)	(173,029,115)	3,935,921,050	(4.4%)
2019	144,228,970	(316,604,169)	(2,475,697)	(319,079,866)	(174,850,896)	4,545,959,241	(3.8%)
2020	152,398,997	(324,063,766)	(2,458,507)	(326,522,273)	(174,123,276)	5,135,806,651	(3.4%)
2021	168,891,180	(341,459,937)	(3,064,851)	(344,524,788)	(175,633,608)	5,771,079,516	(3.0%)
2022	184,139,951	(356,101,747)	(3,449,539)	(359,551,286)	(175,411,335)	4,825,366,606	(3.6%)
2023	224,046,331	(365,907,794)	(3,653,430)	(369,561,224)	(145,514,893)	5,315,184,822	(2.7%)

¹ Includes member and employer contributions and purchased service credits during the year.

² Equal to Contributions and Other Additions + Total Disbursements.

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION History of Cash Flow: 2014 – 2023

As of December 31	Contributions and Other Additions ¹	Benefit Payments and Other Deductions	Administrative Expenses	Total Disbursements	Net Cash Flow for the Year ²	Market Value of Assets	Net Cash Flow as Percent of Market Value
2014	\$11,504,588	(\$20,003,229)	(\$71,858)	(\$20,075,087)	(\$8,570,499)	\$278,860,041	(3.1%)
2015	15,003,372	(21,365,942)	(77,178)	(21,443,120)	(6,439,748)	276,563,143	(2.3%)
2016	14,694,746	(23,009,443)	(80,752)	(23,090,195)	(8,395,449)	287,888,462	(2.9%)
2017	15,132,874	(25,451,584)	(85,589)	(25,537,173)	(10,404,299)	328,458,690	(3.2%)
2018	14,399,835	(26,532,248)	(86,385)	(26,618,633)	(12,218,798)	305,303,696	(4.0%)
2019	23,616,936	(28,123,790)	(84,063)	(28,207,853)	(4,590,917)	362,108,323	(1.3%)
2020	20,372,261	(29,575,922)	(87,487)	(29,663,409)	(9,291,148)	414,097,923	(2.2%)
2021	25,677,189	(31,541,115)	(185,896)	(31,727,011)	(6,049,822)	473,629,308	(1.3%)
2022	28,909,012	(32,983,482)	(212,666)	(33,196,148)	(4,287,136)	406,382,010	(1.1%)
2023	25,436,101	(35,263,061)	(238,135)	(35,501,196)	(10,065,095)	449,692,062	(2.2%)

¹ Includes member and employer contributions, the direct distribution allocation, as well as any purchased service credits during the year.

² Equal to Contributions and Other Additions + Total Disbursements.

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION History of Cash Flow: 2014 – 2023

As of December 31	Contributions and Other Additions ¹	Benefit Payments and Other Deductions	Administrative Expenses	Total Disbursements	Net Cash Flow for the Year ²	Market Value of Assets	Net Cash Flow as Percent of Market Value
2014	\$65,254,237	(\$256,978,880)	(\$2,377,366)	(\$259,356,246)	(\$194,102,009)	\$3,254,063,981	(6.0%)
2015	58,876,010	(265,098,162)	(2,599,429)	(267,697,591)	(208,821,581)	3,094,338,946	(6.7%)
2016	71,501,564	(272,199,954)	(2,754,331)	(274,954,285)	(203,452,721)	3,108,232,941	(6.5%)
2017	84,177,678	(281,932,605)	(2,857,244)	(284,789,849)	(200,612,171)	3,452,666,927	(5.8%)
2018	111,853,890	(293,092,149)	(2,919,143)	(296,011,292)	(184,157,402)	3,155,738,171	(5.8%)
2019	126,078,872	(289,038,929)	(2,713,279)	(291,752,208)	(165,673,336)	3,616,649,237	(4.6%)
2020	126,416,934	(288,740,535)	(2,667,382)	(291,407,917)	(164,990,983)	4,055,819,315	(4.1%)
2021	168,706,971	(294,929,899)	(2,828,699)	(297,758,598)	(129,051,627)	4,567,640,228	(2.8%)
2022	217,919,413	(299,883,652)	(3,133,663)	(303,017,315)	(85,097,902)	3,873,515,312	(2.2%)
2023	192,726,769	(302,189,305)	(3,291,529)	(305,480,834)	(112,754,065)	4,270,306,539	(2.6%)

¹ Includes member and employer contributions, the direct distribution allocation, as well as any purchased service credits during the year.

² Equal to Contributions and Other Additions + Total Disbursements.

Section 2: Actuarial Valuation Results

Development of unfunded/(overfunded) actuarial accrued liability

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended December 31, 2023

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
1. Unfunded/(overfunded) actuarial accrued liability at beginning of year	\$9,275,673,361	\$15,933,025,000	\$533,956,497	\$58,693,288	\$465,007,354	\$26,266,355,500
2. Normal cost at beginning of year	414,872,881	832,083,656	98,968,152	9,750,013	111,610,806	1,467,285,508
3. Total contributions	(1,228,680,585)	(2,067,484,880)	(224,046,331)	(25,436,101)	(192,726,769)	(3,738,374,666)
4. Interest on 1, 2 & 3						
a. Unfunded actuarial accrued liability and normal cost	702,564,603	1,215,470,378	45,887,037	4,962,139	41,804,817	2,010,688,974
b. Total contributions	(44,539,672)	(74,946,327)	(7,216,617)	(922,058)	(6,986,346)	(134,611,020)
c. Total interest: (4a) + (4b)	658,024,931	1,140,524,051	38,670,420	4,040,081	34,818,471	1,876,077,954
5. Expected unfunded/(overfunded) actuarial accrued liability	\$9,119,890,588	\$15,838,147,827	\$447,548,738	\$47,047,281	\$418,709,862	\$25,871,344,296
6. Changes due to:						
a. (Gain)/loss	488,951,680	927,933,743	124,238,342	10,240,427	101,967,513	1,653,331,705
b. Assumptions	0	0	0	0	0	0
c. Funding method	0	0	0	0	0	0
d. Plan provisions	0	0	0	0	0	0
Total changes	\$488,951,680	\$927,933,743	\$124,238,342	\$10,240,427	\$101,967,513	\$1,653,331,705
7. Unfunded/(overfunded) actuarial accrued liability at end of year	\$9,608,842,268	\$16,766,081,570	\$571,787,080	\$57,287,708	\$520,677,375	\$27,524,676,001

Section 2: Actuarial Valuation Results

DC supplement

Beginning January 1, 2021, the employer contribution rates are adjusted to include the DC Supplement, which is calculated separately for the State and Local Government Divisions. The DC Supplement, to be paid to the State and Local Government Trust Funds by all State and Local Government employers, is designed to compensate for employer contribution amounts paid to the DC Plan participant accounts that otherwise would have gone to the State and Local Government Division Trust Funds as payment toward the UAAL, if the DC choice were not available. The DC Supplement is determined considering this DB Plan shortfall with regard to only the employer contributions of DC Plan members who commenced employment on or after January 1, 2019.

Determination of DC Supplement for Year Beginning January 1, 2025

For the year beginning January 1, 2025		State Division	Local Government Division
1	UAAL shortfall ¹	7.99%	5.38%
2	Total DC payroll for 2025 ²	\$112,566,944	\$17,637,133
3	DC supplement, adjusted for interest	9,313,864	983,565
4	Projected DC payroll	206,756,784	17,637,133
5	Projected DB payroll	3,866,125,047	913,854,496
6	DC supplement rate: 3 ÷ (4 + 5)	0.23%	0.11%

¹ Based on Normal Costs determined as of the December 31, 2023, actuarial valuation.

² Represents salary earned in 2023 by DC Plan participants hired on or after January 1, 2019, projected to January 1, 2025.

Section 2: Actuarial Valuation Results

Statutory employer contributions

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

Division Trust Fund	Employer Contribution Rate	
	In Effect on December 31, 2023	Effective July 1, 2024
State (Other than Safety Officers)	11.40%	11.40%
State (Safety Officers)	14.10%	14.10%
School	11.40%	11.40%
Local Government (Other than Safety Officers)	11.00%	11.00%
Local Government (Safety Officers)	14.10%	14.10%
Judicial	14.91%	14.91%
Denver Public Schools	11.40%	11.40%

The DC Supplement provisions increases employer contribution rates effective January 1, 2025, by 0.23% and 0.11%, for the State and Local Government Division Trust Funds, respectively.

For each division, 1.02% of the statutory rates shown above is allocated to the Health Care Trust Funds for each active member. In addition, 1.00% of the statutory rates shown above is allocated to the Annual Increase Reserve on behalf of the active members who began membership on or after January 1, 2007. In addition to the statutory rates shown above, AED contributions and SAED contributions are to be made by all employers. 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 each be reduced by 0.5% of payroll. The 2024 AED and SAED contribution rates by division are shown in the tables on the following page.

Section 2: Actuarial Valuation Results

Division Trust Fund	2024 AED Rate	2024 SAED Rate
State	5.00%	5.00%
School	4.50%	5.50%
Local Government	2.20%	1.50%
Judicial	5.00%	5.00%
Denver Public Schools	4.50%	5.50%

For the DPS Division Trust Fund, 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 and refinanced thereafter.

SB 18-200 initiated an annual Direct Distribution from the State Treasury of \$225 million, effective July 1, 2018, for the State, School, Judicial and DPS Division Trust Funds until there are no unfunded actuarial accrued liabilities of any division receiving such distribution. Amounts to each division are allocated based on the reported payroll as of December 31, of the prior year. In addition to the employer and member statutory contribution rates, the direct distribution amounts are considered in the number of years to amortize the UAAL.

SB 18-200 also initiated an Automatic Adjustment Provision (AAP), which is intended to keep PERA on track to achieve full funding in 30 years (i.e., by December 31, 2047). If PERA is ahead or behind the 30-year schedule to reach full funding, the following four components can adjust automatically:

- Member contribution rates
- Employer contribution rates
- AI cap used to determine amounts paid to benefit recipients
- Direct distribution from the State

Section 2: Actuarial Valuation Results

The following chart describes how the AAP operates, dependent on the resulting ratio of actual contribution dollars received versus expected dollars based on the actuarially determined contribution:

Automatic Adjustment Provision

Component	AAP Ratio < 98%	AAP Ratio > 120%
AI cap	Decrease by up to 0.25% in one year, not to fall below 0.5%	Increase by up to 0.25% in one year, not to exceed 2%
Employer contributions	Increase by up to 0.5% in one year, not to exceed an additional 2%	Decrease by up to 0.5% in one year, not to fall below 2018 levels ¹
Member contributions	Increase by up to 0.5% in one year, not to exceed an additional 2%	Decrease by up to 0.5% in one year, not to fall below 2018 levels ¹
Direct distribution from the State	Increase by up to \$20 million in one year, not to exceed \$225 million	Decrease by up to \$20 million in one year

¹ Cannot fall below the contribution rates in effect immediately prior to the passage of SB 18-200.

The AAP Ratio, which is outlined in *Section 2*, is the ratio of the Blended Total Contribution Rate to the Blended Total Required Contribution.

The AAP Ratio resulting from the AAP assessment performed as of December 31, 2022, was greater than 98% and less than 120%, and therefore no additional AAP adjustments to contribution rates or the AI cap are required to occur as of July 1, 2024. The AAP assessment performed as of December 31, 2023, is greater than 98% and less than 120%, and therefore no additional AAP adjustments to contribution rates or the AI cap are required to occur as of July 1, 2025.

Section 2: Actuarial Valuation Results

Actuarially determined contribution

For each Division Trust Fund, the amount of the actuarially determined contribution is comprised of an employer normal cost payment and a payment on the unfunded/(overfunded) actuarial accrued liability. This total amount is divided by the projected payroll for active members to determine the actuarially determined contribution.

PERA's pension funding policy is included in *Section 4, Exhibit III*. The methodology used to calculate the actuarially determined contributions for the pension plans is based on closed (layered) amortization periods of 30 years. The length of the amortization periods are as follows:

- The legacy UAAL as of December 31, 2017, is being amortized over a closed 30-year period (24 years remaining as of December 31, 2023).
- Contribution deficiencies/surpluses are amortized over the remaining period of the legacy UAAL.
- Experience gains and losses are amortized over 30 years from the date of the valuation.
- Assumption changes are amortized over 30 years from the date of the valuation.
- Other changes in the UAAL are amortized over 30 years from the date of the valuation.
- Benefit changes are amortized over a period determined by the Board to represent the anticipated duration of the payments of the change, not to exceed 25 years.

The contribution requirements as of December 31, 2023, are based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

Contribution rates for the year ending December 31, 2025, are derived from the results of this December 31, 2023, annual actuarial valuation.

Section 2: Actuarial Valuation Results

Schedule of Computed Employer Contribution Rates for the 2025 Plan Year Based upon the Results of the December 31, 2023, Actuarial Funding Valuation

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
Normal cost rates					
Service retirement benefits	8.33%	10.28%	8.43%	14.66%	8.74%
Disability retirement benefits	0.34%	0.21%	0.31%	0.39%	0.21%
Survivor benefits	0.25%	0.20%	0.28%	0.47%	0.18%
Termination withdrawals	2.85%	2.85%	2.65%	1.02%	3.44%
Refunds	0.82%	0.66%	0.82%	0.07%	0.42%
Administrative expense load	0.40%	0.40%	0.40%	0.40%	0.40%
Total normal cost	12.99%	14.60%	12.89%	17.01%	13.39%
Member contributions	(11.14%)	(11.00%)	(9.02%)	(11.00%)	(11.00%)
Employer normal cost	1.85%	3.60%	3.87%	6.01%	2.39%
Percentage available to amortize unfunded actuarial accrued liabilities	17.98%	16.14%	9.08%	17.22%	7.55%
Effective amortization period	18 years	23 years	8 years	5 years	6 years
Total employer contribution rate for actuarially funded benefits	11.58%	11.40%	11.02%	14.91%	11.40%
Amortization Equalization Disbursement	5.00%	4.50%	2.20%	5.00%	4.50%
Supplemental Amortization Equalization Disbursement	5.00%	5.50%	1.50%	5.00%	5.50%
Less Health Care Trust Fund	(1.02%)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Less Annual Increase Reserve	(0.73%)	(0.64%)	(0.75%)	(0.66%)	(0.75%)
Less PCOP credit	N/A	N/A	N/A	N/A	(9.69%)
Employer contribution rate for DB plan	19.83%	19.74%	12.95%	23.23%	9.94%
DC Supplement	0.23%	N/A	0.11%	N/A	N/A

Section 2: Actuarial Valuation Results

Actuarially determined contribution by division

STATE DIVISION Actuarially Determined Contribution

Contribution	12/31/2023 Valuation Date - Contribution for the 2025 Plan Year		12/31/2022 Valuation Date - Contribution for the 2024 Plan Year	
	Amount ¹	% of Payroll ¹	Amount ¹	% of Payroll ¹
1. Total normal cost	\$472,473,344	12.59%	\$416,288,769	12.46%
2. Administrative expenses	15,014,078	0.40%	13,360,125	0.40%
3. Expected employee contributions	(418,142,068)	(11.14%)	(370,743,468)	(11.10%)
4. Employer normal cost: (1) + (2) + (3)	\$69,345,354	1.85%	\$58,905,426	1.76%
5. Actuarial accrued liability	\$28,460,814,656		\$27,647,370,221	
6. Actuarial value of assets	18,851,972,388		18,371,696,860	
7. Unfunded/(overfunded) actuarial accrued liability: (5) – (6)	\$9,608,842,268		\$9,275,673,361	
8. Payment on unfunded/(overfunded) actuarial accrued liability	635,570,318	16.93%	601,380,059	18.01%
9. Actuarially determined contribution: (4) + (8)	\$704,915,671	18.78%	\$660,285,485	19.77%
10. Projected payroll	\$3,753,519,463		\$3,340,031,240	

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

STATE DIVISION Unfunded Actuarial Accrued Liability Amortization Schedule

Description	Original Balance	Outstanding Balance as of 12/31/2022	1/1/2023 Amortization Payment	Outstanding Balance as of 12/31/2023	1/1/2024 Amortization Payment	Amortization Period as of 12/31/2023 ¹
December 31, 2017 legacy UAAL (revised funding policy effective December 31, 2018)	\$10,525,675,196	\$11,154,096,609	\$694,880,000	\$11,217,509,813	\$715,726,400	24 years
December 31, 2018 contribution deficiency	117,830,228	122,976,963	7,661,242	123,676,111	7,891,079	24 years
December 31, 2018 UAAL base	401,011,824	420,567,119	25,619,740	423,581,064	26,388,332	25 years
December 31, 2019 contribution deficiency	21,085,848	21,697,713	1,351,728	21,821,069	1,392,280	24 years
December 31, 2019 plan change	(480,596,769)	(487,949,030)	(32,819,861)	(488,126,034)	(33,804,457)	21 years
December 31, 2019 UAAL base	(111,125,673)	(115,182,752)	(6,870,332)	(116,165,070)	(7,076,442)	26 years
December 31, 2020 contribution deficiency	93,468,886	94,941,567	5,914,688	95,481,328	6,092,128	24 years
December 31, 2020 assumption change	947,845,612	969,735,724	56,706,771	979,223,552	58,407,974	27 years
December 31, 2020 UAAL base	(902,590,243)	(923,435,199)	(53,999,277)	(932,470,026)	(55,619,255)	27 years
December 31, 2021 contribution surplus	(83,153,398)	(83,749,307)	(5,217,430)	(84,225,438)	(5,373,953)	24 years
December 31, 2021 plan change	(496,964,484)	(499,789,823)	(31,888,786)	(501,823,862)	(32,845,450)	23 years
December 31, 2021 UAAL Base	(814,109,776)	(823,894,425)	(47,287,141)	(832,911,312)	(48,705,755)	28 years
December 31, 2022 contribution surplus	(163,339,886)	(163,339,886)	(10,175,779)	(164,268,505)	(10,481,052)	24 years
December 31, 2022 UAAL Base	(411,001,912)	(411,001,912)	(23,177,506)	(415,941,675)	(23,872,831)	29 years
December 31, 2023 contribution surplus	(52,995,739)	N/A	N/A	(52,995,739)	(3,381,361)	24 years
December 31, 2023 UAAL Base	336,476,992	N/A	N/A	336,476,992	18,974,845	30 years
Total		\$9,275,673,361	\$580,698,057	\$9,608,842,268	\$613,712,482	
Total with interest to middle of the year			\$601,380,059		\$635,570,318	
Projected payroll			\$3,340,031,240		\$3,753,519,463	
Total as a percentage of projected payroll			18.01%		16.93%	
Equivalent single amortization period						22 years

¹ State Division reflects an adjustment for the impact of AED and SAED as well as DC Supplement (for members hired on or after January 1, 2019) contributions received from employers on the estimated pensionable payroll of employees electing to participate in the defined contribution plan.

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Actuarially Determined Contribution

Contribution	12/31/2023 Valuation Date - Contribution for the 2025 Plan Year		12/31/2022 Valuation Date - Contribution for the 2024 Plan Year	
	Amount ¹	% of Payroll ¹	Amount ¹	% of Payroll ¹
1. Total normal cost	\$923,995,370	14.20%	\$837,826,811	14.03%
2. Administrative expenses	26,024,256	0.40%	23,892,136	0.40%
3. Expected employee contributions	(715,667,045)	(11.00%)	(657,033,747)	(11.00%)
4. Employer normal cost: (1) + (2) + (3)	\$234,352,581	3.60%	\$204,685,200	3.43%
5. Actuarial accrued liability	\$50,331,450,936		\$48,326,747,195	
6. Actuarial value of assets	33,565,369,366		32,393,722,195	
7. Unfunded/(overfunded) actuarial accrued liability: (5) – (6)	\$16,766,081,570		\$15,933,025,000	
8. Payment on unfunded/(overfunded) actuarial accrued liability	1,098,431,948	16.88%	1,024,783,631	17.16%
9. Actuarially determined contribution: (4) + (8)	\$1,332,784,529	20.49%	\$1,229,468,831	20.58%
10. Projected payroll	\$6,506,064,047		\$5,973,034,063	

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Unfunded Actuarial Accrued Liability Amortization Schedule

Description	Original Balance	Outstanding Balance as of 12/31/2022	1/1/2023 Amortization Payment	Outstanding Balance as of 12/31/2023	1/1/2024 Amortization Payment	Amortization Period as of 12/31/2023
December 31, 2017 legacy UAAL (revised funding policy effective December 31, 2018)	\$16,266,169,194	\$17,237,319,173	\$1,073,853,739	\$17,335,316,678	\$1,106,069,351	24 years
December 31, 2018 contribution deficiency	261,157,378	272,564,535	16,980,276	274,114,118	17,489,685	24 years
December 31, 2018 UAAL base	726,883,907	762,330,316	46,438,972	767,793,466	47,832,141	25 years
December 31, 2019 contribution deficiency	94,217,771	96,951,758	6,039,919	97,502,947	6,221,116	24 years
December 31, 2019 plan change	(829,604,881)	(842,296,334)	(56,653,559)	(842,601,876)	(58,353,165)	21 years
December 31, 2019 UAAL base	(5,724,283)	(5,933,269)	(353,903)	(5,983,870)	(364,520)	26 years
December 31, 2020 contribution deficiency	155,895,101	158,351,359	9,865,003	159,251,617	10,160,953	24 years
December 31, 2020 assumption change	1,839,281,320	1,881,758,778	110,038,705	1,900,169,778	113,339,867	27 years
December 31, 2020 UAAL base	(1,283,710,655)	(1,313,357,433)	(76,800,573)	(1,326,207,232)	(79,104,590)	27 years
December 31, 2021 contribution surplus	(101,997,388)	(102,728,340)	(6,399,789)	(103,312,371)	(6,591,783)	24 years
December 31, 2021 plan change	(889,390,510)	(894,446,867)	(57,069,639)	(898,087,077)	(58,781,728)	23 years
December 31, 2021 UAAL Base	(1,035,675,422)	(1,048,123,032)	(60,156,666)	(1,059,593,928)	(61,961,366)	28 years
December 31, 2022 contribution surplus	(178,110,699)	(178,110,699)	(11,095,974)	(179,123,293)	(11,428,853)	24 years
December 31, 2022 UAAL Base	(91,254,945)	(91,254,945)	(5,146,112)	(92,351,723)	(5,300,496)	29 years
December 31, 2023 contribution surplus	(34,525,159)	N/A	N/A	(34,525,159)	(2,202,857)	24 years
December 31, 2023 UAAL Base	773,719,495	N/A	N/A	773,719,495	43,632,129	30 years
Total		\$15,933,025,000	\$989,540,399	\$16,766,081,570	\$1,060,655,884	
Total with interest to middle of the year			\$1,024,783,631		\$1,098,431,948	
Projected payroll			\$5,973,034,063		\$6,506,064,047	
Total as a percentage of projected payroll			17.16%		16.88%	
Equivalent single amortization period						24 years

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Actuarially Determined Contribution

Contribution	12/31/2023 Valuation Date - Contribution for the 2025 Plan Year		12/31/2022 Valuation Date - Contribution for the 2024 Plan Year	
	Amount ¹	% of Payroll ¹	Amount ¹	% of Payroll ¹
1. Total normal cost	\$110,779,380	12.49%	\$99,294,389	12.42%
2. Administrative expenses	3,548,950	0.40%	3,198,588	0.40%
3. Expected employee contributions	(80,028,811)	(9.02%)	(72,048,191)	(9.01%)
4. Employer normal cost: (1) + (2) + (3)	\$34,299,518	3.87%	\$30,444,786	3.81%
5. Actuarial accrued liability	\$6,148,157,685		\$5,913,443,979	
6. Actuarial value of assets	5,576,370,605		5,379,487,482	
7. Unfunded/(overfunded) actuarial accrued liability: (5) – (6)	\$571,787,080		\$533,956,497	
8. Payment on unfunded/(overfunded) actuarial accrued liability	38,643,082	4.36%	35,761,392	4.47%
9. Actuarially determined contribution: (4) + (8)	\$72,942,600	8.22%	\$66,206,178	8.28%
10. Projected payroll	\$887,237,375		\$799,646,962	

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Unfunded Actuarial Accrued Liability Amortization Schedule

Description	Original Balance	Outstanding Balance as of 12/31/2022	1/1/2023 Amortization Payment	Outstanding Balance as of 12/31/2023	1/1/2024 Amortization Payment	Amortization Period as of 12/31/2023 ¹
December 31, 2017 legacy UAAL (revised funding policy effective December 31, 2018)	\$1,036,519,103	\$1,098,403,095	\$68,428,522	\$1,104,647,730	\$70,481,377	24 years
December 31, 2018 contribution deficiency	17,830,660	18,609,489	1,159,337	18,715,288	1,194,118	24 years
December 31, 2018 plan change	(5,566,395)	(5,671,288)	(392,757)	(5,661,224)	(404,539)	20 years
December 31, 2018 UAAL base	105,508,259	110,653,357	6,740,685	111,446,341	6,942,905	25 years
December 31, 2019 contribution surplus	(6,326,553)	(6,510,136)	(405,570)	(6,547,147)	(417,737)	24 years
December 31, 2019 plan change	(100,004,591)	(101,534,479)	(6,829,294)	(101,571,311)	(7,034,173)	21 years
December 31, 2019 UAAL base	(52,586,784)	(54,506,671)	(3,251,172)	(54,971,523)	(3,348,707)	26 years
December 31, 2020 contribution deficiency	3,550,104	3,606,039	224,650	3,626,540	231,389	24 years
December 31, 2020 assumption change	202,330,334	207,003,072	12,104,819	209,028,376	12,467,964	27 years
December 31, 2020 UAAL base	(251,998,487)	(257,818,291)	(15,076,317)	(260,340,767)	(15,528,606)	27 years
December 31, 2021 contribution surplus	(15,108,893)	(15,217,169)	(948,002)	(15,303,682)	(976,442)	24 years
December 31, 2021 plan change	(107,245,353)	(107,855,064)	(6,881,627)	(108,294,011)	(7,088,076)	23 years
December 31, 2021 UAAL Base	(227,885,573)	(230,624,492)	(13,236,614)	(233,148,499)	(13,633,713)	28 years
December 31, 2022 contribution surplus	(13,492,152)	(13,492,152)	(840,537)	(13,568,857)	(865,753)	24 years
December 31, 2022 UAAL Base	(111,088,813)	(111,088,813)	(6,264,598)	(112,423,971)	(6,452,536)	29 years
December 31, 2023 contribution surplus	(39,420,021)	N/A	N/A	(39,420,021)	(2,515,170)	24 years
December 31, 2023 UAAL Base	75,573,818	N/A	N/A	75,573,818	4,261,811	30 years
Total		\$533,956,497	\$34,531,525	\$571,787,080	\$37,314,112	
Total with interest to middle of the year			\$35,761,391		\$38,643,082	
Projected payroll			\$799,646,962		\$887,237,375	
Total as a percentage of projected payroll			4.47%		4.36%	
Equivalent single amortization period						21 years

¹ Local Government Division reflects an adjustment for the impact of AED and SAED as well as DC Supplement (for members hired on or after January 1, 2019) contributions received from employers on the estimated pensionable payroll of employees electing to participate in the defined contribution plan.

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Actuarially Determined Contribution

Contribution	12/31/2023 Valuation Date - Contribution for the 2025 Plan Year		12/31/2022 Valuation Date - Contribution for the 2024 Plan Year	
	Amount ¹	% of Payroll ¹	Amount ¹	% of Payroll ¹
1. Total normal cost	\$10,521,899	16.61%	\$9,860,998	16.69%
2. Administrative expenses	253,386	0.40%	236,269	0.40%
3. Expected employee contributions	(6,968,102)	(11.00%)	(6,497,409)	(11.00%)
4. Employer normal cost: (1) + (2) + (3)	\$3,807,182	6.01%	\$3,599,858	6.09%
5. Actuarial accrued liability	\$528,398,622		\$511,202,075	
6. Actuarial value of assets	471,110,914		452,508,787	
7. Unfunded/(overfunded) actuarial accrued liability: (5) – (6)	\$57,287,708		\$58,693,288	
8. Payment on unfunded/(overfunded) actuarial accrued liability	3,922,383	6.19%	3,948,606	6.68%
9. Actuarially determined contribution: (4) + (8)	\$7,729,566	12.20%	\$7,548,465	12.78%
10. Projected payroll	\$63,346,380		\$59,067,351	

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Unfunded Actuarial Accrued Liability Amortization Schedule

Description	Original Balance	Outstanding Balance as of 12/31/2022	1/1/2023 Amortization Payment	Outstanding Balance as of 12/31/2023	1/1/2024 Amortization Payment	Amortization Period as of 12/31/2023
December 31, 2017 legacy UAAL (revised funding policy effective December 31, 2018)	\$118,023,473	\$125,069,907	\$7,791,628	\$125,780,954	\$8,025,377	24 years
December 31, 2018 contribution deficiency	4,422,408	4,615,577	287,542	4,641,818	296,168	24 years
December 31, 2018 UAAL base	7,528,585	7,895,716	480,984	7,952,300	495,414	25 years
December 31, 2019 contribution surplus	(143,776)	(147,948)	(9,217)	(148,789)	(9,493)	24 years
December 31, 2019 plan change	(8,063,590)	(8,186,949)	(550,661)	(8,189,919)	(567,181)	21 years
December 31, 2019 UAAL base	(5,498,149)	(5,698,880)	(339,922)	(5,747,482)	(350,120)	26 years
December 31, 2020 contribution deficiency	342,678	348,077	21,685	350,055	22,335	24 years
December 31, 2020 assumption change	930,344	951,829	55,660	961,141	57,329	27 years
December 31, 2020 UAAL base	(21,069,218)	(21,555,803)	(1,260,508)	(21,766,704)	(1,298,324)	27 years
December 31, 2021 contribution surplus	(3,306,410)	(3,330,105)	(207,460)	(3,349,037)	(213,683)	24 years
December 31, 2021 plan change	(8,389,104)	(8,436,798)	(538,305)	(8,471,134)	(554,454)	23 years
December 31, 2021 UAAL Base	(22,120,942)	(22,386,809)	(1,284,883)	(22,631,816)	(1,323,430)	28 years
December 31, 2022 contribution surplus	(7,575,646)	(7,575,646)	(471,949)	(7,618,715)	(486,107)	24 years
December 31, 2022 UAAL Base	(2,868,880)	(2,868,880)	(161,784)	(2,903,360)	(166,637)	29 years
December 31, 2023 contribution surplus	(6,891,629)	N/A	N/A	(6,891,629)	(439,716)	24 years
December 31, 2023 UAAL Base	5,320,025	N/A	N/A	5,320,025	300,011	30 years
Total		\$58,693,288	\$3,812,810	\$57,287,708	\$3,787,489	
Total with interest to middle of the year			\$3,948,606		\$3,922,383	
Projected payroll			\$59,067,351		\$63,346,380	
Total as a percentage of projected payroll			6.68%		6.19%	
Equivalent single amortization period						23 years

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Actuarially Determined Contribution

Contribution	12/31/2023 Valuation Date - Contribution for the 2025 Plan Year		12/31/2022 Valuation Date - Contribution for the 2024 Plan Year	
	Amount ¹	% of Payroll ¹	Amount ¹	% of Payroll ¹
1. Total normal cost	\$123,485,579	12.99%	\$112,140,740	13.02%
2. Administrative expenses	3,801,967	0.40%	3,445,170	0.40%
3. Expected employee contributions	(104,554,095)	(11.00%)	(94,742,175)	(11.00%)
4. Employer normal cost: (1) + (2) + (3)	\$22,733,452	2.39%	\$20,843,735	2.42%
5. Actuarial accrued liability	\$4,997,053,965		\$4,778,609,155	
6. Actuarial value of assets	4,476,376,590		4,313,601,801	
7. Unfunded/(overfunded) actuarial accrued liability: (5) – (6)	\$520,677,375		\$465,007,354	
8. Payment on unfunded/(overfunded) actuarial accrued liability	35,046,271	3.69%	31,164,769	3.62%
9. Actuarially determined contribution: (4) + (8)	\$57,779,723	6.08%	\$52,008,504	6.04%
10. Projected payroll	\$950,491,769		\$861,292,498	

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Unfunded Actuarial Accrued Liability Amortization Schedule

Description	Original Balance	Outstanding Balance as of 12/31/2022	1/1/2023 Amortization Payment	Outstanding Balance as of 12/31/2023	1/1/2024 Amortization Payment	Amortization Period as of 12/31/2023
December 31, 2017 legacy UAAL (revised funding policy effective December 31, 2018)	\$830,756,647	\$880,355,866	\$54,844,575	\$885,360,860	\$56,489,912	24 years
December 31, 2018 contribution deficiency	48,781,251	50,911,979	3,171,724	51,201,423	3,266,876	24 years
December 31, 2018 UAAL base	94,971,312	99,602,578	6,067,503	100,316,368	6,249,528	25 years
December 31, 2019 contribution deficiency	24,046,028	24,743,791	1,541,493	24,884,465	1,587,738	24 years
December 31, 2019 plan change	(76,021,953)	(77,184,951)	(5,191,525)	(77,212,949)	(5,347,270)	21 years
December 31, 2019 UAAL base	(96,339,884)	(99,857,149)	(5,956,202)	(100,708,766)	(6,134,889)	26 years
December 31, 2020 contribution deficiency	26,912,759	27,336,792	1,703,033	27,492,207	1,754,124	24 years
December 31, 2020 assumption change	117,503,086	120,216,773	7,029,859	121,392,965	7,240,754	27 years
December 31, 2020 UAAL base	(158,413,687)	(162,072,188)	(9,477,418)	(163,657,891)	(9,761,740)	27 years
December 31, 2021 contribution surplus	(13,021,037)	(13,114,351)	(817,000)	(13,188,909)	(841,510)	24 years
December 31, 2021 plan change	(77,033,015)	(77,470,963)	(4,942,988)	(77,786,253)	(5,091,277)	23 years
December 31, 2021 UAAL Base	(158,978,964)	(160,889,706)	(9,234,210)	(162,650,519)	(9,511,236)	28 years
December 31, 2022 contribution surplus	(54,851,728)	(54,851,728)	(3,417,163)	(55,163,571)	(3,519,678)	24 years
December 31, 2022 UAAL Base	(92,719,389)	(92,719,389)	(5,228,696)	(93,833,768)	(5,385,557)	29 years
December 31, 2023 contribution surplus	(28,744,997)	N/A	N/A	(28,744,997)	(1,834,057)	24 years
December 31, 2023 UAAL Base	82,976,710	N/A	N/A	82,976,710	4,679,280	30 years
Total		\$465,007,354	\$30,092,985	\$520,677,375	\$33,840,998	
Total with interest to middle of the year			\$31,164,769		\$35,046,271	
Projected payroll			\$861,292,498		\$950,491,769	
Total as a percentage of projected payroll			3.62%		3.69%	
Equivalent single amortization period						23 years

Section 2: Actuarial Valuation Results

Reconciliation of actuarially determined contribution

The chart below details the changes in the actuarially determined contribution from the prior valuation to the current year's valuation.

Reconciliation of Actuarially Determined Contribution

Step	State Division ¹	School Division ¹	Local Government Division ¹	Judicial Division ¹	Denver Public Schools Division ¹
1. Prior valuation	19.77%	20.58%	8.28%	12.78%	6.04%
2. Increases/(decreases) due to:					
• Net effect of change in payroll and normal cost	(1.42%)	(0.79%)	(0.29%)	(0.38%)	(0.31%)
• Effect of contributions (more)/less than actuarially determined contribution	(0.08%)	(0.03%)	(0.26%)	(0.64%)	(0.18%)
• Effect of gains and losses on accrued liability and administrative expenses	0.58%	0.64%	0.58%	0.63%	0.47%
• Effect of investment (gain)/loss	0.22%	0.23%	0.27%	0.35%	0.20%
• Effect of plan changes	(0.04%)	0.00%	(0.01%)	0.00%	0.00%
• Effect of change in actuarial assumptions and methods	0.00%	0.00%	0.00%	0.00%	0.00%
• Net effect of other changes	(0.25%)	(0.14%)	(0.35%)	(0.54%)	(0.14%)
Total change	(0.99%)	(0.09%)	(0.06%)	(0.58%)	0.04%
3. Current valuation: 1 + 2	18.78%	20.49%	8.22%	12.20%	6.08%
4. Statutory employer contribution rate	19.83%	19.74%	12.95%	23.23%	9.94%
5. Margin available [contribution sufficiency/(deficiency)]: 4 – 3	1.05%	(0.75%)	4.73%	11.03%	3.86%

¹ The underlying calculations involve more precision than what is presented and the rounded numbers shown may not add as a result.

Section 2: Actuarial Valuation Results

Automatic Adjustment Provisions (AAP)

The automatic adjustment provision initiates automatic changes to member and employer contribution rates, the annual increase cap, and the direct distribution from the State under certain circumstances. Automatic changes are triggered when the ratio of the Blended Total Contribution Rate¹ to the Blended Total Required Contribution is less than 98% or greater than 120%. The table below calculates the Blended Total Contribution Rate and the Blended Total Required Contribution for the 2025 plan year.

Blended Total Contribution Rate¹ and Blended Total Required Contribution for the 2025 Plan Year

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total Weighted Average
1 Unfunded actuarial accrued liability as of December 31, 2023	\$9,608,842,268	\$16,766,081,570	\$571,787,080	\$57,287,708	\$520,677,375	\$27,524,676,001
2 Member contribution rate	11.14%	11.00%	9.02%	11.00%	11.00%	11.01%
3 Employer contribution rate ^{2,3}	20.06%	19.74%	13.06%	23.23%	9.94%	19.53%
4 Actuarially determined employer contribution rate	18.78%	20.49%	8.22%	12.20%	6.08%	19.35%
5 Direct distribution rate						1.80%
6 Blended total contribution rate: 2 + 3 + 5						32.34%
7 Blended total required contribution: 2 + 4						30.36%
8 Ratio of blended total contribution rate to blended total required contribution: 6 ÷ 7						106.52%

¹ "Blended Total Contribution Rate" is used synonymously with the term "Blended Total Contribution Amount", which is defined in C.R.S. 24-51-413(1)(a).

² Statutory base contribution rates plus AED and SAED contributions less 1.02% HCTF contributions, PCOP credit for DPS Division, and 1% AIR contributions for post-2006 members.

³ For State and Local Government Divisions, reflects the DC Supplement contribution rate.

Section 2: Actuarial Valuation Results

Automatic adjustment provisions effective July 1, 2025 - Before automatic adjustment provision

Item	State Division Members Other than Safety Officers	School Division	Local Government Division Members Other than Safety Officers	Safety Officers	Judicial Division	Denver Public Schools Division
1 Member contribution rate	11.00%	11.00%	9.00%	13.00%	11.00%	11.00%
2 Employer contribution rate ¹	11.40%	11.40%	11.00%	14.10%	14.91%	11.40%
3 Annual increase cap	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
4 Direct distribution amount	\$225,000,000 spread across all divisions except for Local Government Division					

¹ Statutory base contribution rates

Automatic adjustment provisions effective July 1, 2025 - After automatic adjustment provision – NO CHANGES

Item	State Division Members Other than Safety Officers	School Division	Local Government Division Members Other than Safety Officers	Safety Officers	Judicial Division	Denver Public Schools Division
1 Member contribution rate	11.00%	11.00%	9.00%	13.00%	11.00%	11.00%
2 Employer contribution rate ¹	11.40%	11.40%	11.00%	14.10%	14.91%	11.40%
3 Annual increase cap	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
4 Direct distribution amount	\$225,000,000 spread across all divisions except for Local Government Division					

¹ Statutory base contribution rates

Section 2: Actuarial Valuation Results

History of employer contributions

Critical information to assess the funding progress is the historical comparison of the actuarially determined contribution to the actual contributions. A history of the most recent years of contributions is shown below.

STATE DIVISION History of Employer Contributions: 2014 – 2023

Plan Year Ended December 31	Actuarially Determined Employer Contribution (ADC)		Actual Employer Contribution		
	Amount	Percentage of Payroll	Amount ¹	Percentage of Payroll	Percent Contributed
2014	\$524,474,957	20.45%	\$434,388,378	16.94%	82.8%
2015	590,457,196	22.35%	472,605,238	17.89%	80.0%
2016	604,746,141	22.31%	508,966,375	18.78%	84.2%
2017	630,022,456	22.71%	549,621,778	19.81%	87.2%
2018	762,391,572	26.30%	645,732,724	22.28%	84.7%
2019	697,341,417	23.28%	671,706,942	22.42%	96.3%
2020	731,822,257	23.69%	626,943,850 ²	20.29%	85.7%
2021	650,973,189	21.05%	720,403,554	23.30%	110.7%
2022	746,637,495	23.45%	880,603,398 ³	27.66%	117.9%
2023	740,631,184	20.71%	780,566,392 ⁴	21.83%	105.4%

¹ Beginning in 2018, the actual employer contribution amount includes a direct distribution from the State Treasury.

² The total \$225,000,000 Direct Distribution was suspended for 2020.

³ The total \$605,000,000 Direct Distribution was paid to PERA in 2022, with \$198,247,210 allocated to the State Division.

⁴ The total \$49,561,045 Direct Distribution was paid to PERA in 2023, with \$16,232,574 allocated to the State Division.

Section 2: Actuarial Valuation Results

SCHOOL DIVISION History of Employer Contributions: 2014 – 2023

Plan Year Ended December 31	Actuarially Determined Employer Contribution (ADC)		Actual Employer Contribution		
	Amount	Percentage of Payroll	Amount ¹	Percentage of Payroll	Percent Contributed
2014	\$798,425,826	19.65%	\$673,043,013	16.56%	84.3%
2015	929,222,688	21.94%	738,533,745	17.44%	79.5%
2016	972,507,903	22.36%	794,872,295	18.28%	81.7%
2017	1,007,843,833	22.54%	837,837,286	18.74%	83.1%
2018	1,283,586,925	26.80%	1,027,918,101	21.46%	80.1%
2019	1,204,135,246	23.59%	1,104,066,065	21.63%	91.7%
2020	1,202,647,756	23.37%	1,020,832,715 ²	19.84%	84.9%
2021	1,126,514,996	20.61%	1,210,247,841	22.14%	107.4%
2022	1,391,486,674	24.54%	1,516,544,156 ³	26.75%	109.0%
2023	1,305,139,350	21.13%	1,306,365,387 ⁴	21.15%	100.1%

¹ Beginning in 2018, the actual employer contribution amount includes a direct distribution from the State Treasury.

² The total \$225,000,000 Direct Distribution was suspended for 2020.

³ The total \$605,000,000 Direct Distribution was paid to PERA in 2022, with \$350,392,714 allocated to the School Division.

⁴ The total \$49,561,045 Direct Distribution was paid to PERA in 2023, with \$28,908,458 allocated to the School Division.

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION History of Employer Contributions: 2014 – 2023

Plan Year Ended December 31	Actuarially Determined Employer Contribution (ADC)		Actual Employer Contribution		
	Amount	Percentage of Payroll	Amount	Percentage of Payroll	Percent Contributed
2014	\$63,667,135	11.78%	\$252,545,073	46.73%	396.7%
2015	76,478,780	13.62%	67,893,740	12.09%	88.8%
2016	72,865,069	11.98%	72,162,542	11.86%	99.0%
2017	75,425,986	11.92%	75,963,608	12.00%	100.7%
2018	94,324,433	14.27%	77,578,359	11.74%	82.2%
2019	75,805,709	11.13%	81,395,567	11.95%	107.4%
2020	90,817,562	13.01%	85,169,653	12.20%	93.8%
2021	78,453,861	10.84%	91,517,127	12.64%	116.7%
2022	96,705,295	12.72%	103,008,899	13.55%	106.5%
2023	77,597,700	9.20%	113,067,127 ¹	13.41%	145.7%

¹ Contributions for 2023 do not include the disaffiliation payments totaling \$24.967 million for the Tri-County Health Department.

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION History of Employer Contributions: 2014 – 2023

Plan Year Ended December 31	Actuarially Determined Employer Contribution (ADC)		Actual Employer Contribution		
	Amount	Percentage of Payroll	Amount ¹	Percentage of Payroll	Percent Contributed
2014	\$8,625,480	20.07%	\$6,954,101	16.18%	80.6%
2015	10,053,557	21.45%	7,561,652	16.13%	75.2%
2016	10,747,986	22.07%	7,859,965	16.14%	73.1%
2017	11,032,791	22.54%	7,888,651	16.12%	71.5%
2018	13,767,896	27.26%	9,477,029	18.76%	68.8%
2019	11,700,590	21.90%	11,741,765	21.98%	100.4%
2020	12,079,009	22.05%	10,112,951 ²	18.46%	83.7%
2021	7,881,691	14.13%	10,833,658	19.42%	137.5%
2022	8,801,565	15.56%	15,536,644 ³	27.47%	176.5%
2023	8,381,829	13.83%	14,811,324 ⁴	24.44%	176.7%

¹ Beginning in 2018, the actual employer contribution amount includes a direct distribution from the State Treasury.

² The total \$225,000,000 Direct Distribution was suspended for 2020.

³ The total \$605,000,000 Direct Distribution was paid to PERA in 2022, with \$3,575,801 allocated to the Judicial Division.

⁴ The total \$49,561,045 Direct Distribution was paid to PERA in 2023, with \$288,384 allocated to the Judicial Division.

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION History of Employer Contributions: 2014 – 2023

Plan Year Ended December 31	Actuarially Determined Employer Contribution (ADC)		Actual Employer Contribution		
	Amount	Percentage of Payroll	Amount ¹	Percentage of Payroll	Percent Contributed
2014	\$56,503,673	9.67%	\$15,845,059	2.71%	28.0%
2015	68,695,272	11.06%	5,307,691	0.85%	7.7%
2016	67,171,731	10.46%	13,385,624	2.08%	19.9%
2017	67,662,786	10.28%	23,478,032	3.57%	34.7%
2018	97,475,410	13.50%	49,991,984	6.92%	51.3%
2019	82,019,787	11.14%	57,552,584	7.82%	70.2%
2020	80,374,420	10.42%	50,888,256 ²	6.60%	63.3%
2021	67,683,108	8.22%	78,462,942	9.53%	115.9%
2022	74,962,244	9.25%	120,822,976 ³	14.91%	161.2%
2023	60,540,387	6.77%	84,759,993 ⁴	9.48%	140.0%

¹ Beginning in 2018, the actual employer contribution amount includes a direct distribution from the State Treasury.

² The total \$225,000,000 Direct Distribution was suspended for 2020.

³ The total \$605,000,000 Direct Distribution was paid to PERA in 2022, with \$52,784,275 allocated to the DPS Division.

⁴ The total \$49,561,045 Direct Distribution was paid to PERA in 2023, with \$4,131,629 allocated to the DPS Division.

Section 2: Actuarial Valuation Results

Additional information

The other critical piece of information regarding PERA's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of each Division Trust Fund. Higher ratios may indicate a well-funded plan with a higher probability that assets will be sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors. The charts that follow show the funded ratio calculated using the actuarial value of assets.

STATE DIVISION Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$13,523,487,577	\$23,408,321,153	\$9,884,833,576	57.8%	\$2,564,669,718	385.4%
2015	13,882,819,694	24,085,671,123	10,202,851,429	57.6%	2,641,866,650	386.2%
2016	14,026,331,996	25,669,915,820	11,643,583,824	54.6%	2,710,650,565	429.5%
2017	14,256,409,942	24,782,085,138	10,525,675,196	57.5%	2,774,207,203	379.4%
2018	14,303,725,826	25,509,851,980	11,206,126,154	56.1%	2,898,827,271	386.6%
2019	14,922,049,783	25,717,648,220	10,795,598,437	58.0%	2,995,452,821	360.4%
2020	16,039,286,529	27,116,805,311	11,077,518,782	59.1%	3,089,161,069	358.6%
2021	17,379,516,391	27,159,846,058	9,780,329,667	64.0%	3,092,509,212	316.3%
2022	18,371,696,860	27,647,370,221	9,275,673,361	66.5%	3,183,955,204	291.3%
2023	18,851,972,388	28,460,814,656	9,608,842,268	66.2%	3,576,200,794	268.7%

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$22,143,356,419	\$36,386,532,173	\$14,243,175,754	60.9%	\$4,063,235,757	350.5%
2015	22,871,661,446	37,677,153,575	14,805,492,129	60.7%	4,235,290,282	349.6%
2016	23,263,343,921	41,352,968,451	18,089,624,530	56.3%	4,349,319,783	415.9%
2017	23,780,045,308	40,046,214,502	16,266,169,194	59.4%	4,471,356,847	363.8%
2018	24,094,441,728	41,598,399,420	17,503,957,692	57.9%	4,789,503,451	365.5%
2019	25,412,013,802	42,425,061,135	17,013,047,333	59.9%	5,104,430,888	333.3%
2020	27,581,088,477	45,532,074,935	17,950,986,458	60.6%	5,146,117,910	348.8%
2021	30,253,175,655	46,336,787,650	16,083,611,995	65.3%	5,465,866,064	294.3%
2022	32,393,722,195	48,326,747,195	15,933,025,000	67.0%	5,670,279,844	281.0%
2023	33,565,369,366	50,331,450,936	16,766,081,570	66.7%	6,176,712,495	271.4%

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$3,629,400,231	\$4,610,967,519	\$981,567,288	78.7%	\$540,468,037	181.6%
2015	3,777,160,876	4,780,697,981	1,003,537,105	79.0%	561,518,205	178.7%
2016	3,879,197,057	5,213,051,954	1,333,854,897	74.4%	608,222,609	219.3%
2017	4,009,412,912	5,045,932,015	1,036,519,103	79.5%	632,768,337	163.8%
2018	4,070,679,098	5,240,885,213	1,170,206,115	77.7%	660,998,127	177.0%
2019	4,288,325,330	5,316,433,330	1,028,108,000	80.7%	681,093,520	150.9%
2020	4,663,030,639	5,658,903,096	995,872,457	82.4%	698,059,659	142.7%
2021	5,090,565,515	5,745,010,400	654,444,885	88.6%	723,744,103	90.4%
2022	5,379,487,482	5,913,443,979	533,956,497	91.0%	760,261,752	70.2%
2023	5,576,370,605	6,148,157,685	571,787,080	90.7%	843,453,258	67.8%

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$270,866,145	\$371,253,240	\$100,387,095	73.0%	\$42,976,979	233.6%
2015	286,890,898	401,965,650	115,074,752	71.4%	46,869,730	245.5%
2016	297,888,464	447,117,414	149,228,950	66.6%	48,699,531	306.4%
2017	310,084,726	428,108,199	118,023,473	72.4%	48,947,607	241.1%
2018	315,970,361	447,756,933	131,786,572	70.6%	50,505,856	260.9%
2019	342,071,056	462,038,140	119,967,084	74.0%	53,427,351	224.5%
2020	376,437,305	478,204,823	101,767,518	78.7%	54,780,086	185.8%
2021	419,256,285	488,037,479	68,781,194	85.9%	55,779,834	123.3%
2022	452,508,787	511,202,075	58,693,288	88.5%	56,565,330	103.8%
2023	471,110,914	528,398,622	57,287,708	89.2%	60,606,139	94.5%

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$3,151,455,921	\$3,816,092,735	\$664,636,814	82.6%	\$584,319,269	113.7%
2015	3,207,326,956	3,905,240,456	697,913,500	82.1%	621,114,573	112.4%
2016	3,220,935,045	4,246,430,437	1,025,495,392	75.9%	642,177,158	159.7%
2017	3,257,769,807	4,088,526,454	830,756,647	79.7%	658,198,306	126.2%
2018	3,261,337,748	4,248,602,214	987,264,466	76.8%	722,040,073	136.7%
2019	3,410,264,090	4,263,384,355	853,120,265	80.0%	736,263,798	115.9%
2020	3,682,072,107	4,532,545,623	850,473,516	81.2%	771,347,604	110.3%
2021	4,029,095,188	4,637,874,454	608,779,266	86.9%	823,395,477	73.9%
2022	4,313,601,801	4,778,609,155	465,007,354	90.3%	810,402,643	57.4%
2023	4,476,376,590	4,997,053,965	520,677,375	89.6%	894,245,013	58.2%

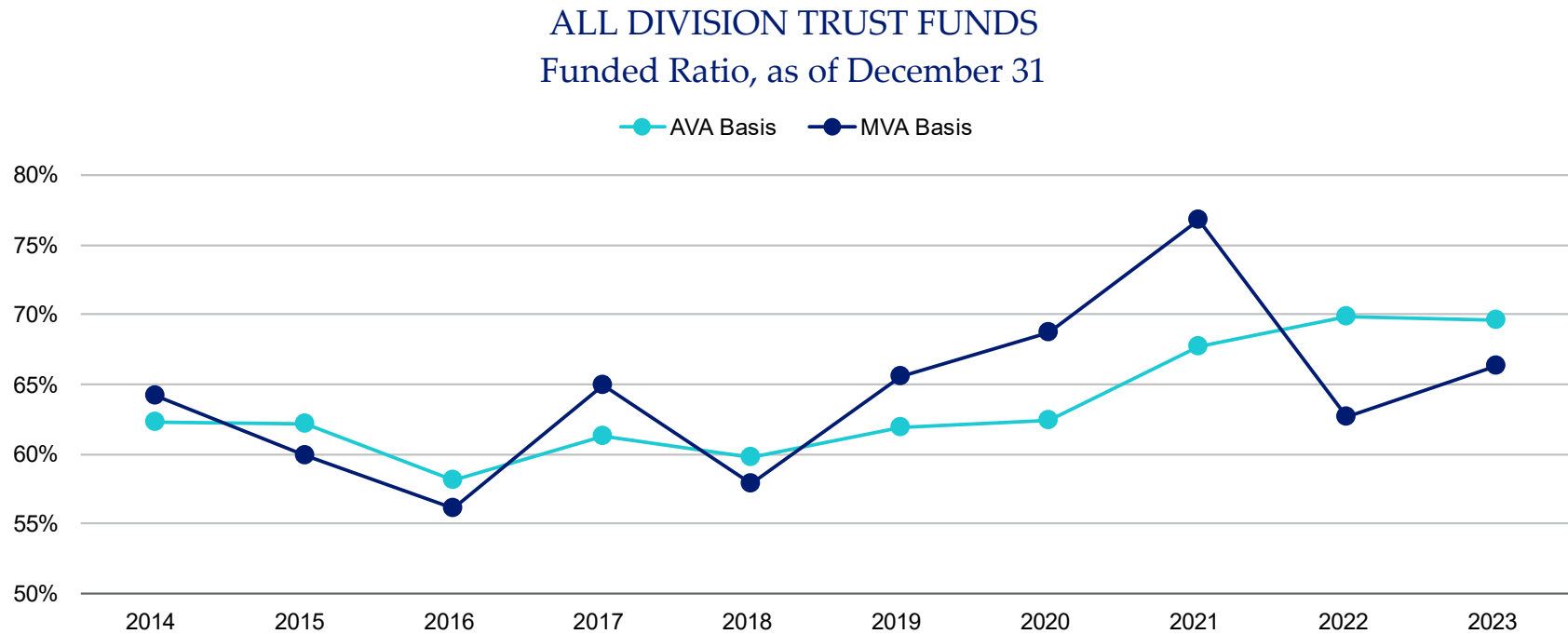
Section 2: Actuarial Valuation Results

ALL DIVISION TRUST FUNDS Schedule of Funding Progress

As of December 31	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2014	\$42,718,566,293	\$68,593,166,820	\$25,874,600,527	62.3%	\$7,795,669,760	331.9%
2015	44,025,859,870	70,850,728,785	26,824,868,915	62.1%	8,106,659,440	330.9%
2016	44,687,696,483	76,929,484,076	32,241,787,593	58.1%	8,359,069,646	385.7%
2017	45,613,722,695	74,390,866,308	28,777,143,613	61.3%	8,585,478,300	335.2%
2018	46,046,154,761	77,045,495,760	30,999,340,999	59.8%	9,121,874,778	339.8%
2019	48,374,724,061	78,184,565,180	29,809,841,119	61.9%	9,570,668,378	311.5%
2020	52,341,915,057	83,318,533,788	30,976,618,731	62.8%	9,759,466,328	317.4%
2021	57,171,609,034	84,367,556,041	27,195,947,007	67.8%	10,161,294,690	267.6%
2022	60,911,017,125	87,177,372,625	26,266,355,500	69.9%	10,481,464,773	250.6%
2023	62,941,199,863	90,465,875,864	27,524,676,001	69.6%	11,551,217,699	238.3%

Section 2: Actuarial Valuation Results

The chart below shows the funded ratio for the total of all Division Trust Funds calculated using both the actuarial value of assets and the market value of assets.



Section 2: Actuarial Valuation Results

Schedule of funded liabilities by type (formerly known as the Solvency Test)

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the Division Trust Funds' actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with member contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the pension funding policy aim to achieve a funded ratio of 100 percent.

STATE DIVISION

Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities			Actuarial Value of Plan Assets	Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members		(1)	(2)	(3)
2014	\$2,688,513,975	\$15,846,199,642	\$4,873,607,536	\$13,523,487,577	100.0%	68.4%	0.0%
2015	2,685,014,226	16,470,370,315	4,930,286,582	13,882,819,694	100.0%	68.0%	0.0%
2016	2,678,311,640	17,933,226,454	5,058,377,726	14,026,331,996	100.0%	63.3%	0.0%
2017	2,668,406,361	17,395,422,937	4,718,255,840	14,256,409,942	100.0%	66.6%	0.0%
2018	2,682,956,087	18,095,951,346	4,730,944,547	14,303,725,826	100.0%	64.2%	0.0%
2019	2,737,022,568	18,157,928,730	4,822,696,922	14,922,049,783	100.0%	67.1%	0.0%
2020	2,820,780,289	18,876,015,731	5,420,009,291	16,039,286,529	100.0%	70.0%	0.0%
2021	2,881,533,413	19,079,269,775	5,199,042,870	17,379,516,391	100.0%	76.0%	0.0%
2022	2,909,653,738	19,514,492,552	5,223,223,931	18,371,696,860	100.0%	79.2%	0.0%
2023	3,146,892,084	19,746,745,959	5,567,176,613	18,851,972,388	100.0%	79.5%	0.0%

Section 2: Actuarial Valuation Results

SCHOOL DIVISION Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities				Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members	Actuarial Value of Plan Assets	(1)	(2)	(3)
2014	\$3,915,705,391	\$24,247,868,140	\$8,222,958,642	\$22,143,356,419	100.0%	75.2%	0.0%
2015	4,003,251,233	25,133,167,683	8,540,734,659	22,871,661,446	100.0%	75.1%	0.0%
2016	4,108,960,910	27,922,422,826	9,321,584,715	23,263,343,921	100.0%	68.6%	0.0%
2017	4,212,088,158	26,937,539,293	8,896,587,051	23,780,045,308	100.0%	72.6%	0.0%
2018	4,344,573,744	27,922,414,342	9,331,411,334	24,094,441,728	100.0%	70.7%	0.0%
2019	4,551,131,706	28,014,054,562	9,859,874,867	25,412,013,802	100.0%	74.5%	0.0%
2020	4,748,884,792	29,376,412,086	11,406,778,057	27,581,088,477	100.0%	77.7%	0.0%
2021	5,019,413,789	29,763,774,519	11,553,599,342	30,253,175,655	100.0%	84.8%	0.0%
2022	5,273,925,218	30,576,351,308	12,476,470,669	32,393,722,195	100.0%	88.7%	0.0%
2023	5,671,239,013	31,352,517,353	13,307,694,570	33,565,369,366	100.0%	89.0%	0.0%

Section 2: Actuarial Valuation Results

LOCAL GOVERNMENT DIVISION Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities				Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members	Actuarial Value of Plan Assets	(1)	(2)	(3)
2014	\$534,694,536	\$3,114,435,619	\$961,837,364	\$3,629,400,231	100.0%	99.4%	0.0%
2015	533,262,306	3,275,092,726	972,342,949	3,777,160,876	100.0%	99.0%	0.0%
2016	545,507,394	3,573,343,965	1,094,200,595	3,879,197,057	100.0%	93.3%	0.0%
2017	544,524,644	3,482,526,035	1,018,881,336	4,009,412,912	100.0%	99.5%	0.0%
2018	549,498,715	3,679,914,640	1,011,471,858	4,070,679,098	100.0%	95.7%	0.0%
2019	565,273,471	3,713,892,020	1,037,267,839	4,288,325,330	100.0%	100.0%	0.9%
2020	579,210,635	3,895,852,003	1,183,840,458	4,663,030,639	100.0%	100.0%	15.9%
2021	597,770,712	3,978,148,158	1,169,091,530	5,090,565,515	100.0%	100.0%	44.0%
2022	591,991,391	4,112,331,481	1,209,121,107	5,379,487,482	100.0%	100.0%	55.8%
2023	630,120,803	4,211,743,602	1,306,293,280	5,576,370,605	100.0%	100.0%	56.2%

Section 2: Actuarial Valuation Results

JUDICIAL DIVISION Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities				Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members	Actuarial Value of Plan Assets	(1)	(2)	(3)
2014	\$60,973,005	\$214,541,387	\$95,738,848	\$270,866,145	100.0%	97.8%	0.0%
2015	60,118,183	232,302,854	109,544,613	286,890,898	100.0%	97.6%	0.0%
2016	58,119,195	273,416,269	115,581,950	297,888,464	100.0%	87.7%	0.0%
2017	54,972,648	277,541,632	95,593,919	310,084,726	100.0%	91.9%	0.0%
2018	57,922,275	286,044,533	103,790,125	315,970,361	100.0%	90.2%	0.0%
2019	57,144,769	304,173,187	100,720,184	342,071,056	100.0%	93.7%	0.0%
2020	58,778,792	318,646,517	100,779,514	376,437,305	100.0%	99.7%	0.0%
2021	61,352,831	331,714,859	94,969,789	419,256,285	100.0%	100.0%	27.6%
2022	61,420,717	360,921,917	88,859,441	452,508,787	100.0%	100.0%	33.9%
2023	64,824,073	373,298,281	90,276,268	471,110,914	100.0%	100.0%	36.5%

Section 2: Actuarial Valuation Results

DENVER PUBLIC SCHOOLS DIVISION Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities				Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members	Actuarial Value of Plan Assets	(1)	(2)	(3)
2014	\$379,240,340	\$2,665,352,277	\$771,500,118	\$3,151,455,921	100.0%	100.0%	13.9%
2015	394,305,861	2,732,879,071	778,055,524	3,207,326,956	100.0%	100.0%	10.3%
2016	402,849,242	2,999,767,090	843,814,105	3,220,935,045	100.0%	93.9%	0.0%
2017	419,239,199	2,867,253,544	802,033,711	3,257,769,807	100.0%	99.0%	0.0%
2018	438,007,813	2,941,987,529	868,606,872	3,261,337,748	100.0%	96.0%	0.0%
2019	461,074,750	2,906,773,493	895,536,112	3,410,264,090	100.0%	100.0%	4.7%
2020	501,422,397	2,975,191,020	1,055,932,206	3,682,072,107	100.0%	100.0%	19.5%
2021	569,133,726	2,921,569,033	1,147,171,695	4,029,095,188	100.0%	100.0%	46.9%
2022	586,071,310	2,991,714,817	1,200,823,028	4,313,601,801	100.0%	100.0%	61.3%
2023	645,166,684	3,020,554,346	1,331,332,935	4,476,376,590	100.0%	100.0%	60.9%

Section 2: Actuarial Valuation Results

ALL DIVISION TRUST FUNDS Schedule of Funded Liabilities by Type as of December 31

As of December 31	Aggregate Accrued Liabilities			Actuarial Value of Plan Assets	Portion of Accrued Liabilities Covered by Plan Assets		
	(1) Active Member Contributions	(2) Retirees, Beneficiaries, and Inactive Members	(3) Employer-Financed Portion of Active Members		(1)	(2)	(3)
2014	\$7,579,127,247	\$46,088,397,065	\$14,925,642,508	\$42,718,566,293	100.0%	76.2%	0.0%
2015	7,675,951,809	47,843,812,649	15,330,964,327	44,025,859,870	100.0%	76.0%	0.0%
2016	7,793,748,381	52,702,176,604	16,433,559,091	44,687,696,483	100.0%	70.0%	0.0%
2017	7,899,231,010	50,960,283,441	15,531,351,857	45,613,722,695	100.0%	74.0%	0.0%
2018	8,072,958,634	52,926,312,390	16,046,224,736	46,046,154,761	100.0%	71.7%	0.0%
2019	8,371,647,264	53,096,821,992	16,716,095,924	48,374,724,061	100.0%	75.3%	0.0%
2020	8,709,076,905	55,442,117,357	19,167,339,526	52,341,915,057	100.0%	78.7%	0.0%
2021	9,129,204,471	56,074,476,344	19,163,875,226	57,171,609,034	100.0%	85.7%	0.0%
2022	9,423,062,374	57,555,812,075	20,198,498,176	60,911,017,125	100.0%	89.5%	0.0%
2023	10,158,242,657	58,704,859,541	21,602,773,666	62,941,199,863	100.0%	89.9%	0.0%

Section 2: Actuarial Valuation Results

Summary of actuarial valuation results

Liabilities as of December 31, 2023

Determination of Unfunded Actuarial Accrued Liability	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
1 Present value of future benefits, active members						
a. Retirement benefits	\$10,474,440,349	\$23,099,296,523	\$2,355,314,024	\$232,511,190	\$2,430,541,896	\$38,592,103,982
b. Disability benefits	222,283,401	261,267,282	47,509,253	4,012,755	34,870,675	569,943,366
c. Death benefits	185,715,307	269,705,364	46,054,365	5,374,709	31,997,472	538,847,217
d. Withdrawal benefits	<u>1,411,944,623</u>	<u>2,574,401,522</u>	<u>303,179,244</u>	<u>7,816,293</u>	<u>492,538,379</u>	<u>4,789,880,061</u>
e. Total	\$12,294,383,680	\$26,204,670,691	\$2,752,056,886	\$249,714,947	\$2,989,948,422	\$44,490,774,626
2 Inactive vested members	840,627,184	1,332,499,227	306,211,165	13,129,733	178,257,012	2,670,724,321
3 Inactive non-vested members	248,520,548	345,670,400	71,864,392	403,490	64,939,942	731,398,772
4 Retirees and beneficiaries	18,657,598,227	29,674,347,726	3,833,668,045	359,765,058	2,777,357,392	55,302,736,448
5 Actuarial present value of projected benefits: 1e + 2 + 3 + 4	\$32,041,129,639	\$57,557,188,044	\$6,963,800,488	\$623,013,228	\$6,010,502,768	\$103,195,634,167
6 Actuarial present value of future normal costs, active members						
a. Retirement benefits	\$2,363,047,297	\$5,190,768,242	\$548,990,386	\$83,158,422	\$661,583,209	\$8,847,547,556
b. Disability benefits	105,410,319	113,924,392	21,611,810	2,341,611	16,058,586	259,346,718
c. Death benefits	70,596,387	101,765,011	18,168,446	2,567,099	13,786,249	206,883,192
d. Withdrawal benefits	<u>1,041,260,980</u>	<u>1,819,279,463</u>	<u>226,872,161</u>	<u>6,547,474</u>	<u>322,020,759</u>	<u>3,415,980,837</u>
e. Total	\$3,580,314,983	\$7,225,737,108	\$815,642,803	\$94,614,606	\$1,013,448,803	\$12,729,758,303
7 Actuarial accrued liability: 5 – 6e	\$28,460,814,656	\$50,331,450,936	\$6,148,157,685	\$528,398,622	\$4,997,053,965	\$90,465,875,864
8 Actuarial value of assets	18,851,972,388	33,565,369,366	5,576,370,605	471,110,914	4,476,376,590	62,941,199,863
9 Unfunded/(overfunded) actuarial accrued liability: 7 – 8	\$9,608,842,268	\$16,766,081,570	\$571,787,080	\$57,287,708	\$520,677,375	\$27,524,676,001

Section 2: Actuarial Valuation Results

Actuarial balance sheet

An overview of the Division Trust Funds is given by an Actuarial Balance Sheet. First, the amount and timing of all future payments that will be made by the Division Trust Funds for current participants is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the “liability” of the Division Trust Funds.

Second, this liability is compared to the assets. The “assets” for this purpose include the net amount of assets already accumulated by the Division Trust Funds, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet

	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
Liabilities:						
• Present value of benefits for service retirees	\$17,747,142,545	\$28,902,741,562	\$3,641,751,975	\$349,505,598	\$2,683,211,238	\$53,324,352,918
• Present value of benefits for disabled retirees	691,544,601	573,348,967	149,732,756	7,488,217	72,725,713	1,494,840,254
• Present value of benefits for survivors	218,911,081	198,257,197	42,183,314	2,771,243	21,420,441	483,543,276
• Present value of benefits for inactive members	1,089,147,732	1,678,169,627	378,075,557	13,533,223	243,196,954	3,402,123,093
• Present value of benefits for active members	12,294,383,680	26,204,670,691	2,752,056,886	249,714,947	2,989,948,422	44,490,774,626
Total liabilities	\$32,041,129,639	\$57,557,188,044	\$6,963,800,488	\$623,013,228	\$6,010,502,768	\$103,195,634,167
Assets:						
• Total valuation value of assets	\$18,851,972,388	\$33,565,369,366	\$5,576,370,605	\$471,110,914	\$4,476,376,590	\$62,941,199,863
• Present value of future member contributions	3,400,079,279	6,097,948,270	642,896,376	66,291,490	928,109,651	11,135,325,066
Present value of future employer contributions for:						
• Entry age normal costs	180,235,704	1,127,788,838	172,746,427	28,323,116	85,339,152	1,594,433,237
• Unfunded actuarial accrued liability	9,608,842,268	16,766,081,570	571,787,080	57,287,708	520,677,375	27,524,676,001
Total of current and future assets	\$32,041,129,639	\$57,557,188,044	\$6,963,800,488	\$623,013,228	\$6,010,502,768	\$103,195,634,167

Section 2: Actuarial Valuation Results

Low-Default-Risk Obligation Measure (LDRM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDRM) when performing a funding valuation. The LDRM is calculated using the same methodology and assumptions used to determine the Actuarial Accrued Liability used for funding, except for the discount rate. The LDRM is required to be calculated using “a discount rate...derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.”

The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in December of the measurement period, by The Bond Buyer (www.bondbuyer.com), is 3.26% for use effective December 31, 2023.

As of December 31, 2023, the LDRM for PERA is \$146,864,973,777.

Colorado PERA’s funded status and Actuarially Determined Contribution Rates are determined using the expected return on assets, currently 7.25% per annum, which reflects the actual investment portfolio as determined by the PERA Board of Trustees. Benefit security for members of PERA relies on a combination of the current assets in the plan, the investment returns generated on those assets, the anticipated future contributions from active plan members and PERA-affiliated employers, and the required annual direct distribution from the State of Colorado. Since the plan assets are not invested in an all-bond portfolio, the LDRM does not provide information on funded status, plan contributions, or the security of participant benefits.

Section 2: Actuarial Valuation Results

Risk

The actuarial valuation results depend on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different than projected from the current assumptions.

We have not been engaged to perform a detailed analysis of the potential range of the impact of risks relative to PERA's future financial condition but have included a brief discussion of some of the risks that may affect the Division Trust Funds. A more detailed assessment of the risks could provide a better understanding of the risks inherent in the Division Trust Funds. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling. Annually, pursuant to Section 24-51-614, C.R.S. from the Office of the State Auditor and at PERA's request, the actuary prepares a document called the Signal Light report. The purpose of the Signal Light report is to help assess the Division Trust Funds' funding progress and to provide information to assess whether the funding mechanisms promote sustainability. PERA has expanded the Signal Light report to include stochastic modeling, consideration of possible triggering of the AAP mechanism, and other enhancements to provide a more detailed risk assessment.

It is important to note that this actuarial valuation is based on plan assets as of December 31, 2023. PERA's actuarial funded status does not reflect short term fluctuations of the market, but rather is based on the market values on the last day of each plan year. While it is impossible to determine how the market will perform over the next several months, and how that will affect the results of next year's valuation, Segal is available to prepare projections of potential outcomes upon request.

A detailed risk assessment, including stochastic modeling, would provide additional useful information. PERA has undergone significant benefit changes, including the Automatic Adjustment Provision that is expected to allow PERA to achieve full funding in 30 years. Stochastic modeling is critical in order to monitor the likelihood of achieving PERA's funding goals. A detailed risk assessment could model funded percentages, effective amortization periods and projected actuarially determined contributions based upon PERA's target asset allocation and capital market assumptions. The results would allow PERA to assess the likelihood of positive or negative occurrences.

The following risks could significantly affect the Plans' future condition:

- **Investment Risk** (the risk that returns will be different than expected)

The assets total approximately \$60 billion. If the actual market value return for the Plan Year were 1% different from the assumed (either higher or lower), the projected unfunded actuarial liability would change by about \$600 million, disregarding the asset smoothing method.

The market value rate of return over the last ten years has ranged from a low of (13.4%) to a high of 20.3%.

Section 2: Actuarial Valuation Results

- As another measure of plan funding, open group projections were also performed. Unlike the closed-group methodology used for valuation measurements, these projections are another tool to evaluate plan funding levels. Using the open-group methodology, the projected year that the funded ratio on an actuarial value of assets basis reaches 100% for each Division Trust Fund is dependent upon investment returns, as well as future changes in demographics, growth in active membership, benefit structure, and projected contributions. The following table demonstrates the sensitivity of investment returns and these elements on the projected number of years to full funding. The projected number of years until the funded ratio reaches 100% is determined under two scenarios:
 - The December 31, 2022, actuarial valuation results
 - The December 31, 2023, actuarial valuation, reflecting a greater than expected 2023 investment return on the market value of assets, and other plan experience.
- At the direction of PERA, these deterministic projections of all Division Trust Funds reflect the lower cost benefit structure for new members and use the following assumptions:
 - All actuarial assumptions, including achieving 7.25% investment returns are realized.
 - Active membership growth for State and Judicial is 0.25% each year.
 - Active membership growth for School, Local Government, and Denver Public Schools is 1.00% per year.
 - New entrants have the same demographic mix as new hires over the last five years.
 - Projected Payroll for new entrants is assumed to grow at 3.00% per year.

Projected Number of Years Until the Funded Ratio Reaches 100% (Open Group Basis)

	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
December 31, 2022, actuarial valuation results ^{1,2,3}	32	34	23	12	13
December 31, 2023, actuarial valuation results ^{1,2,3}	23	27	14	8	9

¹ Includes impact of AAP adjustments effective July 1, 2022.

² Includes impact of legislative changes pursuant to HB 22-1029.

³ Includes impact of legislative changes pursuant to SB 23-056.

To provide an illustration of the potential risk of varied investment return outcomes, following is a table showing the number of years until the funded ratio reaches 100% for the School Division Trust Fund as of December 31, 2023, under the various return scenarios (used for both assumed investment return and to discount liabilities of the plan) that correspond to the confidence levels (probabilities of investment return) as indicated.

Section 2: Actuarial Valuation Results

School Division Projected Number of Years Until the Funded Ratio Reaches 100%¹ (Open Group Basis)

Probability of achieving at least the rate of return displayed (or better), per annum ²	Long-Term Expected Investment Return and Discount Rate				
	4.35%	6.18%	7.25%	8.63%	10.47%
95%	Infinite				
75%		69			
53%			27		
25%				11	
5%					3

¹ Reflects the results and experience of the December 31, 2023, Actuarial Funding Valuation, including the impact of legislative changes pursuant to HB 22-1029 and SB 23-056.

² Results reflecting 50-year probability outlooks (Monte Carlo simulations), based on 30-year capital market assumptions, provided by the Board's investment consultants, at the time the Board last reviewed and confirmed the long-term expected rate of return/discount rate of 7.25%.

A sensitivity analysis of the assumptions used in evaluating if the five Division Trust Funds are on track to achieving full funding by 2048 is provided in a separate analysis, referred to as *Signal Light Reporting for the Hybrid Defined Benefit Plan*.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the actuarially determined contribution.

- **Demographic Risk** (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any legacy early retirement subsidies that apply.
- More or less active participant turnover than assumed.
- Salary increases more or less than assumed.

- **Maturity Measures**

The risk associated with a pension plan increases as it becomes more mature, meaning that as the retiree population increases, the active membership represents a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

Section 2: Actuarial Valuation Results

- Currently the Plan has a total retirees and survivors to active participant ratio of 0.65. For the prior year, benefits paid were \$1.8 billion more than contributions received. As the Plans mature, more cash will be needed from the investment portfolio to meet benefit payments.
- As of December 31, 2023, the retired life actuarial accrued liability represents 61% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested and non-vested participants represents 4% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.

Section 3: Supplemental Information

Exhibit A: Membership data

Membership data was provided on electronic files sent by PERA staff. While not verifying the correctness of the data at the source, we performed various tests to ensure the internal consistency of the data and its overall reasonableness.

Division Trust Funds Number of Members

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
1. Retirees and survivors (includes deferred survivors)	44,517	77,165	9,095	460	7,316	138,553
2. Terminated members entitled to future benefits	9,887	24,561	3,174	29	3,364	41,015
3. Inactive members	94,780	159,333	31,426	9	17,173	302,721
4. Active members						
• Vested						
Other than Safety Officers	29,330	73,192	6,257	253	8,475	117,507
Safety Officers	786	-	-	-	-	786
• Non-Vested						
Other than Safety Officers	21,408	57,996	6,394	94	7,151	93,043
Safety Officers	2,163	-	49	-	-	2,212
• Total actives	53,687	131,188	12,700	347	15,626	213,548
5. Grand total: 1 + 2 + 3 + 4	202,871	392,247	56,395	845	43,479	695,837

Section 3: Supplemental Information

Exhibit B: Membership data by benefit tier

Division Trust Funds Number of Members

Item	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division
1. Active members					
• PERA benefit structure hired prior to 1/1/2007	11,676	31,025	2,415	116	700
• DPS benefit structure	100	666	4	1	1,893
• PERA benefit structure hired after 12/31/2006	41,911	99,497	10,281	230	13,033
2. Terminated vested members					
• PERA benefit structure hired prior to 1/1/2007	4,972	12,172	1,783	15	307
• DPS benefit structure	41	183	3	0	904
• PERA benefit structure hired after 12/31/2006	4,874	12,206	1,388	14	2,153
3. Inactive members					
• PERA benefit structure hired prior to 1/1/2007	31,264	43,933	8,963	2	246
• DPS benefit structure	9	42	3	0	683
• PERA benefit structure hired after 12/31/2006	63,507	115,358	22,460	7	16,244
4. Retirees and survivors (includes deferred survivors)					
• PERA benefit structure hired prior to 1/1/2007	41,587	72,858	8,339	423	251
• DPS benefit structure	46	194	1	1	6,504
• PERA benefit structure hired after 12/31/2006	2,884	4,113	755	36	561
5. Grand total: 1 + 2 + 3 + 4	202,871	392,247	56,395	845	43,479

Section 3: Supplemental Information

Exhibit C: Schedule of active member data as of December 31, 2023

State Division

Age	Years of Service							Total	Valuation Payroll
	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 +		
Under 20	277	0	0	0	0	0	0	277	\$7,671,461
20 - 24	2,284	19	0	0	0	0	0	2,303	95,855,361
25 - 29	4,287	521	5	0	0	0	0	4,813	254,185,358
30 - 34	4,054	1,837	338	13	0	0	0	6,242	378,460,724
35 - 39	3,168	1,974	1,129	338	11	0	0	6,620	441,612,785
40 - 44	2,491	1,728	1,242	1,084	297	21	0	6,863	486,684,059
45 - 49	2,520	1,506	1,124	1,063	801	300	18	7,332	534,312,574
50 - 54	1,725	1,262	1,012	1,066	877	716	149	6,807	512,406,429
55 - 59	1,292	1,001	844	928	694	477	268	5,504	406,882,080
60	224	170	163	182	122	76	53	990	69,019,784
61	203	180	145	171	114	79	58	950	66,438,447
62	139	149	107	167	110	78	47	797	56,764,671
63	153	138	125	141	102	69	47	775	53,178,633
64	131	133	100	131	97	52	58	702	47,480,125
65	110	109	103	106	65	42	38	573	38,878,161
66	82	83	69	89	52	28	30	433	29,005,574
67	73	63	70	55	37	22	33	353	23,027,945
68	48	52	43	52	32	21	20	268	17,199,254
69	51	39	41	37	23	16	19	226	13,371,485
70 & up	222	129	133	141	110	46	78	859	43,765,884
Total	23,534	11,093	6,793	5,764	3,544	2,043	916	53,687	\$3,576,200,794

Members other than Safety Officers

Average Age: 45.32
 Average Service: 9.05
 Average Expected Remaining Service Life: 9.14

Safety Officers

Average Age: 35.27
 Average Service: 4.84
 Average Expected Remaining Service Life: 15.72

Section 3: Supplemental Information

School Division

Age	Years of Service							Total	Valuation Payroll
	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 +		
Under 20	1,734	0	0	0	0	0	0	1,734	\$17,301,646
20 - 24	6,106	161	0	0	0	0	0	6,267	151,217,540
25 - 29	8,560	2,061	62	0	0	0	0	10,683	411,830,840
30 - 34	6,635	4,763	1,355	54	0	0	0	12,807	569,545,488
35 - 39	6,714	3,861	3,397	1,145	48	0	0	15,165	709,437,970
40 - 44	6,714	3,850	2,853	3,435	1,098	45	1	17,996	919,233,975
45 - 49	10,311	3,720	2,466	2,668	3,010	826	32	23,033	1,127,067,993
50 - 54	3,951	2,930	2,230	2,564	2,388	2,180	383	16,626	986,704,461
55 - 59	2,680	2,035	1,689	2,222	1,857	1,080	541	12,104	666,044,218
60	504	346	280	382	331	187	111	2,141	110,772,510
61	502	330	297	342	280	148	84	1,983	95,111,296
62	494	293	222	309	253	152	81	1,804	83,911,907
63	440	286	233	262	243	162	54	1,680	76,084,380
64	343	247	178	248	237	109	49	1,411	62,442,694
65	306	192	142	172	143	77	38	1,070	45,514,525
66	275	173	91	126	108	62	30	865	34,071,921
67	239	138	84	89	64	40	21	675	23,196,287
68	247	104	74	57	54	35	27	598	19,644,574
69	185	85	34	47	37	23	19	430	14,281,338
70 & up	974	467	233	203	99	66	74	2,116	53,296,932
Total	57,914	26,042	15,920	14,325	10,250	5,192	1,545	131,188	\$6,176,712,495

Average Age: 44.47
 Average Service: 8.93
 Average Expected Remaining Service Life: 9.86

Section 3: Supplemental Information

Local Government Division

Age	Years of Service							Total	Valuation Payroll
	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 +		
Under 20	536	0	0	0	0	0	0	536	\$5,109,254
20 - 24	591	6	0	0	0	0	0	597	19,109,502
25 - 29	847	148	7	0	0	0	0	1,002	54,750,532
30 - 34	870	393	75	8	0	0	0	1,346	88,620,421
35 - 39	750	458	175	75	14	0	0	1,472	108,669,468
40 - 44	615	402	195	174	81	8	0	1,475	114,242,396
45 - 49	732	333	218	220	127	76	5	1,711	125,017,018
50 - 54	430	292	177	285	172	110	21	1,487	125,409,153
55 - 59	368	222	180	201	144	84	37	1,236	97,152,792
60	79	41	31	36	31	20	8	246	17,789,964
61	67	34	39	57	32	16	6	251	17,948,960
62	53	32	21	43	18	7	5	179	12,615,578
63	48	37	29	26	21	16	15	192	13,447,546
64	59	45	20	25	19	11	8	187	11,677,364
65	54	26	16	28	10	9	6	149	9,773,541
66	43	14	15	22	11	8	5	118	7,050,458
67	24	18	11	9	4	3	5	74	4,029,864
68	36	14	3	11	5	2	1	72	2,483,482
69	28	9	6	6	3	0	0	52	2,139,474
70 & up	208	44	34	22	3	3	4	318	6,416,491
Total	6,438	2,568	1,252	1,248	695	373	126	12,700	\$843,453,258

Members other than Safety Officers

Average Age: 44.36
 Average Service: 7.66
 Average Expected Remaining Service Life: 8.96

Safety Officers

Average Age: 37.17
 Average Service: 1.88
 Average Expected Remaining Service Life: 16.05

Section 3: Supplemental Information

Judicial Division

Age	Years of Service							Total	Valuation Payroll
	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 +		
Under 20	0	0	0	0	0	0	0	0	-
20 - 24	0	0	0	0	0	0	0	0	-
25 - 29	0	0	0	0	0	0	0	0	-
30 - 34	3	2	0	0	0	0	0	5	\$879,400
35 - 39	9	1	3	0	0	0	0	13	1,958,282
40 - 44	25	10	10	4	0	0	0	49	8,360,575
45 - 49	20	19	12	6	4	2	0	63	10,930,585
50 - 54	16	17	8	13	9	0	0	63	11,457,357
55 - 59	11	15	14	17	11	4	2	74	12,602,868
60	2	1	2	1	3	1	2	12	2,221,661
61	2	1	2	3	1	2	1	12	2,036,014
62	3	1	3	3	2	0	1	13	2,456,402
63	0	2	3	1	0	0	1	7	1,303,814
64	1	2	3	2	2	1	1	12	2,225,120
65	0	2	0	3	1	0	1	7	1,301,278
66	0	0	0	1	0	0	0	1	186,838
67	0	3	1	0	0	2	0	6	1,083,820
68	0	1	0	0	0	0	0	1	179,178
69	1	0	1	0	0	1	1	4	670,929
70 & up	0	0	0	1	2	0	2	5	752,018
Total	93	77	62	55	35	13	12	347	\$60,606,139

Average Age: 53.07
 Average Service: 11.63
 Average Expected Remaining Service Life: 11.78

Section 3: Supplemental Information

Denver Public Schools Division

Age	Years of Service							Total	Valuation Payroll
	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 +		
Under 20	186	0	0	0	0	0	0	186	\$3,157,822
20 - 24	1,010	15	0	0	0	0	0	1,025	29,174,150
25 - 29	1,525	342	9	0	0	0	0	1,876	85,833,244
30 - 34	1,237	899	228	2	0	0	0	2,366	133,439,107
35 - 39	840	739	576	104	4	0	0	2,263	139,932,352
40 - 44	935	610	551	293	48	4	0	2,441	154,206,595
45 - 49	454	375	342	242	199	36	6	1,654	111,884,483
50 - 54	361	296	349	178	222	117	17	1,540	106,569,310
55 - 59	242	166	235	118	122	85	41	1,009	65,397,678
60	53	37	52	20	12	15	5	194	10,951,624
61	37	33	40	25	24	10	4	173	10,885,904
62	44	22	31	18	13	11	9	148	8,105,761
63	23	18	33	11	12	6	10	113	6,267,090
64	21	30	31	16	13	6	6	123	7,086,787
65	22	23	31	9	10	6	4	105	5,110,023
66	25	12	15	5	7	5	4	73	3,716,423
67	22	15	13	3	7	5	3	68	2,968,127
68	15	12	9	2	5	2	1	46	2,063,943
69	19	9	15	3	1	2	0	49	1,659,005
70 & up	76	29	47	9	2	7	4	174	5,835,585
Total	7,147	3,682	2,607	1,058	701	317	114	15,626	\$894,245,013

DPS Benefit Structure

Average Age: 51.79
 Average Service: 20.68
 Average Expected Remaining Service Life: 7.35

PERA Benefit Structure

Average Age: 39.70
 Average Service: 5.96
 Average Expected Remaining Service Life: 9.95

Section 3: Supplemental Information

Exhibit D: Schedule of benefit recipients by annual benefit as of December 31, 2023

Annual Benefit Range ¹	Number of Benefit Recipients ²					Total
	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	
\$0 - \$4,999	2,652	7,678	618	5	343	11,296
\$5,000 - \$9,999	2,990	7,152	795	10	605	11,552
\$10,000 - \$24,999	9,147	15,920	2,120	32	1,448	28,667
\$25,000 - \$49,999	15,032	21,647	2,832	64	2,385	41,960
\$50,000 - \$99,999	13,006	23,644	2,377	211	2,449	41,687
\$100,000 - \$149,999	1,410	889	290	127	77	2,793
\$150,000 - \$199,999	130	62	33	9	-	234
\$200,000 - \$249,999	36	12	7	-	-	55
\$250,000 - \$299,999	6	3	2	-	-	11
\$300,000 +	6	-	1	-	-	7
Total Benefit Recipients:	44,415	77,007	9,075	458	7,307	138,262

¹ Includes amounts paid under replacement benefit arrangements

² Does not include 291 deferred survivors

Section 3: Supplemental Information

Exhibit E: Schedule of retirees, beneficiaries, and survivors added to and removed from the benefit payroll

Divison	Added to Payroll		Removed from Payroll		Payroll - End of Year		Average Annual Benefits	Increase in Average Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
State								
• 12/31/2022	2,098	\$73,553,004	1,281	\$28,133,745	43,754	\$1,789,929,039	\$40,909	0.7%
• 12/31/2023	1,707	\$58,197,922	1,046	\$20,345,040	44,415	\$1,827,781,921	\$41,152	0.6%
School								
• 12/31/2022	3,954	\$123,361,006	1,705	\$26,877,020	74,939	\$2,757,596,990	\$36,798	0.5%
• 12/31/2023	3,612	\$111,936,452	1,544	\$25,607,199	77,007	\$2,843,926,243	\$36,931	0.4%
Local Government								
• 12/31/2022	445	\$14,515,357	207	\$2,779,130	8,808	\$339,368,612	\$38,530	0.8%
• 12/31/2023	418	\$14,122,072	151	\$1,738,237	9,075	\$351,752,447	\$38,761	0.6%
Judicial								
• 12/31/2022	24	\$2,168,626	12	\$201,176	444	\$33,901,570	\$76,355	3.3%
• 12/31/2023	22	\$1,838,436	8	\$87,553	458	\$35,652,453	\$77,844	1.9%
Denver Public School								
• 12/31/2022	314	\$10,103,383	245	\$6,432,639	7,248	\$284,486,202	\$39,250	0.3%
• 12/31/2023	288	\$8,687,254	229	\$6,191,380	7,307	\$286,982,076	\$39,275	0.1%
Total Division Trust Funds								
• 12/31/2022	6,835	\$223,701,376	3,450	\$64,423,710	135,193	\$5,205,282,413	\$38,503	0.6%
• 12/31/2023	6,047	\$194,782,136	2,978	\$53,969,409	138,262	\$5,346,095,140	\$38,666	0.4%

Note: Does not include 291 deferred survivors

Section 3: Supplemental Information

Exhibit F: Summary statement of income and expenses on a market value basis

Year Ended December 31, 2023	State Division	School Division	Local Government Division	Judicial Division	Denver Public Schools Division	Total
Net assets at market value at the beginning of the year	\$16,490,174,031	\$29,089,360,272	\$4,825,366,606	\$406,382,010	\$3,873,515,312	\$54,684,798,231
Contribution and other income:						
Employer contributions	764,333,818	1,277,456,929	113,067,127	14,522,940	80,628,364	2,250,009,178
Nonemployer contributions	16,232,574	28,908,458	0	288,384	4,131,629	49,561,045
Member contributions	407,449,687	711,529,740	53,599,513	6,887,727	101,886,787	1,281,353,454
Purchased service	30,864,318	48,198,089	31,910,198	788,115	3,025,288	114,786,008
Employer disaffiliation	0	0	24,967,233	0	0	24,967,233
Total contributions	\$1,218,880,397	\$2,066,093,216	\$223,544,071	\$22,487,166	\$189,672,068	\$3,720,676,918
Investment income / (loss):						
Investment income / (loss)	2,154,681,551	3,824,969,456	635,333,109	53,375,147	509,545,292	7,177,904,555
Other additions	9,800,188	1,391,664	502,260	2,948,935	3,054,701	17,697,748
Total additions	\$3,383,362,136	\$5,892,454,336	\$859,379,440	\$78,811,248	\$702,272,061	\$10,916,279,221
Benefit payments and administrative expenses:						
Retirees/co-beneficiary benefits	1,804,592,279	2,801,317,614	345,596,768	34,883,457	283,486,703	5,269,876,821
Survivor benefits	16,231,384	17,384,661	3,064,930	251,113	1,614,742	38,546,830
Total benefits	\$1,820,823,663	\$2,818,702,275	\$348,661,698	\$35,134,570	\$285,101,445	\$5,308,423,651
Refunds of contributions	77,228,940	97,538,436	16,300,068	75,705	16,779,859	207,923,008
Disability and life insurance premiums	994,103	1,823,399	236,031	28,988	192,681	3,275,202
Administrative expenses	13,978,240	26,886,925	3,653,430	238,135	3,291,529	48,048,259
Other deductions	2,249,522	16,221,497	709,997	23,798	115,320	19,320,134
Total deductions	\$1,915,274,468	\$2,961,172,532	\$369,561,224	\$35,501,196	\$305,480,834	\$5,586,990,254
Net increase (decrease) in assets	\$1,468,087,668	\$2,931,281,804	\$489,818,216	\$43,310,052	\$396,791,227	\$5,329,288,967
Net assets at end of year	\$17,958,261,699	\$32,020,642,076	\$5,315,184,822	\$449,692,062	\$4,270,306,539	\$60,014,087,198
Annual increase reserve	311,386,627	441,241,621	81,887,668	4,063,921	76,631,100	915,210,937
Total net assets	\$18,269,648,326	\$32,461,883,697	\$5,397,072,490	\$453,755,983	\$4,346,937,639	\$60,929,298,135

Section 3: Supplemental Information

Exhibit G: Development of the fund through December 31, 2023

Year Ended December 31	Employer and Nonemployer Contributions	Member Contributions	Other Contributions	Net Investment Return	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2014	\$1,382,775,624	\$693,520,807	\$328,298	\$2,446,720,072	(\$33,896,525)	(\$4,069,524,098)	\$44,069,299,338	\$42,718,566,293	96.9%
2015	1,291,902,066	726,938,223	8,712,504	662,526,310	(36,573,100)	(4,258,467,219)	42,464,338,122	44,025,859,870	103.7%
2016	1,397,246,801	745,253,243	14,898,401	3,001,297,334	(38,491,246)	(4,435,891,724)	43,148,650,931	44,687,696,483	103.6%
2017	1,493,726,236	773,899,920	23,960,613	7,594,869,464	(40,247,753)	(4,653,583,222)	48,341,276,189	45,613,722,695	94.4%
2018	1,810,698,197	799,632,169	17,693,257	(1,587,662,306)	(41,088,490)	(4,800,812,287)	44,539,736,729	46,046,154,761	103.4%
2019	1,926,462,923	883,594,876	10,126,625	8,851,276,087	(39,186,043)	(4,890,961,486)	51,281,049,711	48,374,724,061	94.3%
2020	1,793,947,425	1,013,635,201	14,154,112	8,571,720,632	(39,377,197)	(4,996,360,554)	57,638,769,330	52,341,915,057	90.8%
2021	2,111,465,122	1,176,503,104	13,881,615	9,086,853,814	(40,737,953)	(5,189,944,709)	64,796,790,323	57,171,609,034	88.2%
2022	2,636,516,073	1,281,454,903	13,683,402	(8,621,240,482)	(45,669,842)	(5,376,736,146)	54,684,798,231	60,911,017,125	111.4%
2023	2,299,570,223	1,396,139,462	42,664,981	7,177,904,555	(48,048,259)	(5,538,941,995)	60,014,087,198	62,941,199,863	104.9%

Section 3: Supplemental Information

Exhibit H: Definition of pension terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Pensioners and Beneficiaries:	The single-sum value of lifetime benefits to existing pensioners and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the Actuarial Assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the Actuarial Assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.
Actuarially Equivalent:	Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: <ul style="list-style-type: none">• Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)• Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and• Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Section 3: Supplemental Information

Term	Definition
Actuarial Present Value of Future Plan Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan.
Actuarial Value of Assets (AVA):	The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ADC.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate Actuarial Assumptions to specified values determined by provisions of the law.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Assumptions or Actuarial Assumptions:	<p>The estimates upon which the cost of the Fund is calculated, including:</p> <p>Investment return - the rate of investment yield that the Fund will earn over the long-term future;</p> <p>Mortality rates - the death rates of employees and pensioners; life expectancy is based on these rates;</p> <p>Retirement rates - the rate or probability of retirement at a given age or service;</p> <p>Disability rates - the probability of disability retirement at a given age;</p> <p>Withdrawal rates - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement;</p> <p>Salary increase rates - the rates of salary increase due to inflation and productivity growth.</p>

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Term	Definition
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more Actuarial Assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
Funding Period or Amortization Period:	The term "Funding Period" is used in two ways. First, it is the period used in calculating the Amortization Payment as a component of the ADC. Second, it is a calculated item: the number of years in the future that will theoretically be required to amortize (i.e., pay off or eliminate) the Unfunded Actuarial Accrued Liability, based on the statutory employer contribution rate, and assuming no future actuarial gains or losses.
Investment Return:	The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Margin:	The difference, whether positive or negative, between the statutory employer contribution rate and the Actuarially Determined Contribution (ADC).
Market Value of Assets:	Plan assets at the fair market value of assets.
Normal Cost:	That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability, or retirement.

Section 3: Supplemental Information

Term	Definition
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the Actuarial Assumptions are realized.
Real Rate of Return:	Nominal rate of return on investments, adjusted for inflation.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Section 4: Actuarial Valuation Basis

Exhibit 1: Statement of actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation resulted from the *Public Employees' Retirement Association of Colorado Analysis of Actuarial Experience during the Period January 1, 2016 through December 31, 2019* dated October 28, 2020.

The revised assumptions proposed in this report were adopted by the Board on November 20, 2020, first effective for the December 31, 2020, actuarial valuation and measurement date.

As a result of the 2019 Asset Liability Study, concluded at the November 15, 2019, Board meeting, the Board reaffirmed the 7.25% assumed long-term rate of investment return effective as of January 1, 2020.

Long-term rate of return

7.25%, net of investment expenses

Price inflation assumption

2.30%

Real wage inflation assumption

0.70%

Wage inflation assumption

3.00%

Interest credit rate

3.00% per annum on member contribution account balances, reflecting the interest crediting rate annually set by the Board

Section 4: Actuarial Valuation Basis

Expected administrative expenses

0.40%

Actuarial cost method

Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each member.

Low-default risk obligation measure discount rate (LDRM)

3.26% (Municipal Bond Index rate published by The Bond Buyer (www.bondbuyer.com) effective December 31, 2023).

Asset valuation method

The actuarial value of assets is determined using the “four-year smoothed value” asset valuation method. Under this method, investment gains and losses are recognized in equal portions over a four-year period. Investment gains and losses are determined by comparing the actual return on market value for a given period to the anticipated earnings over the same period if the market value at the beginning of the period, contributions, benefit payments, and administrative expenses during the period earned the expected rate of return for the portion of the period that each was expected to be included in, or excluded from, plan assets. The expected rate of return for this purpose is equal to the investment rate of return assumption at the beginning of the period. The resulting actuarial value of assets is not constrained to fall within a corridor around the market value of assets.

Percent married

100% of active members (80% for members with the DPS Benefit Structure) are assumed to be married, with the wife 2 years younger than the husband.

Unknown data for members

Same as those exhibited by members with similar known characteristics.

If not specified, members of School and DPS Divisions are assumed to be female. Members of State, Local Government, and Judicial Divisions are assumed to be male.

Section 4: Actuarial Valuation Basis

Post-retirement benefit increases [Annual Increases (AI)]

1.00% per year for members of the DPS Benefit Structure and members of the PERA Benefit Structure with membership prior to January 1, 2007, reflecting the current AI maximum or “AI cap”, which is subject to the Automatic Adjustment Provision. Increases for members of the PERA Benefit Structure with membership after December 31, 2006, are financed by the Annual Increase Reserve (AIR).

In the determination of the Actuarially Determined Contribution rate, as a percentage of covered payroll, the AIR is excluded from both assets and liabilities; thus, the rate at which benefits are assumed to increase for this group is 0.00%.

Withdrawal assumption

For all but the Judicial Division, it is 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. For the Judicial Division, it is assumed that 100% of the vested members who terminate elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date. Current active members assumed to terminate service and leave their contributions in the plan in order to be eligible for a benefit at their retirement date are assumed to retire with a reduced benefit, if applicable, at an age based upon benefit structure, and/or service as shown in the following table:

Assumed Age of Initial Benefit Receipt	Benefit Structure, Safety Officers, and/or Service
50	PERA Benefit Structure Members (other than Safety Officers) with 25 or More Years of Service
50	Safety Officers with 20 or More Years of Service
55	PERA Benefit Structure Members (other than Safety Officers) with 20–25 Years of Service
60	PERA Benefit Structure Members with Less than 20 Years of Service
65	DPS Benefit Structure Members

Inactive members

It is assumed that 100% of inactive members who terminated employment with less than five years of service elect to withdraw their contributions. Current inactive members in the PERA Benefit Structure who are assumed to leave their contributions in the plan in order to be eligible for a benefit at their retirement date are assumed to retire at an unreduced retirement age. Current inactive members in the DPS Benefit Structure who are assumed to leave their contributions in the plan in order to be eligible for a benefit at their retirement date are assumed to retire at age 65 with an unreduced pension benefit.

Section 4: Actuarial Valuation Basis

Death before retirement

For State and Local Government Divisions (Members other than Safety Officers), pre-retirement mortality rates are based upon the PubG-2010 Employee table with generational projection using scale MP-2019.

For State and Local Government Divisions (Safety Officers), pre-retirement mortality rates are based upon the PubS-2010 Employee table with generational projection using scale MP-2019.

For School and DPS Divisions, pre-retirement mortality rates are based upon the PubT-2010 Employee table with generational projection using scale MP-2019.

For the Judicial Division, pre-retirement mortality rates are based upon the PubG-2010(A) Above-Median Employee table with generational projection using scale MP-2019.

All mortality tables described above are benefit-weighted.

Death after retirement

For the State and Local Government Divisions (Members other than Safety Officers), post-retirement non-disabled retiree mortality rates are based upon the PubG-2010 Healthy Retiree table with adjustments for credibility and gender. For males, the adjustments are 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019. For females, the adjustments are 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

For the State and Local Government Divisions (Safety Officers), the post-retirement non-disabled retiree mortality table is the unadjusted PubS-2010 Healthy Retiree table, with generational projection using scale MP-2019.

For the School and DPS Divisions, the post-retirement non-disabled retiree mortality table is the PubT-2010 Healthy Retiree table with adjustments for credibility and gender. For males, the adjustments are 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019. For females, the adjustments are 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

For the Judicial Division, the post-retirement non-disabled retiree mortality table is the unadjusted PubG-2010(A) Above-Median Healthy Retiree table, with generational projection using scale MP-2019.

For all Divisions, the post-retirement non-disabled beneficiary mortality table is the Pub-2010 Contingent Survivor table with adjustments for credibility and gender. For males, the adjustments are 97% of the rates for all ages, with generational projection using scale MP-2019. For females, the adjustments are 105% of the female rates for all ages, with generational projection using scale MP-2019.

Section 4: Actuarial Valuation Basis

Death after retirement (continued)

For all Divisions other than Safety Officers, the disabled mortality rates are based upon the PubNS-2010 Disabled Retiree table using 99% of the rates for all ages with generational projection using scale MP-2019.

For Safety Officers in the State and Local Government Divisions, the disabled mortality rates are based upon the unadjusted PubS-2010 Disabled Retiree table with generational projection using scale MP-2019.

For future benefit recipients, the mortality rates used to determine factors for money purchase benefits, reduced service benefits for members who were not eligible to retire as of January 1, 2011, and co-beneficiary payment options are based upon the collective experience of all PERA divisions. For members, the rates are based upon the gender-distinct PubG-2010 Juvenile, Employee, and Healthy Retiree mortality tables, projected to 2023 using the MP-2019 projection scale. For surviving spouses, the rates are based upon the gender-distinct PubG-2010 Juvenile, Employee, and Contingent Survivor mortality tables, projected to 2023 using scale MP-2019. Unisex factors are then developed using a male/female blend based upon factor type, benefit tier, and/or benefit structure.

All mortality tables described above are benefit-weighted.

Salary increases

Representative values of the assumed annual rates of future salary increases are shown in the following tables:

State Division Trust Fund (Members other than Safety Officers)

Age	Merit & Seniority	Inflation & Productivity	Total Increase
20	7.90%	3.00%	10.90%
25	5.50	3.00	8.50
30	3.80	3.00	6.80
35	2.90	3.00	5.90
40	2.20	3.00	5.20
45	1.60	3.00	4.60
50	1.10	3.00	4.10
55	0.70	3.00	3.70
60	0.50	3.00	3.50
65	0.30	3.00	3.30
70	0.30	3.00	3.30

Section 4: Actuarial Valuation Basis

Salary increases (continued)

State and Local Government Division Trust Funds (Safety Officers)

Age	Merit & Seniority	Inflation & Productivity	Total Increase
20	9.40%	3.00%	12.40%
25	5.90	3.00	8.90
30	3.80	3.00	6.80
35	2.90	3.00	5.90
40	2.20	3.00	5.20
45	1.70	3.00	4.70
50	1.30	3.00	4.30
55	0.90	3.00	3.90
60	0.60	3.00	3.60
65	0.30	3.00	3.30
70	0.20	3.00	3.20

School Division Trust Fund

Age	Merit & Seniority	Inflation & Productivity	Total Increase
20	8.00%	3.00%	11.00%
25	5.60	3.00	8.60
30	4.00	3.00	7.00
35	3.30	3.00	6.30
40	2.70	3.00	5.70
45	2.10	3.00	5.10
50	1.60	3.00	4.60
55	1.20	3.00	4.20
60	0.80	3.00	3.80
65	0.50	3.00	3.50
70	0.40	3.00	3.40

Section 4: Actuarial Valuation Basis

Salary increases (continued)

Local Government Division Trust Fund (Members other than Safety Officers)

Age	Merit & Seniority	Inflation & Productivity	Total Increase
20	8.30%	3.00%	11.30%
25	5.70	3.00	8.70
30	3.80	3.00	6.80
35	2.80	3.00	5.80
40	2.20	3.00	5.20
45	1.80	3.00	4.80
50	1.50	3.00	4.50
55	1.20	3.00	4.20
60	0.90	3.00	3.90
65	0.40	3.00	3.40
70	0.20	3.00	3.20

Judicial Division Trust Fund

Service	Merit & Seniority	Inflation & Productivity	Total Increase
0	2.30%	3.00%	5.30%
5	2.00	3.00	5.00
10	1.50	3.00	4.50
15	1.20	3.00	4.20
20	0.90	3.00	3.90
25	0.70	3.00	3.70
30	0.40	3.00	3.40
35	0.20	3.00	3.20
40	0.00	2.80	2.80

Section 4: Actuarial Valuation Basis

Salary increases (continued)

DPS Division Trust Fund

Age	Merit & Seniority	Inflation & Productivity	Total Increase
20	8.50%	3.00%	11.50%
25	6.40	3.00	9.40
30	4.80	3.00	7.80
35	3.90	3.00	6.90
40	3.20	3.00	6.20
45	2.50	3.00	5.50
50	2.00	3.00	5.00
55	1.60	3.00	4.60
60	1.30	3.00	4.30
65	0.90	3.00	3.90
70	0.80	3.00	3.80

Section 4: Actuarial Valuation Basis

Separations from active service

Representative values of the assumed annual rates of termination, death, and disability are shown in the following tables:

State Division Trust Fund (Members other than Safety Officers)

Age	Ultimate Termination		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	30.00%	16.45%	0.040%	0.015%	0.008%	0.008%
25	13.60	12.30	0.034	0.011	0.008	0.008
30	7.10	9.50	0.051	0.021	0.008	0.008
35	5.90	7.30	0.071	0.032	0.024	0.024
40	4.75	5.75	0.087	0.043	0.039	0.039
45	3.95	4.95	0.103	0.056	0.076	0.076
50	3.66	4.60	0.140	0.079	0.156	0.156
55	3.54	4.50	0.210	0.127	0.203	0.203
60	3.50	4.50	0.327	0.197	0.236	0.236
65	3.50	4.50	0.469	0.286	0.236	0.236
70	3.50	4.50	0.652	0.437	0.236	0.236

¹ 2023 mortality rates of the PubG-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

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

State Division Trust Fund (Members other than Safety Officers)

Service	Males	Females
0	34.00%	34.00%
1	21.00	21.00
2	16.00	16.00
3	12.00	12.00
4	10.00	10.00

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

State and Local Government Division Trust Funds (Safety Officers)

Age	Termination ¹		Death ²		Disability	
	Males	Females	Males	Females	Males	Females
20	7.30%	7.30%	0.044%	0.018%	0.01%	0.01%
25	5.15	5.15	0.045	0.025	0.02	0.02
30	3.65	3.65	0.059	0.038	0.04	0.04
35	2.98	2.98	0.071	0.050	0.06	0.06
40	2.62	2.62	0.078	0.059	0.10	0.10
45	2.50	2.50	0.086	0.067	0.25	0.25
50	2.50	2.50	0.112	0.087	0.30	0.30
55	2.50	2.50	0.168	0.127	0.30	0.30
60	2.50	2.50	0.271	0.178	0.30	0.30
65	2.50	2.50	0.411	0.220	0.30	0.30
70	2.50	2.50	0.710	0.405	0.30	0.30

¹ There are no select termination assumptions for Safety Officers.

² 2023 mortality rates of the PubS-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

All disability incidents for Safety Officers are assumed to occur as a result of an injury in the line of duty, therefore waiving the 5-year service credit requirement.

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

School Division Trust Fund (PERA Benefit Structure)

Age	Ultimate Termination		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	20.00%	17.00%	0.036%	0.015%	0.008%	0.008%
25	11.26	11.56	0.020	0.011	0.008	0.008
30	6.54	7.34	0.031	0.019	0.008	0.008
35	4.60	5.51	0.045	0.028	0.016	0.016
40	3.64	4.34	0.055	0.037	0.033	0.033
45	3.34	4.00	0.071	0.048	0.050	0.050
50	3.24	4.00	0.104	0.070	0.078	0.078
55	3.20	4.00	0.165	0.110	0.126	0.126
60	3.20	4.00	0.271	0.170	0.180	0.180
65	3.20	4.00	0.436	0.260	0.180	0.180
70	3.20	4.00	0.657	0.433	0.180	0.180

¹ 2023 mortality rates of the PubT-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

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

School Division Trust Fund (PERA Benefit Structure)

Service	Males	Females
0	30.00%	30.00%
1	18.00	18.00
2	14.00	14.00
3	11.00	11.00
4	10.00	10.00

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

DPS Division Trust Fund (PERA Benefit Structure)

Age	Ultimate Termination		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	19.20%	12.80%	0.036%	0.015%	0.008%	0.008%
25	11.20	10.80	0.020	0.011	0.008	0.008
30	7.70	9.40	0.031	0.019	0.008	0.008
35	6.60	7.80	0.045	0.028	0.016	0.016
40	6.00	6.40	0.055	0.037	0.033	0.033
45	6.00	6.00	0.071	0.048	0.050	0.050
50	6.00	5.40	0.104	0.070	0.078	0.078
55	6.00	5.00	0.165	0.110	0.126	0.126
60	6.00	5.00	0.271	0.170	0.180	0.180
65	6.00	5.00	0.436	0.260	0.180	0.180
70	6.00	5.00	0.657	0.433	0.180	0.180

¹ 2023 mortality rates of the PubT-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

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

DPS Division Trust Fund (PERA Benefit Structure)

Service	Males	Females
0	26.00%	26.00%
1	19.00	19.00
2	14.00	14.00
3	12.00	12.00
4	10.00	10.00

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

Local Government Division Trust Fund (Members other than Safety Officers)

Age	Ultimate Termination		Death ¹		Disability	
	Males	Females	Males	Females	Males	Females
20	30.00%	16.45%	0.040%	0.015%	0.008%	0.008%
25	13.60	12.30	0.034	0.011	0.008	0.008
30	7.10	9.50	0.051	0.021	0.008	0.008
35	5.90	7.30	0.071	0.032	0.024	0.024
40	4.75	5.75	0.087	0.043	0.039	0.039
45	3.95	4.95	0.103	0.056	0.076	0.076
50	3.66	4.60	0.140	0.079	0.156	0.156
55	3.54	4.50	0.210	0.127	0.203	0.203
60	3.50	4.50	0.327	0.197	0.236	0.236
65	3.50	4.50	0.469	0.286	0.236	0.236
70	3.50	4.50	0.652	0.437	0.236	0.236

¹ 2023 mortality rates of the PubG-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

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

Local Government Division Trust Fund (Members other than Safety Officers)

Service	Males	Females
0	34.00%	34.00%
1	21.00	21.00
2	16.00	16.00
3	12.00	12.00
4	10.00	10.00

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

Judicial Division Trust Fund

Age	Termination ¹		Death ²		Disability	
	Males	Females	Males	Females	Males	Females
30	1.50%	1.50%	0.044%	0.018%	0.008%	0.008%
35	1.50	1.50	0.062	0.029	0.016	0.016
40	1.50	1.50	0.075	0.040	0.033	0.033
45	1.50	1.50	0.090	0.051	0.050	0.050
50	1.50	1.50	0.121	0.072	0.078	0.078
55	1.50	1.50	0.182	0.115	0.126	0.126
60	1.50	1.50	0.283	0.179	0.180	0.180
65	1.50	1.50	0.406	0.260	0.180	0.180
70	1.50	1.50	0.564	0.397	0.180	0.180

¹ There are no select termination assumptions for members in the Judicial Division Trust Fund.

² 2023 mortality rates of the PubG-2010(A) Above-Median Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

All disability incidents are assumed to occur as a result of a judge being found to be disabled by the Colorado Supreme Court, therefore waiving the 5-year service credit requirement.

Section 4: Actuarial Valuation Basis

Separations from active service (continued)

All Division Trust Funds (DPS Benefit Structure)

Age	Termination ¹		Death ²		Disability	
	Males	Females	Males	Females	Males	Females
20	8.00%	10.00%	0.036%	0.015%	0.008%	0.008%
25	7.40	8.80	0.020	0.011	0.008	0.008
30	6.85	7.70	0.031	0.019	0.008	0.008
35	6.60	7.20	0.045	0.028	0.016	0.016
40	5.45	5.95	0.055	0.037	0.033	0.033
45	4.69	4.41	0.071	0.048	0.050	0.050
50	4.50	3.85	0.104	0.070	0.078	0.078
55	4.31	3.85	0.165	0.110	0.126	0.126
60	4.25	3.85	0.271	0.170	0.180	0.180
65	4.25	3.85	0.436	0.260	0.180	0.180
70	4.25	3.85	0.657	0.433	0.180	0.180

¹ There are no select termination assumptions for members in the DPS Benefit Structure.

² 2023 mortality rates of the PubT-2010 Employee table (benefit-weighted). The mortality rates are projected forward from 2010 with generational mortality improvement using scale MP-2019.

Section 4: Actuarial Valuation Basis

Retirement

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

State Division Trust Fund (Members other than Safety Officers)

Age	Eligible for Reduced Benefits		Eligible for Unreduced Benefits ¹	
	Males	Females	Males	Females
50	9.5%	9.0%	56.0%	48.0%
51	11.0	8.0	43.0	35.0
52	11.0	8.0	38.0	34.0
53	12.0	9.0	34.0	28.0
54	12.0	12.0	33.0	30.0
55	12.0	15.0	26.0	25.0
56	9.5	11.0	19.0	20.0
57	15.0	12.0	18.0	19.0
58	15.0	15.0	17.0	18.0
59	35.0	35.0	20.0	18.0
60	7.5	8.0	20.0	21.0
61	7.5	8.0	19.0	18.0
62	7.5	9.0	23.0	20.0
63	7.5	9.0	20.0	18.0
64	7.5	9.0	22.0	21.0
65	0.0	0.0	27.0	27.0
66	0.0	0.0	29.0	27.0
67	0.0	0.0	28.0	25.0
68	0.0	0.0	24.0	24.0
69	0.0	0.0	24.0	24.0
70	0.0	0.0	24.0	24.0
71	0.0	0.0	24.0	24.0
72	0.0	0.0	24.0	24.0
73	0.0	0.0	24.0	24.0
74	0.0	0.0	24.0	24.0
75 & over	0.0	0.0	100.0	100.0

¹ Additional increase in rates during the first 5 years of unreduced retirement at ages 55-64 (in order from year 0 through year 4):
 Males – 30%, 13%, 13%, 13%, 13%; Females – 20%, 9%, 9%, 9%, 9%.

Section 4: Actuarial Valuation Basis

Retirement (continued)

State and Local Government Division Trust Funds (Safety Officers)

Age	Eligible for Reduced Benefits		Eligible for Unreduced Benefits ¹	
	Males	Females	Males	Females
50	10.0%	10.0%	40.0%	40.0%
51	10.0	10.0	28.0	28.0
52	10.0	10.0	28.0	28.0
53	10.0	10.0	28.0	28.0
54	10.0	10.0	28.0	28.0
55	5.0	5.0	28.0	28.0
56	5.0	5.0	28.0	28.0
57	5.0	5.0	28.0	28.0
58	5.0	5.0	28.0	28.0
59	5.0	5.0	28.0	28.0
60	10.0	10.0	28.0	28.0
61	10.0	10.0	28.0	28.0
62	10.0	10.0	28.0	28.0
63	10.0	10.0	28.0	28.0
64	10.0	10.0	28.0	28.0
65 & over	0.0	0.0	100.0	100.0

¹ Additional increase in rates during the first year of unreduced retirement at ages 55-64: 20%.

Section 4: Actuarial Valuation Basis

Retirement (continued)

School and DPS Division Trust Funds (PERA Benefit Structure)

Age	Eligible for Reduced Benefits		Eligible for Unreduced Benefits ¹	
	Males	Females	Males	Females
50	8.0%	7.0%	52.0%	55.0%
51	8.0	7.0	43.0	45.0
52	9.0	8.0	41.0	41.0
53	9.0	10.0	39.0	37.0
54	12.0	14.0	37.0	34.0
55	9.0	12.0	27.0	28.0
56	9.0	12.0	22.0	24.0
57	9.0	12.0	21.0	23.0
58	12.0	16.0	19.0	22.0
59	24.0	34.0	21.0	22.0
60	8.0	9.0	25.0	24.0
61	9.0	9.0	24.0	23.0
62	10.0	10.0	22.0	26.0
63	10.0	10.0	22.0	24.0
64	10.0	10.0	26.0	24.0
65	0.0	0.0	28.0	31.0
66	0.0	0.0	31.0	29.0
67	0.0	0.0	25.0	26.0
68	0.0	0.0	26.0	25.0
69	0.0	0.0	26.0	25.0
70	0.0	0.0	24.0	28.0
71	0.0	0.0	24.0	23.0
72	0.0	0.0	24.0	23.0
73	0.0	0.0	24.0	23.0
74	0.0	0.0	24.0	23.0
75 & over	0.0	0.0	100.0	100.0

¹ Additional increase in rates during the first 5 years of unreduced retirement at ages 55-64 (in order from year 0 through year 4):
Males – 28%, 4%, 4%, 4%, 4%; Females – 28%, 10%, 10%, 10%, 10%.

Section 4: Actuarial Valuation Basis

Retirement (continued)

Local Government Division Trust Fund (Members other than Safety Officers)

Age	Eligible for Reduced Benefits		Eligible for Unreduced Benefits ¹	
	Males	Females	Males	Females
50	9.5%	9.0%	56.0%	48.0%
51	11.0	8.0	43.0	35.0
52	11.0	8.0	38.0	34.0
53	12.0	9.0	34.0	28.0
54	12.0	12.0	33.0	30.0
55	12.0	15.0	26.0	25.0
56	9.5	11.0	19.0	20.0
57	15.0	12.0	18.0	19.0
58	15.0	15.0	17.0	18.0
59	35.0	35.0	20.0	18.0
60	7.5	8.0	20.0	21.0
61	7.5	8.0	19.0	18.0
62	7.5	9.0	23.0	20.0
63	7.5	9.0	20.0	18.0
64	7.5	9.0	22.0	21.0
65	0.0	0.0	27.0	27.0
66	0.0	0.0	29.0	27.0
67	0.0	0.0	28.0	25.0
68	0.0	0.0	24.0	24.0
69	0.0	0.0	24.0	24.0
70	0.0	0.0	24.0	24.0
71	0.0	0.0	24.0	24.0
72	0.0	0.0	24.0	24.0
73	0.0	0.0	24.0	24.0
74	0.0	0.0	24.0	24.0
75 & over	0.0	0.0	100.0	100.0

¹ Additional increase in rates during the first 5 years of unreduced retirement at ages 55-64 (in order from year 0 through year 4):
Males – 30%, 13%, 13%, 13%, 13%; Females – 20%, 9%, 9%, 9%, 9%.

Section 4: Actuarial Valuation Basis

Retirement (continued)

Age	Judicial Division Trust Fund			
	Eligible for Reduced Benefits		Eligible for Unreduced Benefits	
	Males	Females	Males	Females
50	6.0%	6.0%	6.0%	6.0%
51	6.0	6.0	6.0	6.0
52	6.0	6.0	6.0	6.0
53	6.0	6.0	6.0	6.0
54	10.0	10.0	10.0	10.0
55	10.0	10.0	10.0	10.0
56	10.0	10.0	10.0	10.0
57	10.0	10.0	10.0	10.0
58	8.0	8.0	8.0	8.0
59	8.0	8.0	8.0	8.0
60	10.0	10.0	10.0	10.0
61	10.0	10.0	10.0	10.0
62	10.0	10.0	10.0	10.0
63	10.0	10.0	10.0	10.0
64	8.0	8.0	8.0	8.0
65	0.0	0.0	20.0	20.0
66	0.0	0.0	20.0	20.0
67	0.0	0.0	20.0	20.0
68	0.0	0.0	20.0	20.0
69	0.0	0.0	20.0	20.0
70	0.0	0.0	40.0	40.0
71	0.0	0.0	40.0	40.0
72	0.0	0.0	40.0	40.0
73	0.0	0.0	40.0	40.0
74	0.0	0.0	40.0	40.0
75 & over	0.0	0.0	100.0	100.0

Section 4: Actuarial Valuation Basis

Retirement (continued)

All Division Trust Funds (DPS Benefit Structure)

Age	Eligible for Reduced Benefits		Eligible for Unreduced Benefits	
	Males	Females	Males	Females
50	8.0%	5.0%	35.0%	40.0%
51	8.0	7.0	35.0	40.0
52	8.0	10.0	30.0	30.0
53	10.0	10.0	30.0	30.0
54	10.0	10.0	25.0	30.0
55	10.0	10.0	30.0	34.0
56	10.0	10.0	20.0	24.0
57	10.0	10.0	26.0	25.0
58	10.0	10.0	22.0	20.0
59	15.0	14.0	26.0	28.0
60	15.0	17.0	26.0	25.0
61	16.0	17.0	18.0	28.0
62	16.0	17.0	27.0	30.0
63	16.0	17.0	40.0	31.0
64	16.0	17.0	24.0	42.0
65	0.0	0.0	38.0	38.0
66	0.0	0.0	30.0	35.0
67	0.0	0.0	30.0	32.0
68	0.0	0.0	30.0	27.0
69	0.0	0.0	30.0	29.0
70	0.0	0.0	30.0	28.0
71	0.0	0.0	30.0	30.0
72	0.0	0.0	30.0	30.0
73	0.0	0.0	30.0	30.0
74	0.0	0.0	30.0	30.0
75 & over	0.0	0.0	100.0	100.0

Section 4: Actuarial Valuation Basis

Single life retirement values and rates of post-retirement mortality

Healthy Benefit Recipients (State and Local Government Division Members other than Safety Officers)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
50	0.262%	0.184%	\$151.90	\$155.71	\$169.63	\$174.48	36.68	38.97
55	0.389	0.256	145.45	150.20	161.17	167.04	31.75	33.94
60	0.593	0.353	137.26	142.87	150.75	157.48	26.99	29.01
65	0.860	0.515	127.00	133.13	138.12	145.26	22.43	24.19
70	1.329	0.826	114.22	120.46	122.88	129.97	18.10	19.53
75	2.243	1.459	99.02	104.51	105.33	111.40	14.10	15.11
80	3.854	3.303	82.23	85.23	86.48	89.74	10.57	11.04
85	7.055	6.235	64.84	66.79	67.45	69.51	7.59	7.84

Healthy Benefit Recipients (School and DPS Division Members)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
55	0.240%	0.165%	\$148.35	\$153.02	\$164.70	\$170.60	32.99	35.54
60	0.410	0.252	140.16	146.20	154.22	161.57	28.03	30.50
65	0.664	0.357	129.79	137.05	141.39	149.95	23.28	25.55
70	1.111	0.571	116.89	124.77	125.96	134.97	18.78	20.72
75	2.032	1.080	101.66	108.88	108.31	116.34	14.65	16.09
80	3.243	2.745	85.42	89.39	89.94	94.32	11.07	11.80
85	6.207	5.362	66.87	70.53	69.59	73.54	7.85	8.40

Section 4: Actuarial Valuation Basis

Single life retirement values and rates of post-retirement mortality (continued)

Healthy Benefit Recipients (Judicial Division Members)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
50	0.250%	0.202%	\$152.17	\$155.28	\$169.93	\$174.01	36.63	39.05
55	0.372	0.284	145.73	149.75	161.47	166.56	31.69	34.05
60	0.566	0.392	137.52	142.45	151.01	157.08	26.91	29.15
65	0.822	0.574	127.16	132.86	138.24	145.07	22.33	24.38
70	1.280	0.921	114.16	120.59	122.75	130.25	17.96	19.80
75	2.177	1.627	98.57	105.52	104.77	112.65	13.91	15.50
80	3.939	2.995	81.08	88.12	85.17	92.96	10.31	11.62
85	7.268	5.653	63.40	69.74	65.86	72.71	7.33	8.32

Healthy Benefit Recipients (State and Local Government Division Safety Officers)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
45	0.129%	0.087%	\$157.35	\$159.05	\$176.75	\$179.11	41.05	43.13
50	0.180	0.142	152.04	154.11	169.56	172.37	35.89	37.90
55	0.294	0.266	144.88	147.57	160.24	163.77	30.82	32.78
60	0.521	0.471	135.65	139.33	148.62	153.27	25.91	27.86
65	0.883	0.743	124.28	129.15	134.76	140.68	21.28	23.19
70	1.453	1.187	110.55	116.57	118.54	125.62	16.96	18.77
75	2.525	2.043	94.47	101.51	100.13	108.16	13.01	14.67
80	4.577	3.640	76.85	84.70	80.52	89.22	9.56	11.04
85	8.336	6.426	59.44	67.54	61.62	70.37	6.75	8.00

Section 4: Actuarial Valuation Basis

Single life retirement values and rates of post-retirement mortality (continued)

Disability Benefit Recipients (All Divisions other than State and Local Government Division Safety Officers)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
40	0.841%	0.751%	\$141.33	\$144.41	\$157.25	\$161.32	34.39	37.13
45	1.050	0.978	135.25	139.09	149.60	154.55	30.29	33.00
50	1.488	1.399	128.32	133.35	141.05	147.34	26.46	29.16
55	2.010	1.778	121.20	127.82	132.34	140.36	23.01	25.72
60	2.542	2.047	113.92	122.09	123.50	133.10	19.88	22.50
65	3.020	2.155	105.94	114.64	113.95	123.93	16.96	19.25
70	3.579	2.530	96.40	104.14	102.78	111.52	14.12	15.89
75	4.593	3.528	84.64	90.87	89.39	96.34	11.34	12.60
80	6.525	5.464	71.19	76.17	74.46	79.94	8.74	9.64
85	9.770	8.676	57.50	61.97	59.59	64.43	6.52	7.23

Disability Benefit Recipients (State and Local Government Division Safety Officers)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
40	0.229%	0.198%	\$158.28	\$159.61	\$178.49	\$180.41	56.88	60.47
45	0.255	0.224	154.30	155.93	172.95	175.26	49.16	52.50
50	0.331	0.290	148.82	150.84	165.61	168.42	41.87	44.99
55	0.461	0.475	141.49	144.25	156.18	159.87	35.05	38.01
60	0.754	0.739	132.17	136.40	144.56	149.89	28.78	31.68
65	1.188	1.024	121.11	127.02	131.15	138.28	23.17	25.96
70	1.767	1.437	107.98	115.43	115.68	124.37	18.17	20.74
75	2.896	2.175	92.49	101.28	97.98	107.91	13.74	16.01
80	5.021	3.640	75.94	84.70	79.56	89.22	10.04	11.84
85	8.407	6.426	59.40	67.54	61.58	70.37	7.06	8.44

Section 4: Actuarial Valuation Basis

Single life retirement values and rates of post-retirement mortality (continued)

Beneficiaries (All Divisions)

Age	Rates of Post-Retirement Mortality		Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly Increasing 1.00% Annually		Future Life Expectancy (Years)	
	Males	Females	Males	Females	Males	Females	Males	Females
40	0.702%	0.332%	\$152.77	\$158.97	\$171.91	\$179.73	42.26	46.61
45	0.561	0.276	150.11	155.99	168.00	175.42	38.06	41.82
50	0.637	0.320	145.36	151.36	161.63	169.12	33.60	36.92
55	0.768	0.483	139.05	145.26	153.46	161.11	29.19	32.11
60	1.007	0.690	130.94	137.82	143.28	151.58	24.87	27.51
65	1.345	0.911	120.91	128.59	131.06	140.08	20.73	23.09
70	1.914	1.268	108.71	116.80	116.63	125.90	16.81	18.83
75	2.931	2.011	94.51	102.20	100.31	108.92	13.19	14.78
80	4.664	3.447	78.80	85.32	82.72	89.86	9.97	11.10
85	7.739	6.228	62.58	67.47	65.00	70.26	7.23	7.96

Section 4: Actuarial Valuation Basis

Future normal costs

Projected Normal Cost is based on an open group forecast with the current assumption for population growth (1.00% for School, Local Government, and DPS Divisions and 0.25% for State and Judicial Divisions). The new entrants are assumed to enter the plan with the following demographic mixes, based on previous plan experience, with new entrant salaries assumed to increase by 2.30% per annum. The average ages are assumed to remain constant throughout the projection period.

State Division Trust Fund (Members other than Safety Officers)¹

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
22	\$32,599	5.3%	\$31,241	6.6%
27	47,311	15.0	46,075	20.2
37	52,087	9.7	49,438	12.7
47	51,215	10.2	48,739	8.5
57	50,701	4.5	45,942	4.7
67	26,153	1.5	29,192	1.2

¹ All new entrants are assumed to have 0.50 years of service upon entry for valuation purposes.

Local Government Division Trust Fund (Members other than Safety Officers)²

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
22	\$26,828	7.2%	\$22,548	7.0%
27	51,862	14.2	44,486	15.2
37	66,399	9.0	49,556	9.3
47	42,079	13.2	33,392	11.6
57	50,851	4.6	37,019	4.6
67	14,844	2.6	16,232	1.5

² All new entrants are assumed to have 0.50 years of service upon entry for valuation purposes.

Section 4: Actuarial Valuation Basis

Future normal costs (continued)

State and Local Government Division Trust Funds (Safety Officers)¹

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
22	\$60,671	9.7%	\$56,468	6.6%
27	64,585	33.7	60,037	14.1
37	67,241	21.0	66,152	4.6
47	64,000	4.9	57,545	3.4
57	78,623	1.5	50,146	0.4
67	41,224	0.1	-	-

¹ All new entrants are assumed to have 0.50 years of service upon entry for valuation purposes.

School Division Trust Fund²

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
22	\$25,225	3.5%	\$26,439	11.0%
27	35,318	6.8	35,431	20.1
37	35,789	4.3	27,665	16.8
47	26,993	14.8	26,625	11.4
57	31,995	2.6	25,588	5.5
67	19,617	1.6	15,175	1.7

² All new entrants are assumed to have 0.50 years of service upon entry for valuation purposes.

Section 4: Actuarial Valuation Basis

Future normal costs (continued)

Judicial Division Trust Fund¹

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
27	-	-	\$108,102	1.8%
37	\$162,385	12.3%	169,241	17.5
47	165,565	24.6	184,788	24.6
57	189,506	5.3	117,905	10.5
67	118,806	3.5	-	-

¹ All new entrants are assumed to have 0.62 years of service upon entry for valuation purposes.

DPS Division Trust Fund (PERA Benefit Structure)²

Age	Males		Females	
	Salary	Proportion	Salary	Proportion
22	\$31,078	4.2%	\$29,712	13.7%
27	44,910	10.0	44,517	29.3
37	44,491	14.5	43,885	12.5
47	49,034	2.5	36,442	6.7
57	41,575	1.7	33,229	3.3
67	20,263	0.7	20,335	1.1

² All new entrants are assumed to have 0.50 years of service upon entry for valuation purposes.

Section 4: Actuarial Valuation Basis

Actuarial models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Effective date

Established in 1931, most recently amended during 2015 to "true up" the employer contribution rate of the DPS Division. The Denver Public Schools Retirement System (DPSRS) was merged into PERA effective January 1, 2010. As of that date, all liabilities and assets of DPSRS were transferred to, and became liabilities and assets of, the DPS Division of PERA, including the maintenance of a separate benefit structure for existing members. Therefore, if a DPS Division member terminates employment (without refund) and later is reemployed with an affiliated employer in the State Division, he or she may be building on a DPS Benefit Structure within that division. The benefit provisions of existing members of PERA on the merger date and all new hires, post-merger, are building a benefit under the PERA Benefit Structure.

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 that affiliate with PERA.

Annual increase reserve (AIR)

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 1% 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. A separate annual actuarial valuation determines the 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. 1.00% 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 10% of the year-end market value of the Annual Increase Reserve.

Annual increases outlined in this section are subject to change as a result of the Automatic Adjustment Provision.

Section 4: Actuarial Valuation Basis

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 (HAS)

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 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 all 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.

Effective January 1, 2020, for members in the State, School, Local Government and DPS Divisions, all members who do not have five years of service credit on December 31, 2019, and new members hired on or after January 1, 2020, the number of years used in the highest average salary calculation is increased from three years to five years.

Effective January 1, 2020, for members in the Judicial Division, all members who do not have five years of service credit on December 31, 2019, and new members hired on or after January 1, 2020, the number of years used in the highest average salary calculation is increased from one year to three years.

Section 4: Actuarial Valuation Basis

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

DPS Benefit Structure: Members who accrue five or more years of Service Credit are vested for benefits.

PERA Benefit Structure: Members who accrue five or more years of Service Credit or attain age sixty-five are vested for benefits.

Salary

PERA-includable salary was redefined under SB 18-200 for all members to include payouts of unused sick leave.

For new members hired on or after July 1, 2019, PERA-includable salary was redefined to include contributions to IRC Section 125 and 132 plans.

Member contributions

Member contributions, together with any purchased service credit payments and interest, are credited to individual Member Contribution Accounts.

Section 4: Actuarial Valuation Basis

Member contributions (continued)

Member Contribution Rates as a Percent of Salary¹

Effective Date	Members Other Than Safety Officers		Safety Officers	
	State, School, & DPS Divisions	Local Government Division ²	Judicial Division ³	
Prior to July 1, 2019	8.00%	8.00%	8.00%	10.00%
July 1, 2019	8.75	8.00	8.75	10.75
July 1, 2020 ⁴	10.00	8.50	15.00	12.00
July 1, 2021	10.50	8.50	15.50	12.50
On and after July 1, 2022 ⁵	11.00	9.00	11.00	13.00

¹ Member contribution increases pursuant to SB 18-200.

² Pursuant to HB 19-1217, enacted May 20, 2019.

³ Pursuant to HB 20-1394, enacted June 2020. Rates shown are unweighted, applicable to the majority of the Judicial Division membership.

⁴ Based on the results of the 2018 AAP Assessment, member contribution rates increase by an additional 0.50% effective July 1, 2020.

⁵ Based on the results of the 2020 AAP Assessment, member contribution rates increase by an additional 0.50% effective July 1, 2022.

Effective July 1, 2020, HB 20-1394 required five percent of the Judicial Division base employer contribution rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This contribution rate modification did not apply to judges employed by the Denver County Court within the Judicial Division.

Effective January 1, 2011, retirees working for a PERA-affiliated employer and not working as state legislators, as judges participating in the Senior Judge Program, or in a position covered by an Optional Retirement Plan are required to make member contributions at the same rate as an active member. The contributions are not credited to the member's account, do not accrue a benefit, and are non-refundable.

Member contributions as outlined in this section are subject to change as a result of the Automatic Adjustment Provision.

Employer contributions

State Division (Members other than Safety Officers): 10.40% of salary on and after July 1, 2019

School Division: 10.40% of salary on and after July 1, 2019

Safety Officers: 13.10% of salary on and after July 1, 2019

Local Government Division (Members other than Safety Officers): 10.00% of salary on and after January 1, 2004

Section 4: Actuarial Valuation Basis

Employer contributions (continued)

Judicial Division: 13.91% of salary on and after July 1, 2019

DPS Division: 10.40% of salary on and after July 1, 2019. 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 and refinanced thereafter. The amount of the credit for 2023 was 10.66% of salary. The net DPS Division employer contribution rate for 2023 was 9.00% when including the AED and SAED as described below.

Effective July 1, 2020, all employer contribution rates increased 0.50%, pursuant to the results of the 2018 Automatic Adjustment Provision.

Effective July 1, 2022, all employer contribution rates increase 0.50%, pursuant to the results of the 2020 Automatic Adjustment Provision.

Effective July 1, 2020, HB 20-1394 required five percent of the Judicial Division base employer contribution rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This contribution rate modification did not apply to judges employed by the Denver County Court within the Judicial Division.

Pursuant to C.R.S. § 24-51-415, employer contribution rates for the State and Local Government Divisions are the following in reference to the DC Supplement:

Effective January 1,	State Division	Local Government Division
2021	0.05%	0.02%
2022	0.10	0.03
2023	0.17	0.06
2024	0.21	0.08
2025	0.23	0.11

The employer contribution rates of the State, School, Local Government, and Judicial Divisions include the contribution of 1.02% allocated to the 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, the employer contribution rates also include the 1.00% of payroll contribution earmarked for the Annual Increase Reserve.

Due to legislation in 2004 through 2006, employers are required to pay the statutory contribution, including AED and SAED amounts, on the payroll of working retirees.

Section 4: Actuarial Valuation Basis

Employer contributions (continued)

Effective July 1, 2018, and on July 1st of each year thereafter until all divisions are 100% funded, PERA will receive an annual Direct Distribution from the State in the amount of \$225 million. PERA shall allocate the distributions in a manner that is proportionate to the annual payroll of each division, except there shall be no allocation to the Local Government Division.

Effective July 1, 2020, the enactment of HB 20-1379 suspended the Direct Distribution, which was payable on July 1, 2020, for the State's 2020-21 fiscal year.

Pursuant to HB 22-1029, enacted in 2022, PERA received a payment of \$380 million in June 2022 with reduced future Direct Distribution payments of \$35 million scheduled to occur July 1, 2023. Pursuant to SB 23-056, enacted and effective June 2, 2023, the State Treasurer issued a warrant to PERA consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling approximately \$14.56 million.

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

Contributions as outlined in this section are subject to change as a result of the Automatic Adjustment Provision.

Section 4: Actuarial Valuation Basis

Amortization equalization disbursement (AED)

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

Percentage of Total Payroll

Year	State Division	School & DPS Divisions	Local Government Division	Judicial Division
2006	0.50%	0.50%	0.50%	0.50%
2007	1.00	1.00	1.00	1.00
2008	1.40	1.40	1.40	1.40
2009	1.80	1.80	1.80	1.80
2010	2.20	2.20	2.20	2.20
2011	2.60	2.60	2.20	2.20
2012	3.00	3.00	2.20	2.20
2013	3.40	3.40	2.20	2.20
2014	3.80	3.80	2.20	2.20
2015	4.20	4.20	2.20	2.20
2016	4.60	4.50	2.20	2.20
2017	5.00	4.50	2.20	2.20
2018	5.00	4.50	2.20	2.20
2019	5.00	4.50	2.20	3.40
2020	5.00	4.50	2.20	3.80
2021	5.00	4.50	2.20	4.20
2022	5.00	4.50	2.20	4.60
2023 & after	5.00	4.50	2.20	5.00

If, at any time, the actuarial funded ratio for a division is 103% or more, the amount of the disbursement shall be reduced by 0.5% of pay. If, subsequently, the actuarial funded ratio for a division falls below 90%, the amount of the disbursement shall be increased by 0.5% of pay, subject to the AED rate maximum. For the Local Government and Judicial Divisions, if a 90% or greater funded ratio is achieved, and then subsequently falls below 90%, the amount of the disbursement shall be increased by 0.5% of pay, subject to the AED rate maximum.

Section 4: Actuarial Valuation Basis

Supplemental amortization equalization disbursement (SAED)

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

Percentage of Total Payroll

Year	State Division	School & DPS Divisions	Local Government Division	Judicial Division
2008	0.50%	0.50%	0.50%	0.50%
2009	1.00	1.00	1.00	1.00
2010	1.50	1.50	1.50	1.50
2011	2.00	2.00	1.50	1.50
2012	2.50	2.50	1.50	1.50
2013	3.00	3.00	1.50	1.50
2014	3.50	3.50	1.50	1.50
2015	4.00	4.00	1.50	1.50
2016	4.50	4.50	1.50	1.50
2017	5.00	5.00	1.50	1.50
2018	5.00	5.50	1.50	1.50
2019	5.00	5.50	1.50	3.40
2020	5.00	5.50	1.50	3.80
2021	5.00	5.50	1.50	4.20
2022	5.00	5.50	1.50	4.60
2023 and after	5.00	5.50	1.50	5.00

If, at any time, the actuarial funded ratio for a division is 103% or more, the amount of the disbursement shall be reduced by 0.5% of pay. If, subsequently, the actuarial funded ratio for a division falls below 90%, the amount of the disbursement shall be increased by 0.5% of pay, subject to the SAED rate maximum. For the Local Government and Judicial Divisions, if a 90% or greater funded ratio is achieved, and then subsequently falls below 90%, the amount of the disbursement shall be increased by 0.5% of pay, subject to the SAED rate maximum.

Section 4: Actuarial Valuation Basis

Matching contributions

A match is 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.

DC Supplement

Beginning January 1, 2021, the employer contribution rates are adjusted to include the DC Supplement which is calculated separately for the State and Local Government Divisions. The DC Supplement, to be paid to the State and Local Government Trust Funds by all State and Local Government employers, is designed to compensate for the employer contribution amounts paid to DC Plan participant accounts that otherwise would have gone to the State and Local Government Division Trust Funds as payment toward the UAAL, if DC Choice was not available. The DC Supplement is determined considering this DB Plan shortfall with regard to only the employer contributions of DC Plan members who commenced employment on or after January 1, 2019.

The implementation of the DC Supplement provisions as of January 1, 2019, increased employer contribution rates effective January 1, 2025, by 0.23% and 0.11%, for the State and Local Government Division Trust Funds, respectively.

Section 4: Actuarial Valuation Basis

Blended total contribution amount (or rate)

The weighted average (based upon the proportion of UAAL attributable to each division as of the most recent valuation date) of the total amounts paid by the employer and the member to PERA for each of the five Division Trust Funds, including the DC Supplement and the Direct Distribution, but not including the portions of employer contributions remitted to the Health Care Trust Fund and the Annual Increase Reserve.

Blended total required contribution

The weighted average (based upon the proportion of UAAL attributable to each division as of the most recent valuation date) of the total of the actuarially determined contribution rates and member contribution rates of the five Division Trust Funds.

Automatic adjustment provision

The AAP adjustment is determined using the Blended Total Contribution Amount divided by the Blended Total Required Contribution. If the resulting ratio falls within an acceptable corridor (98% to 119%), no adjustments are made. If the resulting ratio does not achieve a minimum benchmark of 98% or meets or exceeds a maximum benchmark of 120%, adjustments are applied in an equitable manner of impact.

An automatic adjustment will occur under the following conditions:

If the resulting ratio is less than 98%, there will be adjustments of equitable impact, increasing the Employer Contribution Rate, increasing the Member Contribution Rate, decreasing the AI cap, and increasing the Direct Distribution (if permitted). If the resulting ratio is greater than or equal to 120%, there will be adjustments of equitable impact, decreasing the Employer Contribution Rate, decreasing the Member Contribution Rate, increasing the AI cap, and decreasing the Direct Distribution.

The AAP defines the limited amounts of total adjustment available in each category, and also the increments of adjustments that can occur in any one year. Multiple steps over multiple years are allowed for a required adjustment as is necessary, but cannot exceed the ultimate limits as set forth in statute, as detailed below:

- First adjustment cannot occur prior to July 1, 2020
- Adjustment (increase or decrease) to each of the Employer Contribution Rates and the Member Contribution Rates cannot exceed 0.50% in any one year, and
 - Cannot exceed 2.00% above the contribution rates reflecting SB 18-200 statutory reforms
 - Cannot fall below the 2017 contribution rates

Section 4: Actuarial Valuation Basis

Automatic adjustment provision (continued)

- Adjustment (increase or decrease) to the AI rate cannot exceed 0.25% in any one year, and
 - Cannot exceed a 2.00% AI cap maximum
 - Cannot fall below a 0.50% AI cap minimum
- Adjustment to the Direct Distribution cannot exceed \$20 million in any one year, and
 - Cannot exceed the initial \$225 million amount
 - Can be reduced to \$0
- Adjustments that are required because funding is below the 98% threshold will be made to an extent that will bring the revised ratio to 103% following the corrective efforts but in no event can the adjustments in one year be greater than the limit described above.
- Adjustments that are required because funding has reached the 120% threshold must not cause the ratio to fall below 103%.

The adjustments will be calculated with the annual actuarial valuation and will take effect July 1 of the following calendar year.

Section 4: Actuarial Valuation Basis

PERA BENEFIT STRUCTURE

Refund member contributions

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

Service retirement eligibility

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

Members, other than Safety Officers, hired before July 1, 2005, who have 5 or more years of service credit as of January 1, 2011

Age	Service Credit (Years)
50	30
55	Age + Service = 80 or more
60	20
65	5
65	60 payroll postings

Members, other than Safety Officers, hired on or after July 1, 2005, but before January 1, 2007, and who have 5 or more years of service credit as of January 1, 2011

Age	Service Credit (Years)
Any	35
55	Age + Service = 80 or more
60	20
65	5
65	60 payroll postings

Section 4: Actuarial Valuation Basis

Service retirement eligibility (continued)

Members, other than Safety Officers, hired on or after July 1, 2007, but before January 1, 2011, regardless of service credit as of January 1, 2011, and those hired before January 1, 2011, who have less than 5 years of service credit

Age	Service Credit (Years)
Any	35
55	30
55	Age + Service = 85 or more
60	25
65	5
65	60 payroll postings

Members, other than Safety Officers, hired on or after January 1, 2011, but before January 1, 2017, and Members, other than Safety Officers, hired on or after January 1, 2017, but before January 1, 2020, whose last 10 years of service credit are in either the School or DPS Division

Age	Service Credit (Years)
Any	35
58	Age + Service = 88 or more
65	5
65	60 payroll postings

Members, other than Safety Officers, hired on or after January 1, 2017, but before January 1, 2020, whose last 10 years of service credit are not in either the School or DPS Divisions

Age	Service Credit (Years)
Any	35
60	Age + Service = 90 or more
65	5
65	60 payroll postings

Section 4: Actuarial Valuation Basis

Service retirement eligibility (continued)

Members, other than Safety Officers, hired on or after January 1, 2020

Age	Service Credit (Years)
Any	35
64	Age + Service = 94 or more
65	5
65	60 payroll postings

Safety Officers hired before January 1, 2020

Age	Service Credit (Years)
Any	30
50	25
55	20
60	Age + Service = 80 or more
65	5
65	60 payroll postings

Safety Officers hired or after January 1, 2020

Age	Service Credit (Years)
Any	35
55	25
55	Age + Service = 80 or more
65	5
65	60 payroll postings

Section 4: Actuarial Valuation Basis

Reduced service retirement eligibility

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

Members, other than Safety Officers, hired before January 1, 2020

Age	Service Credit (Years)
50	25
55	20
60	5

Members, other than Safety Officers, hired on or after January 1, 2020

Age	Service Credit (Years)
55	25
60	5

Safety Officers hired before January 1, 2020

Age	Service Credit (Years)
50	20
60	5

Safety Officers hired on or after January 1, 2020

Age	Service Credit (Years)
55	20
60	5

Disability retirement eligibility

Active members with five or more years of earned service credit and at least 6 months of this disability 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 Safety Officers injured in the line of duty and for judges found to be disabled by the Colorado Supreme Court.

Section 4: Actuarial Valuation Basis

Survivor benefits eligibility

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.

Service retirement benefit

State and Local Government Members other than Safety Officers, Safety Officers, School, and 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 aged 65 with less than 5 years and less than 60 payroll postings are eligible for the money purchase benefit only.

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

Reduced service retirement benefit

For all members, other than Safety Officers, 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 Safety Officers, 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.

Section 4: Actuarial Valuation Basis

Disability retirement benefit (continued)

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 one-third 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.

Deferred members survivor benefit

If a deferred member dies before the effective date of their deferred retirement allowance, the amount of the accumulated contribution balance at the time of death shall be paid to the designated beneficiary of record or to the member's estate. If a deceased member is an eligible surviving spouse, then the benefit is paid in the form of a survivor annuity, as mentioned in the "Survivor Benefits" section below.

Survivor benefit

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:
 1. less than 10 years of Service Credit, 25% of HAS, benefits begin at age 60; or
 2. 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 Aged 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.

Section 4: Actuarial Valuation Basis

Survivor benefit (continued)

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

Effective for 2022 and thereafter, the AI cap that may be awarded by the Board is 1.00%, subject to the Automatic Adjustment Provision as outlined above.

For PERA Benefit Structure members who began membership prior to January 1, 2007, eligibility for increase:

- For those retired prior to January 1, 2011 - Benefit recipients are eligible to receive an increase if the benefit recipient has been receiving benefits for at least seven months immediately preceding the July in which the AI is to be paid.
- For those retired on or after January 1, 2011 -
 - Full service retirees, disability retirees, reduced service retirees (eligible to retire as of January 1, 2011), and survivor benefit recipients are eligible to receive an increase if prior to the July in which the AI is to be paid, the benefit recipient has received benefit payments for 12 months, which is increased to a 36-month requirement for benefit recipients who had not yet received the first AI on or before May 1, 2018.

Section 4: Actuarial Valuation Basis

Post-retirement benefit increases (continued)

- Reduced service retirees (not eligible to retire as of January 1, 2011) are eligible to receive an increase in July of the year in which the following conditions are met: (1) the retiree has received benefit payments for 12 months immediately preceding the July in which the AI is to be paid, and (2) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the applicable age and service Rule for unreduced service retirement. Reduced service retirees who had not yet received the first AI on or before May 1, 2018, are required to meet an additional condition (3) the retiree has received benefit payments for 36 months total.

Amount of Increase: The AI cap is awarded effective July 1 of each year depending on eligibility.

For PERA Benefit Structure members who began membership on or after January 1, 2007, eligibility for increase:

- Full service retirees, disability retirees, and survivor benefit recipients are eligible for an increase in July of the calendar year following the calendar year in which the benefit recipient has received benefit payments for 12 months, which is increased to a 36-month requirement for benefit recipients who had not yet received the first AI on or before May 1, 2018.
- Reduced service retirees are eligible to receive an increase in July of the year in which the following conditions are met: (1) as of January 1 of the year the increase is to be paid, the retiree has received 12 months of benefit payments in the prior calendar year, and (2) as of January 1 of the year the increase is paid, the retiree has either reached age 60 or the applicable age and service Rule for unreduced service retirement. For reduced service retirees who had not yet received the first AI on or before May 1, 2018, condition (1) is increased to a 36-month total payment requirement as of January 1 of the year the increase is to be paid, with a continued requirement that the retiree has received 12 months of benefit payments in the prior calendar year.

Amount of Increase: The increase is the lower of the AI cap or the average of the CPI-W for each of the months during the prior calendar year. The present value of the increases granted to all benefit recipients in this group are limited to 10% of the total funds available in the Annual Increase Reserve in the division from which they retired or were a member before death. The increase is awarded effective July 1 of each year depending on eligibility.

Section 4: Actuarial Valuation Basis

DPS BENEFIT STRUCTURE

Refund of member contributions

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

Service retirement eligibility

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

Members who have 5 or more years of service credit as of January 1, 2011

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

Members who have less than 5 years of service credit as of January 1, 2011

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

Section 4: Actuarial Valuation Basis

Reduced service retirement eligibility

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

Members who have 5 or more years of service credit as of January 1, 2011

Age	Service Credit (Years)
55	15
Any	25

Members who have less than 5 years of service credit as of January 1, 2011

Age	Service Credit (Years)
50	25
55	20
60	5

Disability retirement eligibility

Active members with five or more years of earned service credit and 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 benefit eligibility

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.

Service retirement benefit

The greater of a) or b):

- 2.5% of HAS times years of Service Credit
- \$15 times first 10 years of service credit plus \$20 times service credit over 10 years plus an amount equal to annuitized member balance, which may include matching dollars if eligible

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

Section 4: Actuarial Valuation Basis

Reduced service retirement benefit

For those hired before July 1, 2005, the reduction factors are listed below:

Age	Service Credit (Years)	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
50 – 55	25 – 30 years	Lesser of: <ul style="list-style-type: none"> • 4% for each year of service below 30 years • 4% for each year below age 55
Over 55	15 years	Lesser of: <ul style="list-style-type: none"> • 4% for each year of service below 25 years • 4% for each year below age 65

For those hired on or after July 1, 2005, but before January 1, 2010, the reductions factors are listed below:

Age	Service Credit (Years)	Reduction Amount
Under 50	30 years	6% for each year prior to age 50
Under 50	25 – 30 years	Greater of: <ul style="list-style-type: none"> • 6% for each year of service below 30 years • 6% for each year below age 50
50 – 55	25 – 30 years	Lesser of: <ul style="list-style-type: none"> • 6% for each year of service below 30 years • 6% for each year below age 55
Over 55	15 years	Lesser of: <ul style="list-style-type: none"> • 6% for each year of service below 25 years • 6% for each year below age 65

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.

Section 4: Actuarial Valuation Basis

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 benefit

- a. Child: The 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): The lesser of 30% of HAS, and \$480; payable at later of age 60 or when the last eligible child loses eligibility

Spouse (15 years of service or more): The 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: SLA with guarantee period determined based on accumulated member contribution balance at retirement

Option C: 100% joint and survivor annuity (J&S) with 10 years certain (not available to members retiring on or after January 1, 2010)

Option D: Cash refund on annuity portion and SLA on pension portion (not available to members retiring on or after January 1, 2010)

Option E: 50% J&S with 10 years certain (not available to members retiring on or after January 1, 2010)

Option P2: 50% J&S with pop-up and residual refund of member contributions

Option P3: 100% J&S with pop-up and residual refund of member contributions

Section 4: Actuarial Valuation Basis

Post-retirement benefit increases

Effective for 2022 and thereafter, the AI cap that may be awarded by the Board is 1.00%, subject to the Automatic Adjustment Provision as outlined above.

For DPS Benefit Structure members, eligibility for increase:

- For those retired prior to January 1, 2011 - Benefit recipients are eligible to receive an increase if the benefit recipient has been receiving benefits for at least seven months immediately preceding the July in which the AI is to be paid.
- For those retired on or after January 1, 2011 -
 - Full service retirees, disability retirees, reduced service retirees (eligible to retire as of January 1, 2011), and survivor benefit recipients are eligible to receive an increase if prior to the July in which the AI is to be paid, the benefit recipient has received benefit payments for 12 months, which is increased to a 36-month requirement for benefit recipients who had not yet received the first AI on or before May 1, 2018.
 - Reduced service retirees (not eligible to retire as of January 1, 2011) are eligible to receive an increase in July of the year in which the following conditions are met: (1) the retiree has received benefit payments for 12 months immediately preceding the July in which the AI is to be paid, and (2) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the applicable age and service Rule for unreduced service retirement. Reduced service retirees who had not yet received the first AI on or before May 1, 2018, are required to meet an additional condition (3) the retiree has received benefit payments for 36 months total.

Amount of Increase: The AI cap is awarded effective July 1 of each year depending on eligibility.

Section 4: Actuarial Valuation Basis

Exhibit 3: Colorado PERA Defined Benefit Pension Plan funding policy

I. Introduction

The Colorado Public Employees' Retirement Association (PERA) maintains five pre-funded, hybrid defined benefit pension plans [i.e., State Division Trust Fund, School Division Trust Fund, Local Government Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools (DPS) Division Trust Fund]. Each defined benefit pension plan is funded through PERA-affiliated employer contributions, member contributions, and the investment earnings resulting from those contributions. The fixed contribution rate at which each division's employers and members contribute is determined by the Colorado General Assembly and defined within the statutes governing PERA.

The purposes of this funding policy are to state the overall funding goals and annual actuarial metrics and to guide the PERA Board of Trustees (Board) when considering whether to pursue or support proposed contribution and benefit legislation. The policy also includes a brief list of governance responsibilities regarding the commissioning, collection, and review of actuarial information, as described in the Board's Governance Manual.

PERA also maintains two pre-funded defined benefit retiree health care subsidy plans (i.e., Health Care Trust Fund and DPS Health Care Trust Fund), classified as other postemployment benefit (OPEB) plans. On January 19, 2018, the Board approved a separate OPEB funding policy with regard to these plans.

It is the intention of the Board that this funding policy be considered a working document, reviewed periodically and, as necessary, altered in the future through formal action of the Board. The final page of this document contains the review and revision/adoption history pertaining to the funding policy of the PERA defined benefit pension plans.

II. Background

In response to the unfavorable investment market of 2008, and in addition to the funding policy adopted in November 2007, the Board set the following guiding principles in 2009 in the development of a comprehensive package to maintain long-term sustainability of the pension plans:

- Shared responsibility among members, retirees, and employers;
- Intergenerational equity;
- Preservation of the defined benefit plan;
- Preservation of portability through the maintenance of existing benefit structures for the different divisions; and
- Development of recommendations that would have little-to-no short-term impact on member behavior.

In 2009 and 2010, these guiding principles benefited the Board and all the stakeholders associated with the pension plan as solutions to the immediate funding situation were explored. The Board constructed a series of plan provision changes, enlisting the philosophy of the guiding principles – under the umbrella of shared responsibility – and communicated their recommendations to the General Assembly. Senate Bill 10-001 was the culmination of all the provisional and contribution changes that were to set PERA's course toward sustainability. Senate Bill 10-001 also contained the following funding and annual increase requirements, which now are embedded in Colorado Statute and will be implemented regardless of the Board's pension funding policy:

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- Per C.R.S. § 24-51-411(8), and § 24-51-411(9), the AED and the SAED are adjusted based on the year-end actuarial funded ratio within a particular division;
 - If a division trust fund's actuarial funded ratio:
 - Reaches 103%, a decrease in the AED and SAED is mandated, and,
 - Subsequently falls below 90%, an increase is mandated.
 - For the Local Government and Judicial Divisions, if the actuarial funded ratio reaches 90% and subsequently falls below 90%, an increase in the AED and SAED is mandated.
 - Increases in AED and SAED cannot exceed the statutory maximum allowable limitation.
- Per C.R.S. § 24-51-1009.5, if the combined pension divisions' trust fund actuarial funded ratio, based on the actuarial value of assets, reaches 103 percent, the upper limit of the annual increase shall be increased by one-quarter of one percent.

These statutory elements, in addition to the current schedule of employer contribution rates, assist in the ongoing balance of shared responsibility. It is not the intention of this Board, through the development of this funding policy, to undermine or circumvent the work accomplished by Senate Bill 10-001 or Senate Bill 18-200, but rather to ensure continued fiduciary commitment through sound governance practices and recognition of these statutory funding policies.

The combined funding policy regarding PERA's pension and OPEB plans, adopted by the Board in November 2007, was in force with regard to the pension plans through December 30, 2014. On March 20, 2015, the Board approved a separate pension funding policy with regard to these plans, which reflects the guiding principles listed above. This pension funding policy is effective with the December 31, 2014, actuarial valuation, recognizes the adoption and implementation of the Governmental Accounting Standards Board (GASB) Statement No. 67, applicable to pensions, and has been adopted and updated as indicated on the last page of the document.

This document was revised as of November 16, 2018, to reflect the Board's funding plan coming out of the September 2017 planning meeting with the intent to 1) propose pension reforms that would fully fund each of the five division trust funds within a 30-year period from first recognition, and 2) reset the 30-year closed amortization period for purposes of determining the Actuarially Determined Contribution (ADC) to mirror the funding period of the proposed changes, contingent on the passage of pension reform legislation. Given the June 4, 2018, enactment of Senate Bill 18-200, the Board was unable to affect the reinitialization of the 30-year period prior to finalization of the December 31, 2017, funding actuarial valuation results. Thus, as of the December 31, 2018, funding actuarial valuation, the 30-year closed amortization period is effective for amortizing the total unfunded actuarial accrued liability (UAAL) for each division trust fund as of December 31, 2017, in alignment with the initial recognition of the Senate Bill 18-200 pension forms. This action allows for a more accurate analysis of the "statutory contribution rate versus ADC rate" necessary to determine if the Automatic Adjustment Provision (AAP), also enacted through Senate Bill 18-200, is triggered for the following period.

This document is revised as of January 19, 2024, with the purpose of updating PERA law references and incorporating any necessary clean-up language.

III. Funding Goals

- Preservation of the **defined benefit plan structure** of providing lifetime retirement benefits to the employees of PERA-affiliated employers, reflecting the fact that PERA members are not covered under Social Security.

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- Demonstration of **transparency and accountability** through the continued maintenance of a defined benefit pension plan funding policy for the stakeholders of PERA.
- **Achievement of a combined divisions' trust fund actuarial funded ratio greater than or equal to 110%.** Once the 110% combined funded ratio is achieved, following (1) the complete discontinuance of AED and SAED contributions, and (2) the restoration of the annual increase to pre-2010 levels pursuant to C.R.S. § 24-51-1009.5, the Board will consider and/or support the following actions, as ordered, as long as the funded ratio, either combined or individual by division, does not fall below 100% after consideration of the proposed change:
 - Examination and possible action of de-risking the total trust fund, including all divisions
 - Reduction in the base contribution rate(s)
 - Adoption of a benefit enhancement, beyond restoration of the annual increase as described above.If the 110% combined funded ratio benchmark is attained through the assistance of certain funding arrangements where assets, outside of statutory contributions, are added to the plans, and results in additional tax-payer obligation, the payment method and duration of this debt should be considered prior to any supportive action taken regarding benefit enhancements.
- Dedication to the balance between:
 - **Contribution rate stability** – keeping contributions relatively stable over time, and
 - **Intergenerational equity** – allocating costs over the members' period of active service.
- Dedication to the systematic **reduction of the UAAL**, subject to the required action by the state legislature as described in C.R.S. § 24-51-411(8), § 24-51-411(9), and § 24-51-1009.5, and as briefly summarized above in Section II.
- Recognition that within a multiple-employer cost-sharing defined benefit plan there are **beneficial elements of pooled risk**, both in the accrual of plan liabilities, recognizing actuarial gains and loss by division, rather than by employer; and in the accumulation of plan assets through the engagement of an appropriate level of asset risk management.

IV. Annual Actuarial Metrics

Below is a list of actuarial metrics to be assessed on an **annual basis as of the actuarial valuation date**. The Board recognizes that a single year's results may not be indicative of long-term trends and projected results.

- **Funded ratios** – Calculate and review by division:
 - The actuarial funded ratio based on the actuarial value of plan assets divided by the defined benefit pension plan's actuarial accrued liability (AAL), and
 - The market value funded ratio based on the market value of plan assets divided by the defined benefit pension plan's AAL.
- **Funding period** – To be determined for each division with respect to the applicable contribution rates. A funding period is the amortization period required to pay off that division's UAAL considering the resources available. Funding periods for each division will be determined in the annual actuarial valuation in relationship to both:
 - Statutory contribution rates, and
 - ADC rates.
- **Contribution rate comparison**
 - Calculate and review by division.

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- **Actuarial Projections**

- Perform and review, by division,
 - Actuarial projections considering appropriate benefit provisions, salary and demographic data, actuarial assumptions, membership growth, and statutory contribution rates in order to determine the sustainability of each division under their benefit provisions and statutory contribution rate structure.
 - Projection modeling that allows for the testing of projection results under various economic and demographic stress conditions.

V. Funding Valuation Elements

Annually, the Board's actuary will perform an actuarial valuation for funding purposes, and calculate ADC rates against which to compare contribution rates mandated under State statute. The ADC will be the sum of a payment based on normal cost and a payment on the UAAL. The normal cost and the amount of payment on the UAAL are determined by the following three major components of a funding valuation:

- **Actuarial Cost Method:** This component determines the attribution method upon which the cost/liability of the retirement benefits are allocated to a given period, defining the normal cost or annual accrual rate associated with the projected benefits.
 - The Entry Age Normal Cost Method (EAN), as is used for PERA's annual actuarial valuation purposes, is to be used for the determination of the normal cost rate and the actuarial accrued liability for purposes of calculating the ADC.
 - Under this method, normal cost is calculated using benefits based on projected service and salary at retirement and is allocated over an individual's career as a level percent of payroll. Because EAN normal cost rates are level for each participant, the normal cost pattern for the entire plan under EAN is more stable in the face of demographic shifts in the workforce. It is this normal cost stability that makes the EAN method the preferred funding method for the majority of public defined benefit pension plans.
- **Asset Valuation Method:** This component dictates the method by which the asset value, used in the determination of the UAAL, is determined, which could be a market value or a smoothed actuarial value of trust assets.
 - Because investment markets are volatile and defined benefit pension plans typically have long investment horizons, application of an asset-smoothing technique can be an effective tool to manage contribution volatility and provide a more consistent measure of funding over time. Asset-smoothing methods reduce the effect of short-term market volatility on contributions, while still tracking the overall movement of the market value of plan assets, by recognizing the effects of investment gains and losses over a period of years.
 - The asset valuation method to be used shall be a four-year smoothed market value of assets. The difference between actual market value investment returns and the expected actuarial investment returns is recognized equally over a four-year period.
- **Amortization Method:** This component prescribes, in terms of duration and pattern, the systematic manner in which the difference between the actuarial accrued liability and the actuarial value of assets is reduced.
 - Once established for any component of the UAAL, the amortization period for that component will be closed and will decrease by one year annually.
 - The amortization payment will be determined on a level percentage of pay basis.
 - The length of the amortization periods will be as follows:

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- Existing UAAL on December 31, 2017 – 30 years.
- Any increase (or decrease) in the UAAL existing as of December 31, 2017 – remaining period of the initial 30-year period from the date of the valuation.
 - Annual future actuarial experience gains and losses – 30 years from the date of the valuation.
 - Future assumption changes – 30 years from the date of the valuation.
- Future benefit enhancements/reductions – the number of years, as determined by the Board, to represent the anticipated duration of payment of the enhancement or, if a reduction, duration of the benefit to the plan. This determination will be based on the nature of the benefit change and the demographics of the membership group affected by the change, not to exceed 25 years from the date of the valuation.
- If any future annual actuarial valuation indicates a division has a negative UAAL, the ADC shall be set equal to the Normal Cost until such time as the funded ratio equals or exceeds 120%. At that time, the ADC shall be equal to the Normal Cost less an amount equal to 15 year amortization of the portion of the negative UAAL above the 120% funded ratio.
- The target amortization period noted above regarding new UAAL will be applied for funding benchmark and RSI reporting purposes. Alternative ADCs will be determined by division, by applying the layered amortization methodology as described above, using a 25-year closed period, a 20-year closed period, and a 15-year closed period, in lieu of the 30-year period, for amortization of new UAAL. These comparatives are to appear in the Annual Comprehensive Financial Report (ACFR) as a demonstration of the transparency and accountability funding goal delineated in Section III of this document.

In conjunction with the three major components discussed above, a number of actuarial assumptions are used to develop the annual actuarial metrics, as well as the ADC rates, and are described in detail in the annual actuarial valuation report. The actuarial assumptions are derived and proposed by the Board's actuary and adopted by the PERA Board of Trustees in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The assumptions represent the Board's best estimate of anticipated experience under the benefit provisions of PERA and are intended to be long-term in nature. In the development of actuarial assumptions, the Board considers not only past experience but also trends, external economic forces, and future demographic and economic expectations.

- **Actuarial Assumptions** – Actuarial assumptions are generally grouped into two major categories:
 - **Demographic assumptions**, which include rates of termination, retirement, disability, mortality, etc., and
 - **Economic assumptions**, which include investment return, salary increase, payroll growth, and inflation, etc.

Actuarial assumptions do not impact the total cost of the plan (benefit payments and expenses), but rather the timing of prescribed contributions. To the extent that actuarial experience deviates from the assumptions, and actual contributions deviate from projected, experience gains and losses will occur. These gains (or losses) then serve to reduce (or increase) the projected future contributions necessary to achieve or sustain a certain actuarial standard. It is in this vein that the ADC rates may help indicate if the statutory contribution rates are adequate to meet the future cost requirements of the plan, although the ADC calculated in valuation results has limitations due to changing costs over time. Considering various benefit tiers currently in effect within the Colorado PERA defined benefit pension plan, the results of the actuarial projections may provide a better indication of the adequacy of the statutorily prescribed pension contribution schedule.

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VI. Governance Policy/Processes

As delineated in the **PERA Governance Manual**, below is a list of specific actuarial and/or funding-related studies, the frequency at which they should be commissioned/requested by the Board, and additional responsibilities relating to the studies:

- **Actuarial Valuation** (perform annually) – The Board is responsible for reviewing PERA’s annual actuarial valuation report; and submitting a summary report to the Legislative Audit Committee and the Joint Budget Committee of the General Assembly, together with any recommendations concerning such liabilities that have accrued. In addition, the Board, in consultation with their retained actuary, will provide recommendations to the Colorado General Assembly regarding any necessary adjustments to the statutory employer and member contribution rates.
- **Experience Analysis** (perform at least every five years, typically performed every four years) – The Board is responsible for ensuring that an experience analysis is performed as prescribed, for reviewing the results of that study, and for approving the actuarial assumptions and methodologies to be used for all actuarial purposes relating to the defined benefit pension and OPEB plans.
- **Actuarial Audit** (perform at least every five years, or the appointment of a new actuarial firm will satisfy requirement) – The Board is responsible for ensuring that an actuarial audit is performed as prescribed and for reviewing the results of that audit.
- **Asset Liability Study** (perform at least every three to five years, or more frequently if necessary) – The Board is responsible for ensuring that a study of the relationship between the defined benefit trust assets and liabilities is performed as prescribed and for reviewing the results of that study.
- Review of the **Defined Benefit Pension Plan Funding Policy and the Defined Benefit OPEB Plan Funding Policy** (perform every five years) – The Board is responsible for the periodic review of the funding policies applicable to the defined benefit pension and OPEB plans, as is deemed necessary.

VII. Glossary of Funding Policy Terms

- **Actuarial Accrued Liability (AAL):** The AAL is the value at a particular point in time of all past normal costs. This is the amount of assets the plan would have today if the current plan provisions, actuarial assumptions, and participant data had always been in effect, contributions equal to the normal cost had been made, and all actuarial assumptions had been met. For each of the PERA defined benefit plans, the AAL excludes any liabilities associated with the affiliated annual increase reserve.
- **Actuarial Cost Method:** The actuarial cost method allocates a portion of the total cost (present value of benefits) to each year of service, both past service and future service.
- **Annual Increase Reserve (AIR):** As of January 1, 2007, an AIR was created for each division trust fund for the purpose of funding annual increases for PERA benefit structure members hired on or after January 1, 2007. A portion of the employer contribution, equal to one percent of the salaries of affected members, is accumulated in the AIR to be paid out in annual increases each July 1, to the extent affordable. Although invested with the affiliated division assets, the reserve balances are accounted for separately.
- **Asset Values:** For each of the PERA defined benefit plans, the actuarial and market asset values exclude the balance in the affiliated AIR.
 - **Actuarial Value of Assets (AVA):** The AVA is the market value of assets less the deferred investment gains or losses not yet recognized by the asset smoothing method.

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- **Market Value of Assets (MVA):** The MVA is the fair value of assets of the plan as reported in the plan's audited financial statements.
- **Entry Age Normal Actuarial Cost Method (EAN):** The EAN actuarial cost method is a funding method that calculates the normal cost as a level percentage of pay or level dollar amount over the working lifetime of the plan's members.
- **Funded Ratio:** The funded ratio is the ratio of the plan assets to the plan's actuarial accrued liabilities.
 - **Actuarial Value Funded Ratio:** is the ratio of the AVA to the AAL.
 - **Market Value Funded Ratio:** is the ratio of the MVA to the AAL.
- **Normal Cost:** The normal cost is the cost allocated under the actuarial cost method to each year of active member service.
- **Present Value of Benefits (PVB) or total cost:** The PVB is the value at a particular point in time of all projected future benefit payments for current plan members.
- **Surplus:** A surplus refers to the positive difference, if any, between the AVA and the AAL.
- **Unfunded Actuarial Accrued Liability (UAAL):** The UAAL is the portion of the AAL that is not currently covered by the AVA as of the annual valuation date.
- **Valuation Date:** The valuation date is the annual date upon which the trust assets and liabilities of the plan are valued and the annual actuarial valuation is performed. PERA's annual valuation date is December 31st.

Adopted: March 20, 2015

Amended: January 19, 2018

Amended: November 16, 2018

Amended: January 19, 2024

6377913v20/14923.001