



Public Employees' Retirement Association of Colorado
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Actuarial Services: Scope of Consulting Services

Retainer Services:

- Annual actuarial valuation of PERA pre-funded benefits covering active members, inactive members and beneficiaries on rolls, including the following:
 - Measurement of funding progress and test of the adequacy of statutory contribution rates;
 - disclosures and supplementary information required by GASB, including GASB Statements No.'s 25, 26, and 45;
 - a single actuarial valuation report containing separate valuations for the four pension divisions (State, School, Local Government, and Judicial) and for the PERA Health Care Trust Fund (HCTF).
- Annual Gain/Loss Analysis to determine the cause of changes in the UAAL and to compile decrement statistics to be used in future experience studies;
- Preparation of software allowing projection of PERA's assets, liabilities, cash flows, funding ratios, and 30-year funding cost on an annual basis using a model based upon the plan provisions and actuarial assumptions and methods that allows for multiple adjustments in various variables to include, but not limited to the following:
 - Investment return rates;
 - member and employer contribution rates;
 - defined contribution plan participation rates; and
 - economic variables.
- Preparation of material for the Actuarial and Financial Sections of the PERA Comprehensive Annual Financial Report (CAFR);
- Survivor Benefit Fund Reserve transfer calculations (approximately 250 per year), processed in monthly batches;
- Preparation of optional benefit, money purchase benefit, and reserve factor tables as needed. Also, providing technical advice to PERA staff on programming for use of such tables;
- File matching analysis of data for assessing inconsistencies and recommending enhancements to data quality for future valuations;
- Provide Section 415 limit testing, and discrimination testing;

- Provide Medicare Part A liability modeling for the HCTF;
- Provide sensitivity analysis regarding actuarial and economic assumptions;
- Providing assistance to other PERA service providers including, but not limited to, attorneys, administrators, auditors and the General Assembly;
- Attendance by the lead consultant(s) at up to 12 meeting days per year including periodic attendance at Board of Trustee meetings, and an annual presentation of valuation results to the Board of Trustees for the exclusive purpose of delivering services defined under these retainer services;
- Annual Increase Reserve Fund calculations and actuarial valuations;
- General consulting by phone and letter with the Executive Director and PERA staff regarding technical problems and matters of general interest to a public sector retirement plan on issues related to the retainer services (500 hours per year); and
- Attendance and testimony before committees of the General Assembly as requested on issues related to the retainer services.

Non-Routine Services:

- Cost studies for legislative proposals;
- Advice and consulting on expanding Defined Benefit and Defined Contribution plans that may or may not differ from the current plan provisions;
- Local Government employer withdrawal valuations;
- 5-year actuarial experience study (tentatively scheduled for 2010 for the period 2005-2009);
- Population and cash flow studies using software other than the actuarial projection software included under the Retainer Services;
- Special valuations related to the impacts of merging other defined benefit retirement systems into PERA;
- Other special studies, consulting services, projections, presentations or meetings of a non-routine nature for pension and health care plans not otherwise included under the Retainer Services; and
- Actuarial assessments of the Amortization Equalization Disbursement and the Supplemental Amortization Equalization Disbursement under SB06 - 235.