

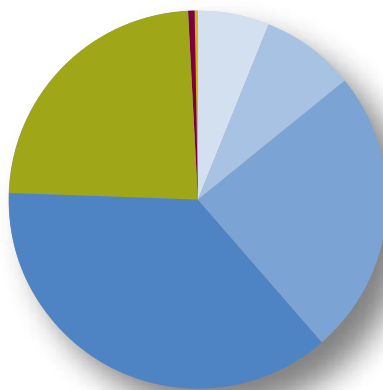
At the end of 2010, Colorado PERA was paying benefits to more than 93,000 retired public employees who received an average benefit of \$2,866* per month. For most retirees, this is the only source of income in retirement as most PERA beneficiaries do not qualify for Social Security payments. The median monthly PERA benefit is \$2,661* (\$31,932 a year). That means that half of all monthly benefits paid are lower than \$2,661 and half are higher than that amount.

The PERA service retirement formula for calculating benefits, specified in State law, is 2.5 percent multiplied by years of service multiplied by Highest Average Salary. Highest Average Salary (HAS)** is also defined in State law as one-twelfth of the average of the highest annual salaries on which contributions were paid that are associated with three periods of 12 consecutive months of service credit. The three 12-month periods do not have to be consecutive, nor do they have to be the last three years of employment.

These three periods are tied to a fourth 12-month period which becomes the base year for year-to-year limitation purposes. The year-to-year limit for members who were eligible to retire on January 1, 2011, and hired before January 1, 2006, is 15 percent. All other members are subject to an 8 percent year-to-year limit in their HAS calculation. This annual limit applied to salaries in the HAS years is designed to moderate salary “spiking.”

More than three out of every four PERA retirees receive less than \$50,000 a year in retirement, as the graphic below demonstrates. Less than 1 percent (578) of PERA retirees receives an annual benefit payment of \$100,000 or more. Generally, these benefit recipients had high salaries and many years of service credit.

PERA Benefit Payments by Dollar Amount of Annual Benefit/ Number of Retirees in that Range



Dollar Amount Per Year	Retirees
\$0-\$4,999	5,763
\$5,000-\$9,999	7,632
\$10,000-\$24,999	22,979
\$25,000-\$49,999	34,518
\$50,000-\$99,999	22,116
\$100,000-\$149,999	546
\$150,000-\$199,999	29
\$200,000+	3
Total Number of Retirees	93,586

* Does not include benefits that ended in 2010 or retirements suspended in 2010. Includes only benefits being paid at the end of 2010.

** Some members of the Denver Public Schools benefit structure have a different HAS calculation.

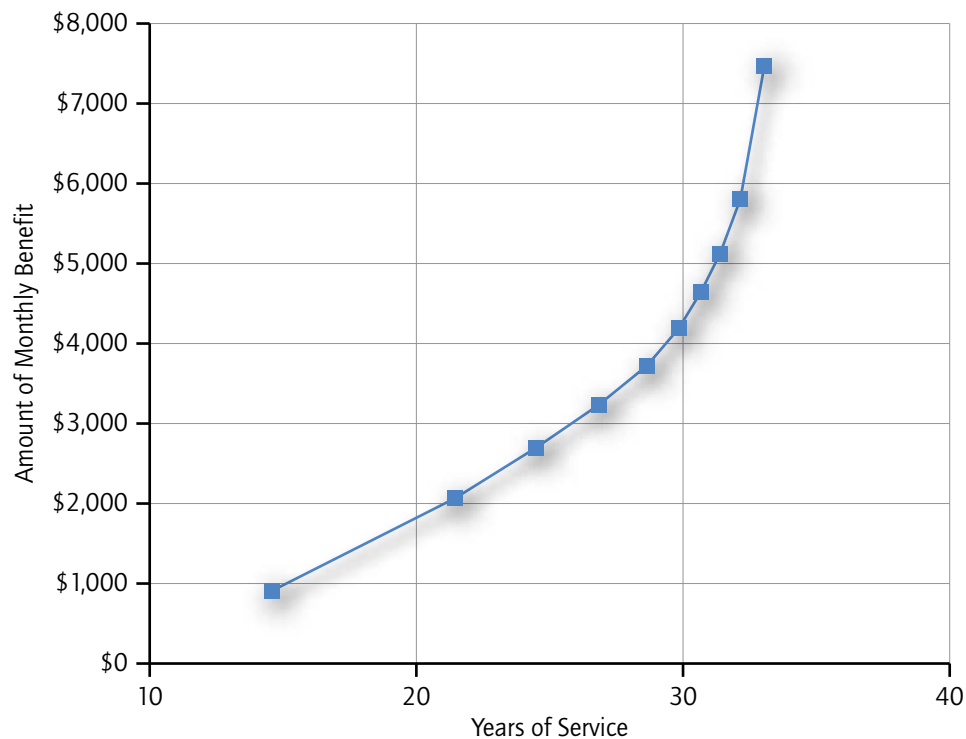
Benefit Payments by Decile

Another way to examine the data is to group retirees and the benefits they receive into benefit payment ranges as a percentage of the total. The table below shows that, for the one-third of PERA retirees (29,535) in the lowest decile, the average benefit is \$10,900 a year. This group of retirees retired at an average age of 59 with 14½ years of service credit. For the top decile on the other end of the scale, the average benefit is \$89,633 a year. However, these retirees on average had over 33 years of service credit, more than twice the length of service of those in the lowest decile.

Decile	Number of Retirees	Percent of Recipients	Average Monthly Benefit	Average Age at Retirement	Average Service Credit
1-10%	29,535	31.56%	\$908.33	59	14.58
11-20%	12,986	13.88%	2,065.87	57	21.45
21-30%	9,938	10.62%	2,699.83	57	24.50
31-40%	8,303	8.87%	3,230.81	57	26.83
41-50%	7,203	7.70%	3,724.34	56	28.65
51-60%	6,404	6.84%	4,188.96	56	29.84
61-70%	5,775	6.17%	4,644.58	56	30.67
71-80%	5,235	5.59%	5,123.86	56	31.39
81-90%	4,621	4.94%	5,805.38	56	32.15
91-100%	3,586	3.83%	7,469.42	56	33.05
Totals	93,586	100.00%	\$2,866.01*	57	23.31

For the 5,096 new retirees in 2010, the average monthly benefit was \$2,997. These members retired at an average age of 59 with 23.79 years of service credit.

Average Monthly Benefit Payment by Years of Service Credit



* Does not include benefits that ended in 2010 or retirements suspended in 2010. Includes only benefits being paid at the end of 2010.