



Colorado Public Employees' Retirement Association

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April 26, 2011

Susan K. Urahn
Managing Director
Pew Center on the States
901 E Street NW, 10th Floor
Washington, DC 20004
(sent via e-mail c/o Emily Keller at ekeller@pewtrusts.org)

Dear Ms. Urahn:

I wanted to take this opportunity provide factual information about the Colorado Public Employees' Retirement Association (Colorado PERA) related to the April 26, 2011, Pew Center on the States' report entitled "The Widening Gap: The Great Recession's Impact on State Pension and Retiree Health Care Costs."

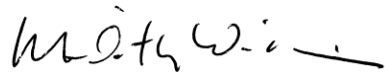
I understand the difficulties that gathering data from states with different fiscal years and actuarial accounting methods represents, but I wanted to point out that information in your most recent report, specifically in Exhibit 3 "States' Retiree Health Benefits 5% Funded in FY 2009, shows that Colorado PERA's total projected liabilities for retiree health care totaled \$2.043 billion.

We believe this number to be inaccurate and would like to direct you to information from our year-end 2009 [Comprehensive Annual Financial Report](#), page 41, where the liabilities of the Health Care Trust Fund (HCTF) are reported as \$1.8 billion. The funded status of the HCTF, also at year-end 2009, was 14.8 percent (from page 36). PERA's employers contributed \$74 million in 2009 to the HCTF (from page 30). PERA's actuaries have calculated the annual required contribution (ARC) to the HCTF to be 1.12 percent, of which 1.02 percent was contributed (from page 31), resulting in 91 percent of the ARC being met.

In last year's Pew Center on the States Report, Colorado was identified as a "Solid Performer" in terms of prefunding retiree health care. We would anticipate that a closer look at the source data for this section of the report would result in that same outcome for year-end 2009.

Additionally, it should be noted that in 2010, Colorado was one of the first states to recognize the impacts of The Great Recession on the retirement system and acted to return PERA to long-term sustainability. These changes will be reflected in the 2010 *Comprehensive Annual Financial Report* that will be available on PERA's Web site in July.

Sincerely,

A handwritten signature in black ink, appearing to read "Meredith Williams". The signature is written in a cursive style with a long horizontal stroke at the end.

Meredith Williams
Executive Director