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A publication for retirees and benefit recipients of the Colorado Public Employees' Retirement Association

April 2011



COLORADO
PERA®

Retiree REPORT

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Colorado PERA Recognized as a Leader

Over the past several months, Colorado PERA's work to return your retirement system to long-term sustainability has garnered national attention. The steps recommended by the PERA Board of Trustees and taken by the Colorado General Assembly through the enactment last year of Senate Bill 10-001 (SB 1) required shared sacrifice by all PERA members and retirees but these steps have put PERA back on track to being fully funded.

As public pension systems around the country continue to be in the headlines, PERA is headed in the right direction and will avoid many of the pitfalls which may put other states' pensions at risk. I wanted to share with you some of the things others are saying about PERA.

- "Earlier this year, in an act of rare political courage, a bipartisan coalition of [Colorado] state legislators passed a pension overhaul bill."
— Ron Lieber, *The New York Times*, August 5, 2010
- Colorado's Senate Bill 1 contained "some of the nation's most extensive public pension reforms."
— Pew Center on the States report
- "Colorado is actually looked at as a model for a lot of other states for some of the changes you made last year to strengthen your funding and it has both immediate effects on your funding status as well as a long-term benefit...."
— Elizabeth Keller, Executive Director, Center for State and Local Government Excellence, presentation to Colorado Legislators, February 11, 2011
- "2010 was the busiest year on record for pension legislation. You [in Colorado] kicked the year off with some very dramatic pension system reforms."
— Ron Snell, National Conference of State Legislatures, presentation to Colorado Legislators, February 11, 2011

- "Over the past three years, most states have taken measures to shore up their defined benefit pension plans. A few, such as Colorado, Minnesota and South Dakota, have made the difficult choice of cutting benefits to current retirees...."

—John Keefe, *Institutional Investor Magazine*, republished by CNBC, February 16, 2011



Meredith Williams
Colorado PERA
Executive Director

It's not easy to be one of the first states to address these tough issues—and no one enjoyed making the changes in SB 1—but we feel that we put PERA ahead of the game by addressing these issues in a forthright and serious manner. Now, we have to make sure that SB 1 isn't eroded by new legislation this session.

I encourage you to sign up to receive PERA Alerts so that you'll be informed on the issues that affect your retirement system—be sure to have your friends sign up, too. And, you'll want to check out the new PERA on the Issues page on our Web site, where we'll be responding to topics in the national media. I welcome your thoughts and input, so please e-mail me at Meredith@copera.org.

Sign up for PERA Alerts

- Go to www.copera.org and click on Legislation, then click on Be Active in the Future of Your Retirement System
- Click on Register for PERA Alerts
- Enter your information and click on the Submit button

Legislative Update

Several bills affecting PERA have been introduced during the 2011 legislative session. For updated information on these bills, please go to the 2011 Legislative Information Center on the PERA Web site at www.copera.org.

Senate Bill 11-074: Option to Change PERA Employer Contribution Rates

Sponsors: Sen. Kent Lambert (Colorado Springs) and Rep. Jim Kerr (Littleton)

The bill allows employers in the School, Local Government, and Denver Public Schools Divisions of PERA to decrease the employer contribution rate and increase the member contribution rate by an amount not greater than 2.5 percent.

This bill was postponed indefinitely.

PERA's Position: The PERA Board voted to oppose SB 74.



Senate Bill 11-076: PERA Contribution Rates

Sponsor: Joint Budget Committee

This bill proposes to continue the 2.5 percent reduction in the employer contribution by State Division and Judicial Division employers (with a corresponding 2.5 percent increase in the employee contribution). SB 76 continues the contribution rate "swap" enacted in 2010 for fiscal year 2011-2012.

PERA's Position: The PERA Board voted to oppose SB 76.

Status: The bill passed the Senate and awaits a final House vote.

Senate Bill 11-079: Outsourcing of Non-instructional Support Services in School Districts

Sponsor: Sen. Nancy Spence (Centennial) and Rep. Tom Massey (Poncha Springs)

The bill would require a school district with student enrollments of 10,000 or more to competitively bid for an independent contractor to provide non-instructional services to the district. These contract employees would not be eligible for employer-provided benefits such as participation in PERA.

This bill was postponed indefinitely.

PERA's Position: The PERA Board voted to oppose SB 79.

Senate Bill 11-127: New Defined Contribution Plan

Sponsor: Sen. Scott Renfroe (Greeley)

The bill would require all newly hired employees as of January 1, 2012, to be members of a new defined contribution (DC) plan administered by PERA.

This bill was postponed indefinitely.

PERA's Position: The PERA Board voted to oppose SB 127.



Retiree Report

Denver Main Office

1301 Pennsylvania Street
Denver, CO 80203-5011

Denver Main Office Hours (Mountain time)

7:30 a.m.—4:30 p.m. Monday—Friday

Customer Service Center Hours (Mountain time)

7:00 a.m.—5:30 p.m. Monday—Thursday
7:00 a.m.—4:30 p.m. Friday

Phone

303-832-9550 or 1-800-759-7372 (PERA)

Westminster Office

1120 W. 122nd Avenue
Westminster, CO 80234

Westminster Office Hours (Mountain time)

Monday 7:30 a.m.—4:30 p.m.
Tuesday 7:30 a.m.—4:30 p.m.
Wednesday 1:00 p.m.—4:30 p.m.
Thursday 7:30 a.m.—4:30 p.m.
Friday 7:30 a.m.—4:30 p.m.

Web site/e-mail

www.copera.org

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House Bill 11-1248: PERA Board Composition Modification to Ensure Diversity

Sponsors: Rep. Jim Kerr (Littleton) and Sen. Ellen Roberts (Durango)

The bill modifies the composition of the PERA Board of Trustees so that it is comprised of six Trustees appointed by the Governor and confirmed by the Senate who are not PERA members or retirees and who are experts in certain fields, the State Treasurer, three elected members from the School Division, two elected members from the State Division, one elected member from each of the Local Government and Judicial Divisions of PERA, and one elected retiree. One elected member from the State and School Divisions of PERA shall be at least 15 years from retirement eligibility when first elected. The bill allows current Trustees to finish serving their terms and eliminates Trustees who represent each of the divisions and retirees as their terms expire. The bill retains the ex officio Trustee from the Denver Public Schools Division.

PERA's Position: The PERA Board voted to oppose HB 1248.

Status: The bill passed second reading in the House and has been assigned to the House State, Veterans and Military Affairs Committee.

House Bill 11-1007: Mesa State College Personnel

Sponsors: Rep. Laura Bradford (Collbran) and Sen. Steve King (Grand Junction)

The bill would have allowed the classified staff of Mesa State College to leave the state personnel system and join the College's alternative personnel system, upon a majority vote by the classified staff. Currently, all classified employees of the College are automatically members of the PERA defined benefit plan. Each of those current employees could elect to remain in the state personnel system even if the majority voted to move to the alternative system. But all new hires would have been covered by the alternative system.

The bill was amended in the House to provide that all new hires, whether staff or faculty, would make an election either to join the PERA DB Plan or the College's Optional Retirement Plan (ORP), a DC plan that has covered faculty and administrators at the College hired since 1994. All classified staff at the College at the time the alternative personnel system is established would remain members of the PERA DB Plan, even those who chose to join the alternative personnel system.

PERA's Position: No position.

Status: The bill was defeated by the Senate State, Veterans and Military Affairs Committee.


House Bill 11-1008: PERA Board Composition Modification

Sponsors: Rep. Jim Kerr (Littleton) and Sen. Ellen Roberts (Durango)

The bill modifies the composition of the PERA Board of Trustees so that it is comprised of eight Trustees appointed by the Governor and confirmed by the Senate who are not PERA members or retirees and who are experts in certain fields, the State Treasurer, two elected members from the School Division, one elected member from each of the State, Local Government, and Judicial Divisions of PERA, and one elected retiree. The bill requires that the elected member from the State Division be a State Trooper.

The bill would allow current Trustees to finish serving their terms. The bill retains the ex officio Trustee from the Denver Public Schools Division.


This bill was postponed indefinitely and replaced by HB 1248.

PERA's Position: The PERA Board voted unanimously to oppose HB 1008. 

Reminder About Annual Increase

Senate Bill 10-001 (SB 1) changed the amount and timing of the annual increase to PERA benefit recipients, which applies to benefit recipients under both the PERA and Denver Public Schools (DPS) benefit structures.

In 2011, the amount of the annual increase will be 2 percent since PERA had a positive investment year. Even though exact return figures are still being audited, the return was positive.

Under the provisions of SB 1, payment of the annual increase will occur in July 2011 for eligible benefit recipients. 

Upcoming Board Election in May

Your Vote Counts




In May 2011, Colorado PERA will hold an election for seats on the Board of Trustees for the following positions:

- One Local Government position
- One retiree position (to be elected by retirees of the State, Local Government, and Judicial Divisions)

Please note: At its March Board meeting, the Board approved not holding an election for the uncontested Judicial Division seat, and appointed James Casebolt to a four-year term in the Judicial Division.

The Board of Trustees meets at least five times per year and is responsible for adopting the rules and policies for the administration of PERA. Elected Board members serve without pay, but are reimbursed for necessary expenses.

Current terms will expire on June 30, 2011, for James Casebolt from the Judicial Division; Sara Alt, a State Division retiree; and Rochelle Logan from the Local Government Division. The Judicial Division and retiree seats are for four-year terms and the Local Government Division seat is for a three-year term. 

Election Timeline

- *May 1–7* *Ballots mailed to PERA members in the Local Government Division and retirees in the State, Local Government, and Judicial Divisions*
- *May 31* *Deadline for ballots to be postmarked*
- *June 17* *Presentation of election results to Board for approval*

Colorado PERA Board Elects Chair and Vice Chair

At its January meeting, the Colorado PERA Board of Trustees elected Carole Wright as the new Chair and Maryann Motza as Vice Chair.

Carole is a retired teacher from Aurora Public Schools. She has served on the Board since 2005, and previously served on the Board from 1993-2000. Elected by retirees, her current term expires June 30, 2013.




Carole Wright

Maryann is the Social Security Administrator for the State of Colorado. She has been a member of the Board since 2005 and is elected by State employees. Maryann's current term expires June 30, 2013.




Maryann Motza

The Chair and Vice Chair serve two-year terms and the Chair cannot serve more than two consecutive terms in that position. 

Colorado PERA Appoints New Trustee

The Colorado PERA Board of Trustees appointed Rochelle Logan to a vacant seat in the Local Government Division of the Board.

Rochelle is associate director of support services for Douglas County Libraries. Her term will expire on June 30, 2011. She takes over the seat formerly held by Mark Anderson, who retired in 2010. 



Rochelle Logan

Changes to Tax Withholding Tables

Federal tax withholding tables that went into effect with the January benefit payments to retirees and benefit recipients under both the PERA and Denver Public Schools (DPS) benefit structures, were prescribed by the Internal Revenue Service (IRS) as a result of the expiring "Making Work Pay" tax credit.


As you may recall, two years ago, President Obama signed into law the "Making Work Pay" tax credit, which provided a tax savings on income from gainful employment, but not retirement income. At that time (April 2009), your monthly tax withholdings were lowered in accordance with the new tax tables unless you submitted a new PERA *Withholding Preference Form* that increased your withholding to offset the changes to the tax tables. PERA notified benefit recipients about this change in the March 2009 *Retiree Report*.

Since this tax credit expired on January 1, 2011, the IRS had to adjust the tax tables accordingly which may have increased your federal tax withholding. PERA encourages all benefit recipients to check your federal tax withholdings and determine if you need to modify the amounts being withheld.

Please note that PERA notified retirees and benefit recipients in the December 2010 *Retiree Update* that January 2011 PERA benefit payments would reflect the 2011 tax tables used to calculate withholdings. At the time the *Retiree Update* went to print, PERA was unaware of the extent to which the tax tables would change in January.

PERA regrets any confusion this caused retirees and benefit recipients.

For More Information

- Review the *Taxes on PERA Benefits* booklet, which also includes a PERA *Withholding Preference Form* to change your withholdings from your PERA benefit.
- Change your withholdings online through the secured pages of the PERA Web site if you have a PERA PIN. 




Specific questions about your taxes should be directed to the IRS, the Colorado Department of Revenue, or your personal tax consultant; Colorado PERA does not provide tax advice.

Working Retiree Contribution Reminder

Effective January 1, 2011, all retirees working after retirement for a PERA employer, must pay a working retiree contribution. The contribution percentage applicable to working retirees is the same contribution percentage in effect for an active member who is working for that employer.

- The working retiree contribution applies to all pay that is subject to PERA employer contributions for retirees.
- The working retiree contribution does not accrue an additional benefit and retirees are not eligible for a refund of these contributions.
- The working retiree contribution does not apply to the following retirees: (1) retirees working as legislators, (2) retirees working in ORP positions, (3) retirees whose work was "grandfathered" as a result of the merger between Denver Public Schools (DPS) and PERA, and (4) judges participating in the Senior Judge Program.
- PERA employers are unable to deduct the working retiree contribution for retirees working as independent contractors. As a result, PERA will deduct the amount due for an independent contractor from his or her monthly retirement benefit. Retirees working as independent contractors will be notified of the deduction shortly before the benefit payment is issued. If the amount due exceeds the amount of the retirement benefit, the retiree must remit the difference to PERA within 30 days.

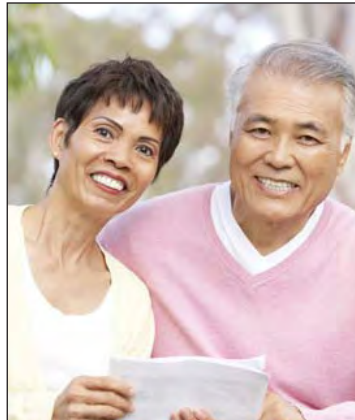
For more information on returning to work, please review the *Working After Retirement* brochure; you may download the PDF file or order the brochure online at www.copera.org or request a copy by calling PERA's Customer Service Center. 

PERA is providing the following notice in compliance with federal health care reform. This is a legal notice that we must provide to all retirees eligible to enroll in PERA's pre-Medicare (under age 65) health plans; it does not require any action. As the notice explains, PERA has applied to receive reimbursements through the new federal Early Retiree Reinsurance Program (ERRP). Any funds received will be used in future years to help offset plan and/or participant costs.

Notice About the Early Retiree Reinsurance Program


You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the



plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose.

A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who participate in this plan. 


Free Fitness Center Memberships

If you are enrolled in a health care plan through PERACare, you have a great, no-cost opportunity for a free basic fitness center membership included as part of your health plan. You can choose from thousands of health clubs, YMCAs, gyms, fitness centers, and Curves® around the country. If you have a favorite center, check with them to see if they participate in your health plan's program.

If you are enrolled in an Anthem Blue Cross and Blue Shield, Kaiser Permanente, or Secure Horizons plan through PERACare, your program is the Silver Sneakers Fitness Program. If you are enrolled in Rocky Mountain Health Plans, your program is

the Silver&Fit Basic Program. Check your plan materials or the program Web sites for locations and information.



Fitness programs may help improve health and reduce health care costs—think about making one of these plans part of your fitness routine! 

Upcoming PERACare Open Enrollment

Important Dates to Remember



Even though PERACare open enrollment is still a few months away, PERA staff is already working on the details for the 2012 open enrollment. Listed below is a timeline as to when you can expect to receive materials from PERA as well as other important dates related to PERACare.

July 2011—PERAMedic Newsletter Mails to All Benefit Recipients

This newsletter contains general health information and includes preliminary details about upcoming open enrollment meetings.

August 2011—PERACare Bulletin Mails to All Benefit Recipients

The *Bulletin* has open enrollment meeting information as well as an overview of the upcoming PERACare plan year.

Mid- to Late September 2011—PERACare Open Enrollment Packets Mail to Current Enrollees

Benefit recipients who are currently enrolled in PERACare will receive an open enrollment packet that includes a letter detailing your 2012 premiums, a booklet with plan information, an enrollment/change form, and an open enrollment meeting schedule.


October 2011—Open Enrollment Meetings Held Throughout Colorado

All open enrollment meetings will cover information about plan basics and any changes for the upcoming plan year.

November 15, 2011—PERACare Open Enrollment Deadline

All forms must be received at PERA or postmarked by this date to be accepted. Forms received after the deadline will not be processed.

January 1, 2012—Effective Date for Changes

Any changes made during open enrollment will become effective on this date. 

PERACare Resources

Beyond the annual open enrollment meetings, PERA has a variety of resources available for you to learn more about PERACare.

PERA Web Site

PERA's Web site, www.copera.org, allows you to access PERACare publications that explain your options for joining PERACare.

PERACare Information Meetings

If you are not familiar with PERACare, you may want to attend one of the PERACare Information Meetings that are held throughout the year around the State. These meetings are designed for members and retirees who are considering whether PERACare might be a good choice for them. To see the list of PERACare Information meetings, go to www.copera.org and choose Meeting and Appointment Scheduler.

Planning for Medicare Meetings

These meetings are designed for retirees who are preparing to turn 65 and will become Medicare-eligible. Attendees will receive information on Medicare parts and eligibility, enrollment timeframes, and premiums and deductibles, as well as up-to-date information on all of PERACare's plans and carriers. To see the list of Planning for Medicare meetings, go to www.copera.org and choose Meeting and Appointment Scheduler. You may also view the Planning for Medicare presentation online.

PERA Customer Service Center

If you do not have Internet access, you may call PERA's Customer Service Center at 1-800-759-PERA (7372) or 303-832-9550 for assistance and information.

Resources for Retirees Turning 65

When you turn age 65, you become eligible for Medicare, the federal health insurance program for all U.S. residents. If you'd like to learn more about how PERACare works with Medicare, attend a Planning for Medicare meeting or watch the meeting video on PERA's Web site.

Happiness is One of the Benefits of Volunteering

Volunteering has many benefits. You feel good making a difference in your community, being active helps you stay healthy, and working with others keeps you connected with your community. In addition, research now suggests it can "make you happy."

According to Richard Adler in the article, "The Volunteer Factor," many studies have shown that older adults who volunteer regularly tend to be happier as a group than those who don't volunteer. So, if you have been thinking about volunteering, why not start now and take advantage of all the benefits.

If you are not sure of what you want to do, try asking yourself the following questions to narrow down your options:

- What do I want to gain from volunteering?
- What are my interests (animals, people, world issues, etc.)?
- What skills do I have to offer and what skills would I like to attain?
- What amount of time can I devote to volunteering (regularly scheduled work or special events)?

The following are some organizations that have volunteers. If you live in a rural area and want to volunteer close to home, Internet databases are especially helpful because volunteer opportunities can be found by ZIP code and area of interest.

Internet Databases

www.volunteermatch.org

Volunteer Match is a nonprofit, online service that helps volunteers get involved with community service organizations throughout the United States. Their database matches volunteers with organizations by ZIP code and area of interest.



www.voacolorado.org

Volunteers of America is a national, nonprofit, spiritually based organization, providing local human service programs and opportunities for individual and community involvement. In Denver, you can call 303-297-0408. Currently, in Northern Colorado, they need handy men and women to help single parents patch-up their homes. You will do carpentry, landscaping, painting, drywall, flooring, and general home repair. E-mail them at voaprograms@frii.com or call 970-472-9630.

National

www.redcross.org (click on "Full Version" link)

The American Red Cross has national and international volunteer opportunities. Volunteers can assist in disaster relief and blood donation, and may work with youth, assist with special projects, and much more. Log on to their Web site for links to find Red Cross volunteer opportunities in your area.

www.ymca.net

YMCA facilities are mostly staffed by volunteers, so there are many positions available from coaching sports, teaching classes, to designing program brochures. Log on to their Web site to find a location near you.

International

www.volunteerhq.org

International Volunteer HQ (IVHQ) provides safe, quality, and extremely affordable volunteering programs abroad in developing countries all over the world. They currently have volunteer programs in 20 countries. Log on to their Web site for more information.

Colorado

www.metrovolunteers.org

Metro Volunteers is an organization that strives to strengthen the Denver metro community. You may work as a project coordinator, sit on a board of directors, mentor youth, or train volunteer staff. Log on to their Web site or call Metro Volunteers at 303-282-1234. Currently, Metro Volunteers is forming a task force to develop a structured framework for using volunteers in Colorado schools and are looking for former teachers and administrators to serve as task force members. For more information, please call Lynne Montague-Clouse at 303-905-6729.

www.schoolandyouth.org/rm

The Leukemia & Lymphoma Society is seeking volunteers to help with the 2011-2012 "Pennies for Patients," school-based fundraising initiative. Volunteers will work as regional assembly staff helping schools who host kick-off assemblies in your area schools during the next school year. Training and materials are provided. See their Web site for more information. You may contact Isabel Warner to sign up via e-mail at isabel.werner@lls.org or call her at 303-984-2110 ext. 14.

www.weldfoodbank.org

The Weld Food Bank in Greeley has volunteers work in the warehouse and pick-up donated goods in the Greeley area. They can also have groups work a one-time opportunity. Log on to their Web site or call 970-356-2199 ext. 307.

www.coseniorcorps.org/foster-grandparents/st-marys

St. Mary's Foster Grandparent Program pairs adults 55 and older with special-need and at-risk children in the Mesa and Delta counties. Volunteers will tutor and mentor kids in non-profit day care centers, preschools, and the classroom for K-12 grades. Log on to their Web site or call 970-263-9091.


www.natureandraptor.org

The Nature and Raptor Center of Pueblo needs volunteers to work as gardeners and groundskeepers, outdoor and classroom guides, work special events, and work in the visitor center and gift shop. Log on to their Web site or call 719-549-2414.

www.ddfl.org

The Denver Dumb Friends League has over 50 volunteer positions available. Volunteers work as humane education instructors, adoption counselors, animal care technicians, and more. They have two facilities; one in Denver and the other in Castle Rock. Log on to their Web site for information.

www.denvergov.org/denveranimalshelter

The Denver Animal Shelter has volunteers transport animals, work as community outreach assistants, dog groomers and trainers, and more. Log on to their Web site or contact the volunteer coordinator at 303-698-5553. 

Organizations Assist PERA

Many PERA retirees are involved in a variety of volunteer activities. Listed below are some organizations that are not funded by or directly associated with PERA that provide support to and advocate on behalf of PERA's 90,000 retired members. The contact information is provided as a courtesy and not as an endorsement.

Colorado Coalition for Retirement Security

The Coalition (CCRS) was founded in 2006 to work with PERA and the State Legislature to address the long-term funding of PERA's defined benefit plan. The Coalition was re-activated in 2009 to help find solutions following the market crash of 2008 and participated in the effort to ensure PERA's sustainability through the enactment of SB 1. The Coalition continues to work to make sure the changes in SB 1 are allowed to take effect.

Contact information:

www.securepera.org

CSPERA (Colorado School and Public Employees Retirement Association; formerly CRSEA)

All PERA retirees, and especially public school retirees, are welcome to join the Colorado School and Public Employees Retirement Association (CSPERA). CSPERA members are kept informed about legislative issues that impact PERA, and receive alerts when messages to elected officials are needed.

Contact information:

303-326-1808 or 1-800-748-2846

www.cspera.org

E-mail: cspera@aps.k12.co.us

Friends of PERA

Friends of PERA welcome retirees' involvement in efforts to ensure that Colorado PERA continues to be a strong, well-managed defined benefit plan for public employees. Friends of PERA works to retain PERA as a defined benefit plan that is funded appropriately, not forced to sell investments for political reasons, and governed by a Board of Trustees predominantly elected by the "owners" of the trust (PERA retirees and members).

Contact information:

PO Box 27896

Denver, CO 80227

www.friendsofpera.com 

Insights into Colorado PERA Investments

Colorado PERA's Chief Investment Officer Answers Questions

At the helm of PERA's investment portfolio is Jennifer Paquette, Colorado PERA's Chief Investment Officer. Jennifer is responsible for the planning, organizing, and managing of the investment activities associated with PERA's portfolio.

At several of the Shareholder meetings held this past fall, many members had questions about PERA's investments. Jennifer offers her insights into these questions below for the benefit of the entire PERA membership.

Q. How much gold does PERA have, if any?

A. PERA has investments in or related to gold in various portfolios. Gold exposure often resides in a number of our portfolios including commodities, stocks and sometimes corporate bonds.

Q. How does PERA prevent against investing in Ponzi schemes?

A. PERA conducts extensive due diligence on its external managers. There are numerous criteria we use that are customized to the particular types of managers we hire. We partner with others, like our external investment consultant and our Legal Department, to insure our process is thorough. While risks related to hiring poor or fraudulent managers cannot be eliminated, we continually refine our process and controls to mitigate as much risk as possible.

Q. How do you make up the investment loss from the last 10 years?

A. PERA invests for the long term. The Board of Trustees carefully considers both risk and opportunity when determining the strategic asset allocation policy. Portfolio performance reflects market performance in large part. Ending December 31, 2009, the portfolio has returned 3.4 percent over 10 years, 8.2 percent over 15 years and 9.3 percent over 25 years. We do not attempt to make large, tactical moves to add value. Tactical moves tend to be both high risk and subject to costly failure.



Jennifer Paquette
Colorado PERA Chief Investment Officer


Q. Since there is an extremely low cost to managing investments internally, why aren't more investments managed in-house?

A. PERA manages about 60 percent of its investments internally where it believes it has the expertise and resources to do it successfully. External managers are hired for numerous reasons. We may find they have deeper resources in smaller, niche markets. We may be attracted to particular strategies that complement our internal portfolios. We measure external manager results after taking into account management fees. We hold external and internal managers to similar performance standards. The goal is to deliver attractive performance while accounting for risks and manager fees.

Q. Does the allocation to stocks stay the same?

A. The allocation to stocks and PERA's other asset classes are periodically reviewed by the Board of Trustees. Changes in allocation tend to be small and gradual. For example, the Board recently changed the allocation to stocks from 58 percent to 56 percent of the total fund.

Q. Does PERA have concentration in any one stock?

A. The short answer is no. The stock portfolio is well diversified. Colorado statutes include limitations on how much we may own of a particular stock. In addition, PERA determines portfolio guidelines for managers that foster diversification. 

Complete, audited information on the value of all of PERA's investments will be available in June for the year ended December 31, 2010. All members will be mailed PERA's Summary Annual Financial Report in early July. This summary will provide an overview of PERA's financial condition for the fiscal year ended December 31, 2010.

Flying for a Cause

John Epley was in good health, retired, living in rural Florida, and looking for a new challenge. Once upon a time, he had dreamed of owning his own plane. His wife and pilot son encouraged him to make that dream a reality once he retired in 2007 after 20 years of working for the Colorado Department of Regulatory Agencies.

"I enjoyed flying helicopters in the Army in the 70s and 80s. When I'm in the air, I am in control and I feel a certain freedom," said John. "Flying keeps me mentally sharp by exercising my brain. It is a marvelous form of personal transportation that I feel very fortunate to be able to enjoy."

It wasn't long before John realized that he needed more than just recreational flying to keep his skills sharp. While reading a flying magazine, John learned about Angel Flight, an organization that arranges free air transportation for certain charitable or life-threatening medical needs.

"Other charity organizations fly dogs or body organs for transplants. However, I wanted to fly people. Angel Flight does a good job of identifying people in need," said John.

So far, he's transported 30 patients, usually one every month. Like all Angel Flight pilots, John donates his time, plane, and fuel for each flight.

Angel Flight patients are usually traveling for surgery, chemotherapy, dialysis, and other treatments. One of John's most memorable flights was for a girl who died six months after the flight. She was being treated for cancer, and he flew her back to her hometown to attend the senior prom.



John Epley at the airport in Pensacola, Florida, after dropping off an Angel Flight patient.

John has to meet certain criteria in order to participate in Angel Flight, including standards for pilot ratings and hours flown. Working under tight regulations is second nature to John, who was a senior analyst with the Public Utilities Commission in the Department of Regulatory Agencies before retiring.

In his free time, John also enjoys golfing and is an active member of his local property owners association.

He advises his fellow retirees to, "keep your mind and body active in doing things you like to do, and find your own way to give back to the earth." 🍷

We Want to Hear from You!

The Spotlight section features retirees who have interesting stories to tell about their lives in retirement. Let us know about your post-retirement experiences!

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Information on Benefit Payments Online

Colorado PERA has recently added a page to its Web site that includes information on monthly benefit payments. The page is updated monthly to include information pertinent to the benefit check you will receive each month. You can also view upcoming mail and direct deposit dates, information on lost checks, and making changes to how you receive your benefit payment.

To view the Information on Benefit Payments Web page, go to www.copera.org and click on Retirees/Benefit Recipients from the list at the bottom of the home page. Then choose Information on Benefit Payments from the bar on the left side of the screen. 

2011 Benefit Payment Schedule (Direct Deposits and Checks)

The following dates are when benefit checks are mailed and payments are electronically deposited into accounts.

April 29

May 31

June 30

July 29

August 31

September 30

October 31

November 30

December 30

