Working Together for Your Future

PERA Town Hall

September 10, 2026

Indicates a question submitted by the audience.

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Agenda

- Annual Financial Reports
- PERA's Impact in the Region
- Investing for the Long Term
- Funding Progress
- Legislative Updates
- PERACare Preview
- Questions, Answers & Feedback

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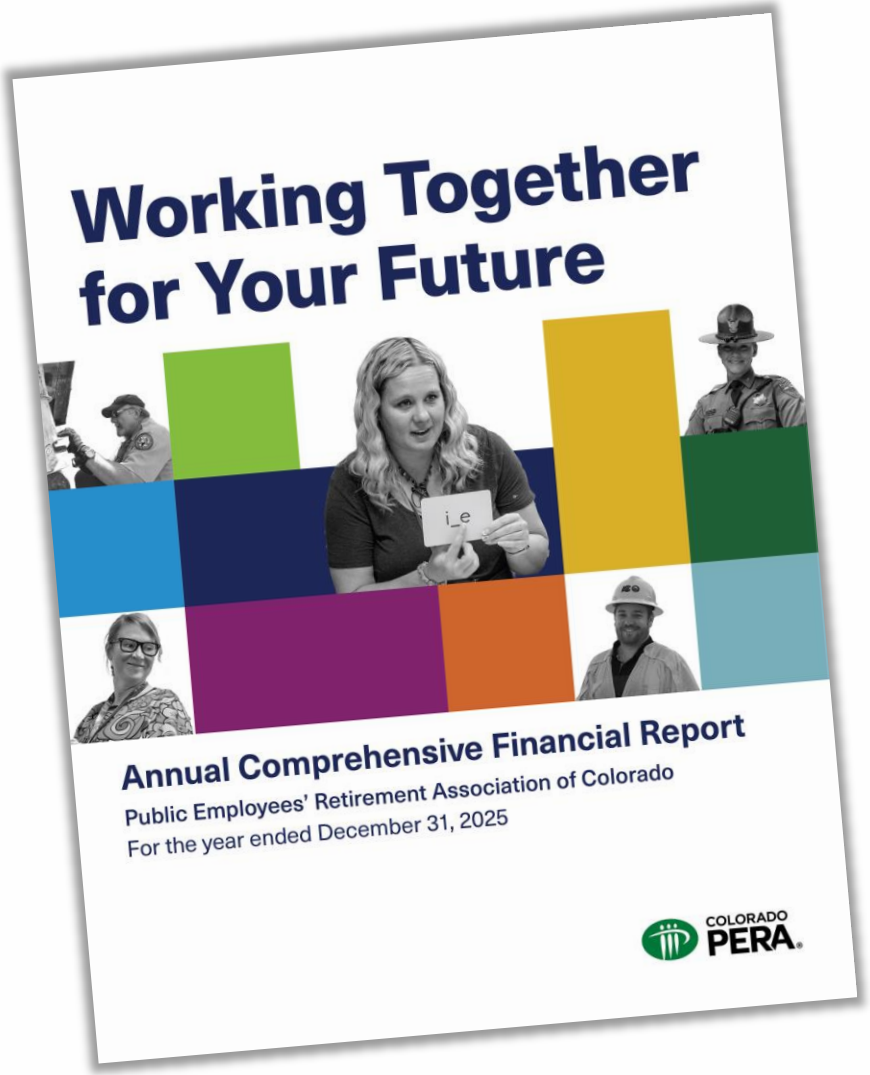
Annual Financial Reports



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PERA by the Numbers

Facts and figures as of December 31, 2025

Investment Portfolio Fair Value

$75.1 billion

(Combined Investment Fund)

Net Rate of Return

14.1%

(Annualized, time-weighted, and net of external management and custody fees)

Funded Status

69.1%

(Division Trust Funds)

30-Year Rate of Return

8.1%

(Annualized, time-weighted, and net of external management and custody fees)

Annual Retirement Benefit Payments

$5.6 billion

Invested in Colorado-Based Companies, Partnerships, and Assets

$642.5 million

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Making a Positive Impact in Colorado Springs

Employers
54

Members Actively Contributing to PERA
27,782

Retirees and Benefit Recipients
14,960

Annual Retirement Benefit Payments
$580 million

PERA Payments as Percentage of Total Payroll

3.4%

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PERA Funding Sources

- **Investment Income**
- **Employer and Non-Employer Contributions (includes disaffiliations and plan transfers)**
- **Member Contributions and Other Additions (includes purchased service)**

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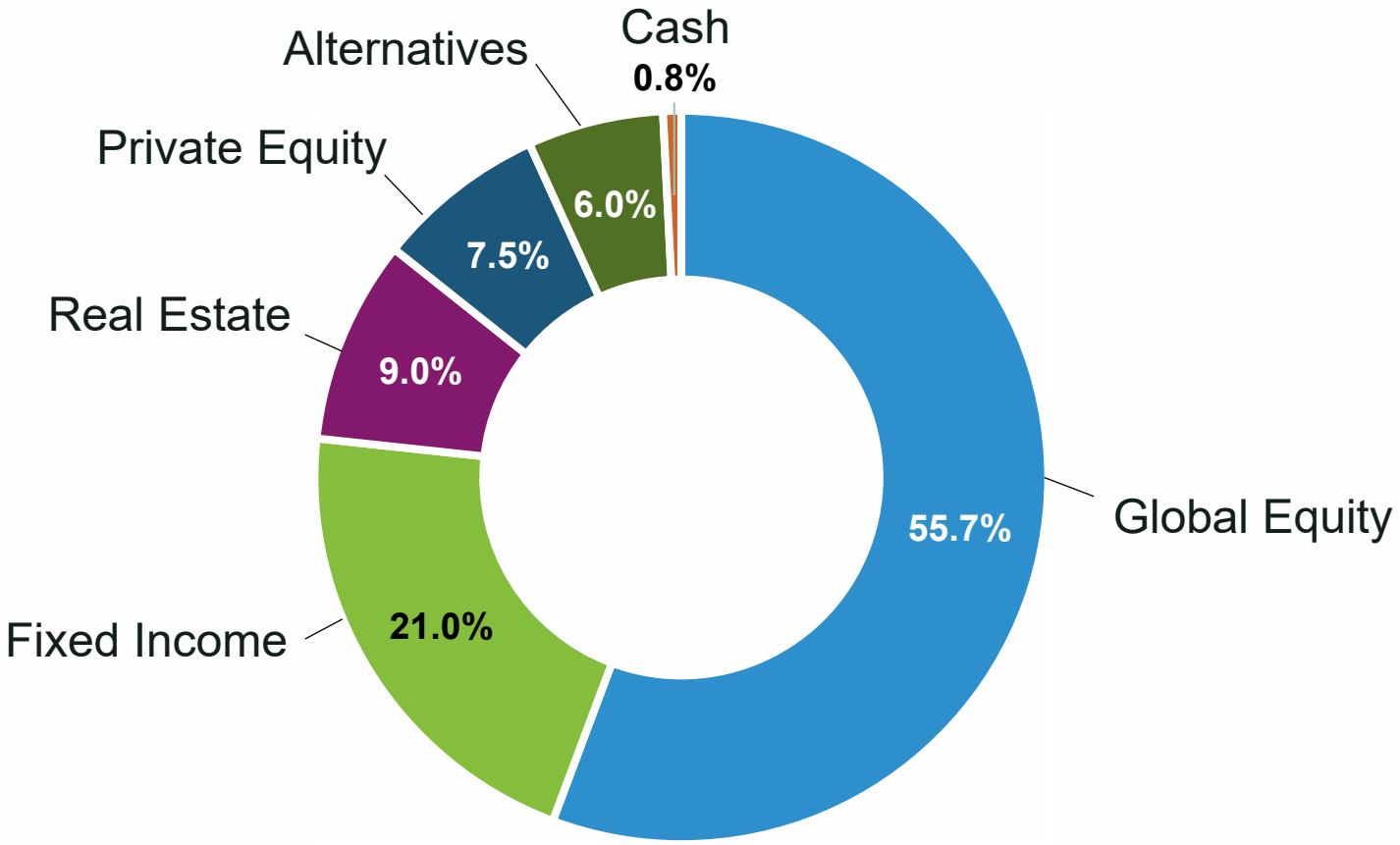
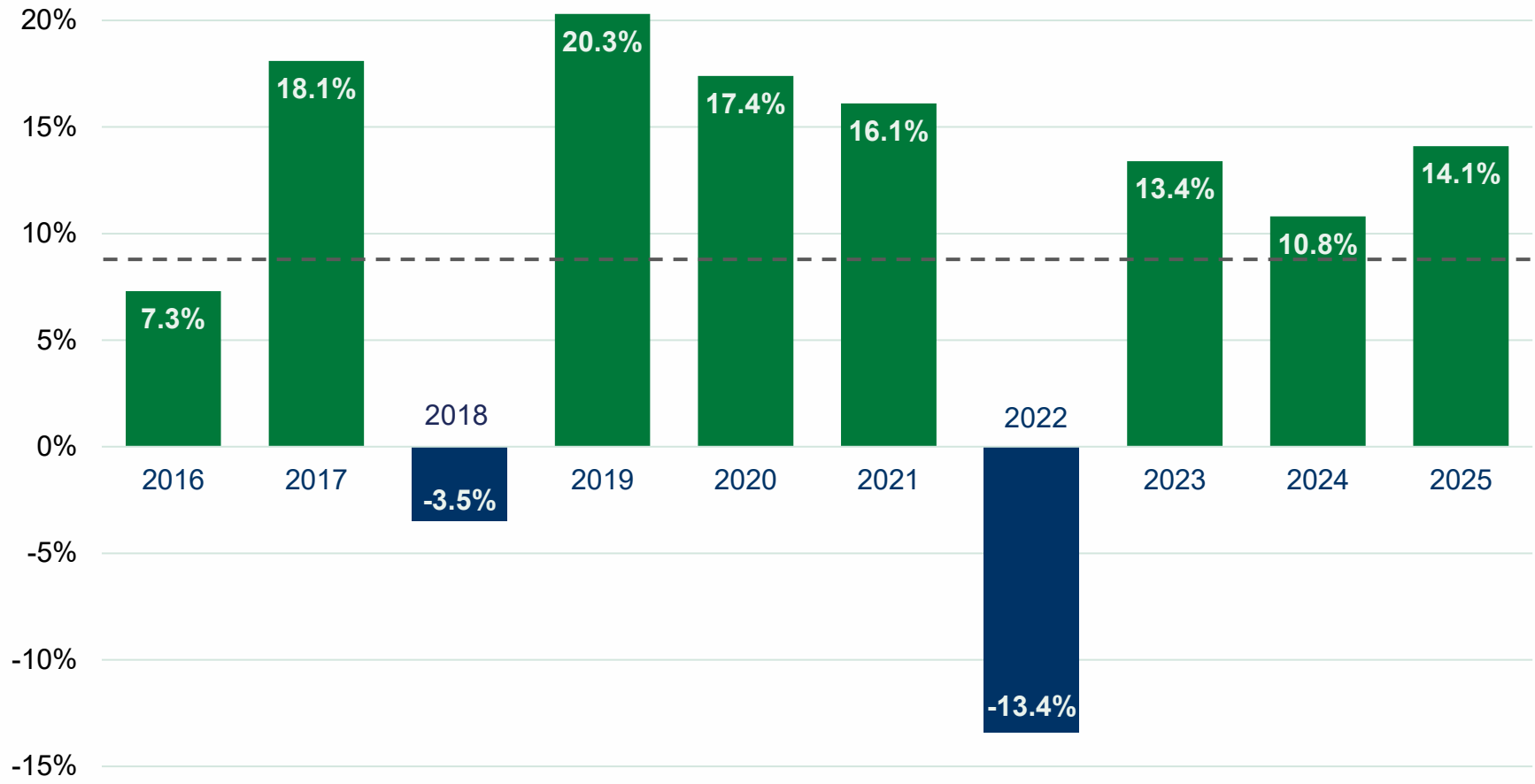
PERA's Asset Allocation

As of December 31, 2025



Investing for the Long Term



9.5%
10-year Return (annualized)

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Less is More

How PERA Limits Investment Costs to Maximize Returns

$75.1 billion
Assets under management on behalf of PERA membership

$248.5 million
Internal and external investment management expenses

62%
Assets managed in-house by PERA staff

$23.6 million
The cost of PERA internal asset management

$124 million
Estimated cost to outsource asset management

PERA saved $100.4 million through its in-house investment program in 2025

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Automatic Adjustment Provision

PERA is **on schedule** to meet its funding goal

The automatic adjustment provision is reviewed on an annual basis to help ensure the long-term stability of benefits today and in the future

Annual Increase

1% in July 2026

1% in July 2027

for most eligible benefit recipients

Member Contributions

No changes in 2026 or 2027

Employer Contributions

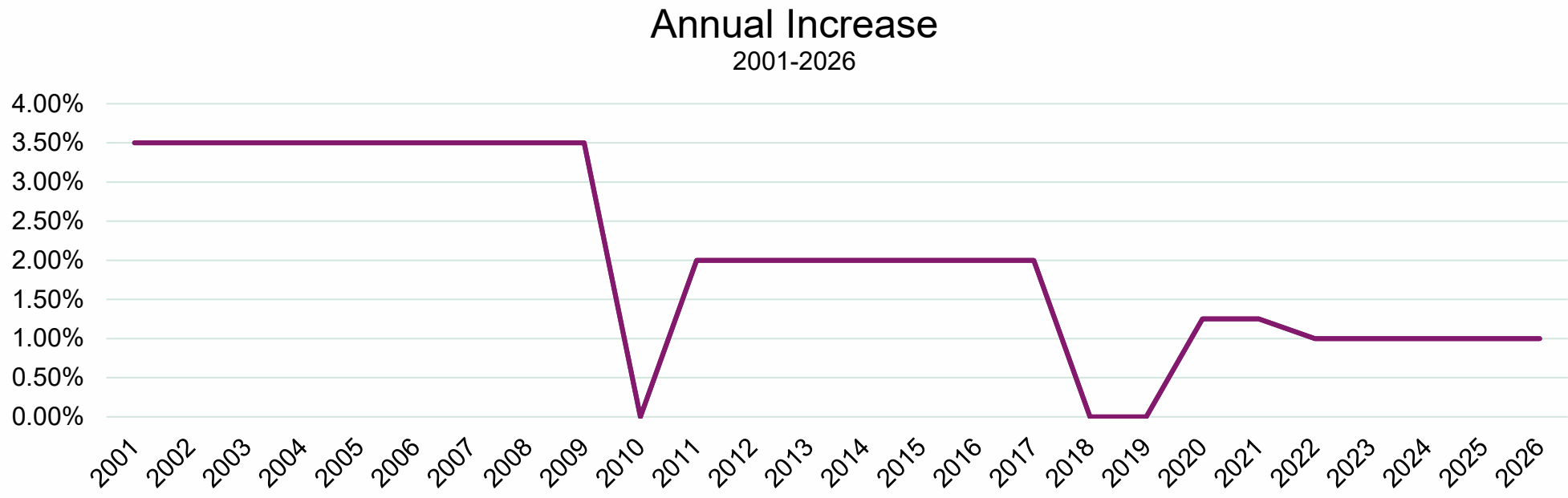
No AAP changes in 2026 or 2027

Annual Increase History

2001-2026

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	0.00%	2.00%	2.00%	2.00%

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%



Values for PERA Tier 1 Benefit Recipients

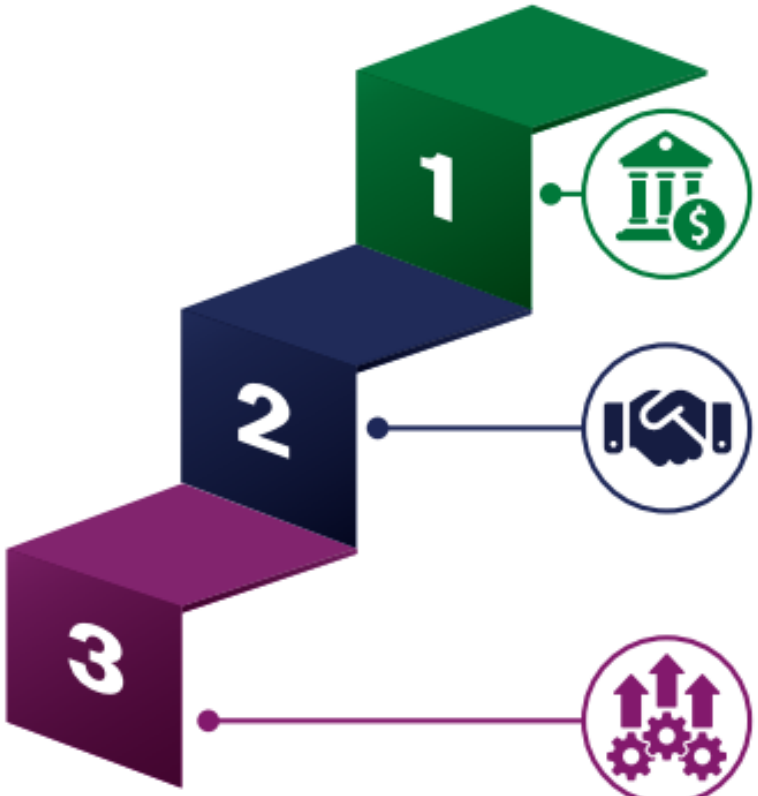
SB 10-001 Report – 2025 Update

PERA Annual Increases Versus Inflation

Comparison of AI Provisions Versus Inflation Prior to and After Consideration of Reforms—5-, 10-, and 15-Year Analysis

Membership Group	Prior to Consideration of SB 1 and SB 200 Reforms				After Consideration of SB 1 and SB 200 Reforms			
	Average Increase		Cumulative Increase		Average Increase		Cumulative Increase	
	PERA	CPI-W	PERA	CPI-W	PERA	CPI-W	PERA	CPI-W
PERA Tier 1								
5-Year Experience (2010-2014)	3.5%	1.7%	18.8%	8.7%	1.6%	1.7%	8.2%	8.7%
10-Year Experience (2010-2019)	3.5%	1.5%	41.1%	16.2%	1.4%	1.5%	14.9%	16.2%
15-Year Experience (2010-2024)	3.5%	2.4%	67.5%	41.8%	1.3%	2.4%	21.3%	41.8%
DPS Tier 1								
5-Year Experience (2010-2014)	3.3%	1.7%	17.3%	8.7%	1.7%	1.7%	8.8%	8.7%
10-Year Experience (2010-2019)	3.3%	1.5%	37.7%	16.2%	1.5%	1.5%	15.5%	16.2%
15-Year Experience (2010-2024)	3.3%	2.4%	61.6%	41.8%	1.3%	2.4%	22.0%	41.8%

2025-2027 Strategic Plan



Financial Stability

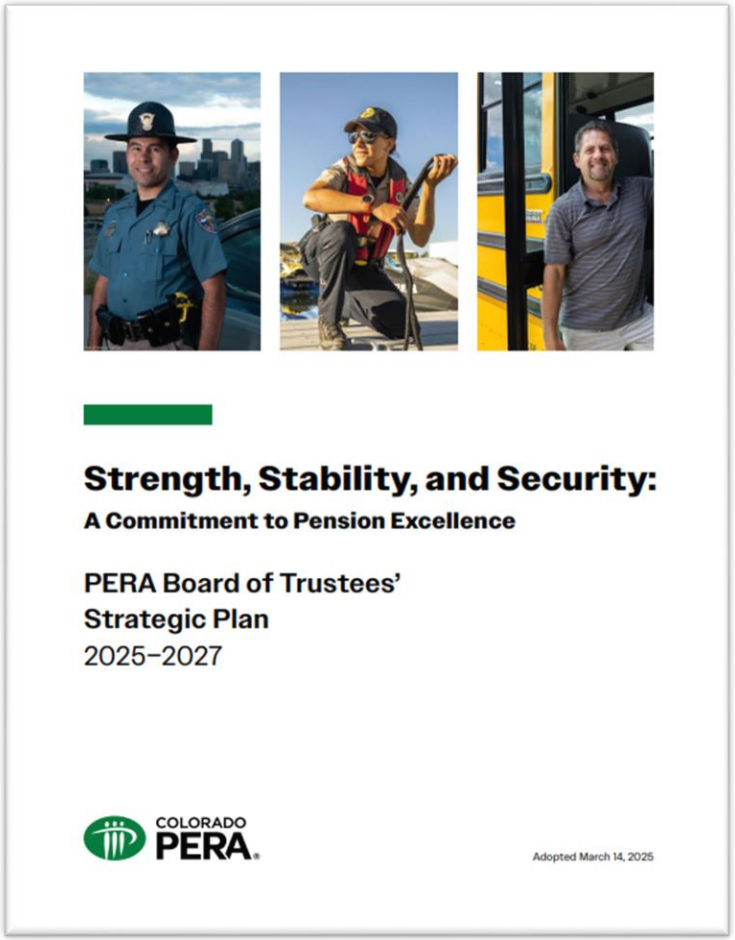
Strengthen PERA's
Long-Term Financial Health

Customer/ Stakeholder Experience

Be a Trusted Partner in
Service of Our Customers

Organizational Excellence and Modernization

Create Value Through
Exceptional Performance



Review and Oversight

Colorado's General Assembly conducts regular reviews and has oversight of PERA to ensure our **finances are sound** and your **benefits are secure.**

Recently, the State Auditor released an independent study on PERA's Defined Benefit plan. The plan remains:

- **Cost-effective** and provides a **strong benefit**
- **Flexible** for varied career lengths
- A tool for **recruiting and retaining** career employees

2026 Legislative Session

The Colorado General Assembly passed six PERA bills.

Highlights include:

- Flexibility for PERA to allocate $225M direct distribution
- Redirecting a portion of employer health care trust fund contributions
- Expanding PERAPlus 401(k) & 457 (with Roth options) to all PERA members (*effective Jan. 1, 2027*)
- Allowing PERA members to buy up to 5 years of service credit for periods of unemployment (*effective Jan. 1, 2027*)

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Signal Light Report

Projected AAP Adjustments and Projected Funding Periods

Given PERA's 14.1% investment return for 2025 and the enactment of HB 26-1400, the projected AAP adjustments in future years have favorably shifted to eliminate potential adverse adjustments and add potential favorable adjustments as soon as 2034.

Please reference the *Automatic Adjustment Provision* fact sheet for more information regarding the annual AAP assessment and AAP adjustments.

	Projected AAP Adjustments by AAP Assessment Year											
Projection as of	**2026**	**....**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
2024 Year-End				↑					↑			
2025 Year-End				↓			↓			↓		↓

Note that the projected AAP adjustments are anticipated to be triggered in the assessment year shown with the adjustments effective as of July 1 two years later.

↑ Increased contributions and decreased Annual Increases ↓ Decreased contributions and increased Annual Increases

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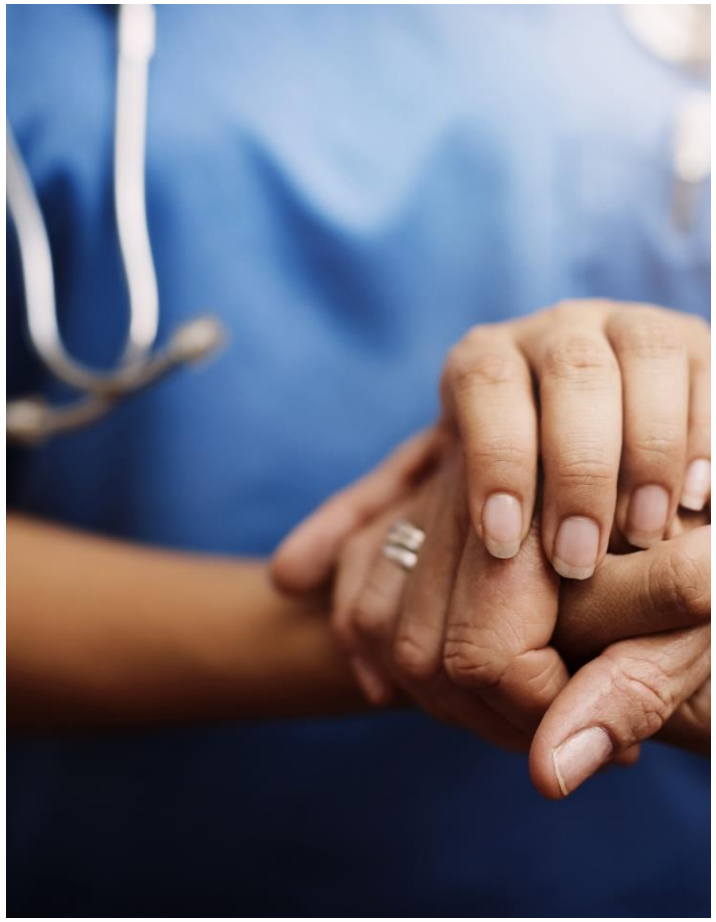
Social Security

The passage of the **Social Security Fairness Act** eliminated the Windfall Elimination Provision and Government Pension Offset for Social Security benefits payable for January 2024 and later.

Please contact the Social Security Administration with questions about Social Security benefits at **ssa.gov**

PERACare Changes in 2027



Beginning January 1, 2027:

- **Pre-Medicare:** Switching from UMR to **Anthem**.
- **Medicare Advantage:** Switching from UnitedHealthcare to **Humana**.
- **NEW:** Medicare Companion plan from **Moda Health**.

More information available during PERACare Open Enrollment beginning October 1:

- **copera.org/peracare**

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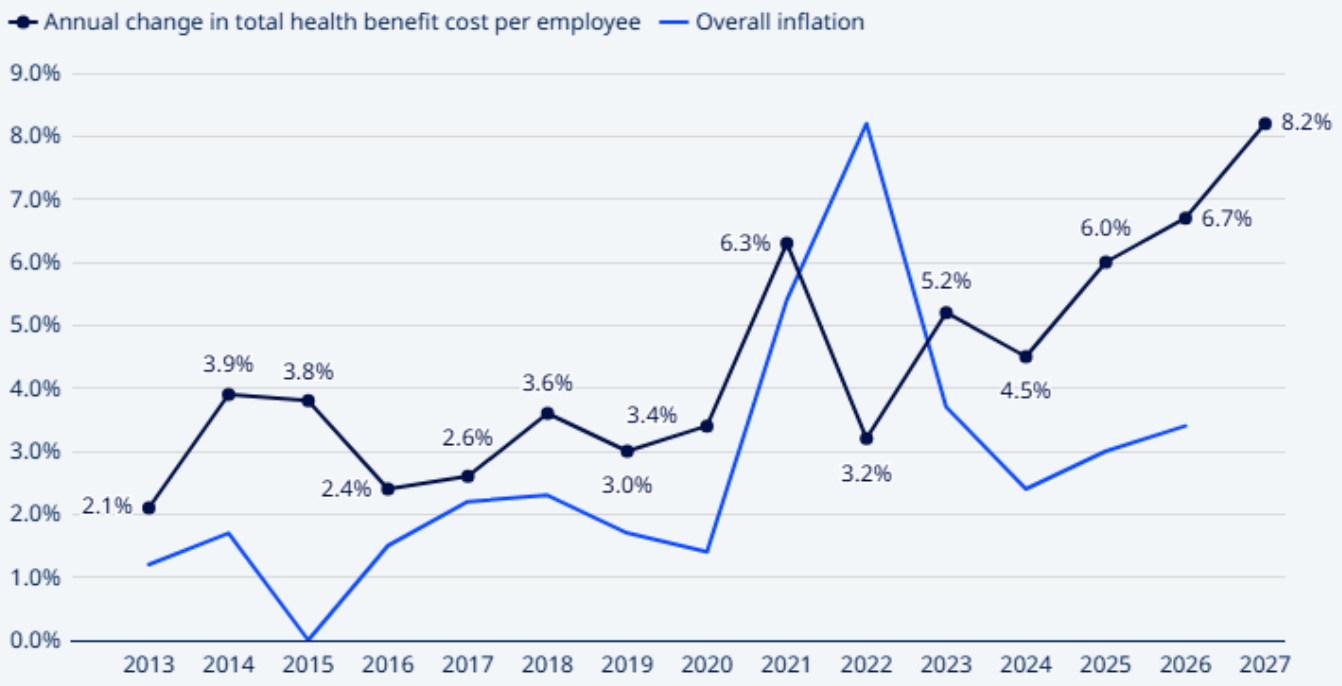
Healthcare Cost Trends

Employers expect health benefit cost per employee to rise 8.2% in 2027 (after making changes to current plans)

Change in total health benefit cost per employee compared to CPI



Cost increases for 2026 and 2027 are projected; 2027 is based on preliminary results. Note that the cost trend from 2020 to 2022 was disrupted by pandemic-related fluctuations in utilization.

Source: Mercer's National Survey of Employer-Sponsored Health Plans (beginning in 2020 results are based on employers with 50 or more employees); Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (September to September) 2013-2025 (July to July) 2026.

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