Working Together for Your Future

Annual Comprehensive Financial Report

Public Employees' Retirement Association of Colorado

For the year ended December 31, 2025

COLORADO PERA®

2025 IN REVIEW

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)

Members Actively Contributing to PERA
218,691
($13.1 billion annual covered-payroll)

Employers
414
(Per GASB 67, an employer includes primary government and component units)

Total Covered Participants
56,109
(In PERACare Health Benefits Program)

Funded Status
69.1%
(Division Trust Funds)

Retirees and Benefit Recipients
145,554

Annual Retirement Benefit Payments
$5.6 billion

Invested in Colorado-Based Companies, Partnerships, and Assets
$642.5 million

30-Year Rate of Return
8.1%
(Annualized, time-weighted, and net of external management and custody fees)

Net Pension Liability
$24.2 billion
(Based on fair value of assets)

Unfunded Actuarial Accrued Liability
$30.1 billion
(Based on smoothed asset values)

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

Public Employees' Retirement Association of Colorado

Prepared by Colorado PERA's Accounting Division in coordination with staff from other divisions

COLORADO
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COLORADO PERA

June 25, 2026

Andrew Roth
Chief Executive Officer/ Executive Director

Dear Colorado PERA Members, Benefit Recipients, Employers, and Members of the Board of Trustees:

I'm pleased to present this *Annual Comprehensive Financial Report (ACFR)* for the Public Employees' Retirement Association of Colorado (PERA) for the year ended December 31, 2025.

2025 marked another year of steady growth in the global financial markets. The PERA Combined Investment Fund (CIF) portfolio ended the year with a return of 14.1% (annualized, time weighted, net of external investment management and custody fees) compared to the benchmark's return of 16.3%. The Division Trust Funds, the Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve are included in the CIF portfolio. Total plan assets were valued at $75.1 billion for the CIF portfolio and $7.6 billion for the Capital Accumulation Plans. The combined funded ratio for the five Division Trust Funds was 69.1%, a decrease from 69.2% at the end of 2024. Additional details of actuarial metrics are provided on page 7.

The strong performance of our investment portfolio in 2025 means PERA remains on track to meet its long-term funding goal. That means there will be no automatic adjustments to contribution rates or annual benefit increases in 2027. All eligible benefit recipients will receive a 1.0% increase this July and most, if not all, will receive 1.0% in July 2027. This is good news for our members, retirees, and employers, and we will continue to closely monitor our funding progress to ensure we remain on track.

In 2025, the PERA Board of Trustees (Board) approved a new three-year strategic plan, and I'm thrilled to report PERA achieved 100% of the objectives laid out for year one. (PERA's Strategic Plan is available at copera.org/strategic-plan.) This achievement demonstrates how employees at all levels of the organization are dedicated to modernizing our operations, improving the services we provide, and building stronger relationships. A commitment to innovation, transparency, and culture positions the organization to better meet the evolving needs of our members while maintaining the long-term sustainability of the fund.

Strengthening relationships with members, stakeholder organizations, and legislators was a top priority in 2025. I find great value in meeting face-to-face, and we kicked off a series of in-person town halls with members and retirees that will continue to take us around the state. I've also met with the Governor's office and legislative leadership, retiree groups, PERA-affiliated employers, and others with a vested interest in how PERA is doing. Those relationships are vital to our future, and I welcome the opportunity to hear first-hand what's working, what isn't, and how we can find a path forward together.

2025 also brought a renewed focus on transparency for PERA and the Board. We know conducting business in an open and transparent manner is vital for maintaining trust, and we've expanded the amount of information we make publicly available on our operations, finances, and Board activities. I invite you to visit copera.org/transparency to view publicly available documents and information on PERA's financial statements and investments, Board expenses, staff compensation, and more.

I am deeply proud of the dedication across the organization as we modernize for the future and continue our long-term commitment to a stable, secure retirement for Colorado's hardworking public workforce. With a strategic approach and a strong sense of mission and vision, we're working together for your future.

Mail: PO Box 5800, Denver, CO 80217-5800 | 1.800.759.PERA (7372) | **copera.org**

2025 Legislation

During the 2025 legislative session, four bills impacting PERA were passed by the Colorado General Assembly and became law.

Senate Bill 25-028: Public Employees' Retirement Association Risk Reduction Measures

This bill requires the PERA Board to conduct the periodic actuarial experience study in the 2024 calendar year and every four years thereafter and to conduct the periodic actuarial audit in the 2026 calendar year and every four years thereafter, as well as ensure that each periodic actuarial audit takes into consideration the results and findings of the actuarial experience study that was conducted during the prior calendar year. It also requires the Pension Review Subcommittee's "independent review" to be conducted in the year following PERA's most recent actuarial audit.

Governor Jared Polis signed the bill into law on March 26, 2025.

PERA's Position: Monitor

House Bill 25-1105: PERA True-Up of Denver Public Schools Division Employer Contribution

Beginning on July 1, 2025, this bill reduces the employer contribution rate by 3.0% for the Denver Public Schools (DPS) Division from 10.4% to 7.4% of salary and reduces the allocation to the DPS Health Care Trust Fund by 0.82% from 1.02% to 0.20%. In addition, through June 30, 2030, DPS will not receive an allocation of the annual direct distribution payment from the State and will not be included in the automatic adjustment provision (AAP) calculation but remains subject to adjustments, if triggered.

Governor Jared Polis signed the bill into law on May 23, 2025.

PERA's Position: Oppose

Senate Bill 25-147: Modify Board Management PERA

This bill modifies a number of provisions under current law related to the PERA Board of Trustees, including a change to the designation of PERA for purposes of open meetings laws, establishing term limits for Trustees, and requiring that certain financial information, including various administrative costs and other expenses, are posted on PERA's website and updated on an annual basis.

Governor Jared Polis signed the bill into law on June 3, 2025.

PERA's Position: Support

Senate Bill 25-310: Proposition 130 Implementation

This bill implements and modifies Proposition 130, approved by voters in the November 2024 general election, which directs the State to spend $350 million to help recruit, train, and retain local law enforcement officers. The provisions concerning PERA relate to funding for the bill. This requires additional distributions totaling $500 million paid to PERA before October 1, 2025, which is to be invested by PERA. Based on the earnings from these investments, there may be reductions made to future years' direct distributions from the State. These funds may be recognized incrementally and will be reflected separately in PERA's financial statements. In addition, this bill provides flexibility regarding the method used to allocate the annual direct distribution if an alternative allocation method would prevent triggering an automatic adjustment.

Governor Jared Polis signed the bill into law on June 2, 2025.

PERA's Position: Monitor

Economic Environment

The U.S. economy and consumer showed economic resilience in 2025 even as headwinds emerged and uncertainty persisted. The University of Michigan Consumer Sentiment Index declined 29% from the beginning of the year, nearing its all-time low reached during the pandemic, with the longest government shutdown in U.S. history, stubbornly high prices, and a softening labor market weighing on consumer confidence. Job growth slowed significantly, with 181,000 jobs added in 2025. The unemployment rate edged up slightly to end the year at 4.4%. Real gross domestic product (GDP) growth fell from the prior year but remained positive and ended the year up 2.1%. Wage and salary growth again outpaced inflation, rising 3.4% from the prior year for civilian workers. Disinflation was one bright spot with the Consumer Price Index (CPI-U) increasing 2.7% year-over-year. Easing in inflation, coupled with a stable employment outlook, allowed the Federal Reserve (Fed) to cut rates in the latter half of the year. The Fed cut rates by a quarter point at each of three separate meetings, which brought the upper bound of the federal funds rate down to 3.75%. The Personal Consumption Expenditure (PCE) price index is the Fed's preferred measure of inflation and rose slightly to 2.9% from a year earlier.

Growth in global GDP held steady from the prior year with estimated 2025 GDP growth at 2.7%. Advanced economies grew 1.7% and emerging market and developing economies grew 4.2%. In recent years, GDP in the United States outperformed global GDP but in 2025 this trend reversed course. GDP growth in the United States remained above that of its peer countries in the Euro area, which grew at 1.4%. South Asia countries continued to outperform other emerging market and developing economies, growing at 7.1%. Tensions with Ukraine/Russia, Israel/Gaza, and China/Taiwan remained elevated and shifting tariff policies added to global economic uncertainty.

Letter of Transmittal

Over the prior 15-year period, Colorado's economy has been a top performer across nearly all metrics including GDP and labor force growth, ranking 5th and 6th, respectively. Sustaining high growth for more than a decade is difficult, and Colorado has recently reverted to the mean. Fundamentals remain strong, with the unemployment rate posting better numbers than the national average. The unemployment rate edged down to 3.8%, GDP grew at 2.1% in 2025, and the labor force participation rate continues to remain significantly above the national average of 62.4%, at 66.9%. Years of record home price appreciation have slowed with Colorado ranking 50th nationally in home price growth. The median price of a single-family home declined 2.6% statewide in 2025, to $560,000, and declined 2.0% in the Denver metro region, to $600,000.

Investments

Investment portfolio income is a significant source of revenue to PERA. The Board's Investment Committee is responsible for assisting the Board in overseeing PERA's investment program.

In 2025, there was net investment income of $10.4 billion compared with total member contributions of $1.8 billion and employer contributions of $2.9 billion.

For the year ended December 31, 2025, the CIF portfolio had a time-weighted, net of external investment management and custody fees, rate of return of 14.1%. These rates of return over the last three-, five-, 10-, and 30-year periods were 12.7%, 7.6%, 9.5%, and 8.1%, respectively.

Prudent funding and healthy investment returns are important to the financial soundness of PERA. More information on the composition of the portfolio is reflected in the Investment Summary on page 128.

An integral part of the overall investment policy is the strategic asset allocation. The strategic asset allocation is designed to provide appropriate diversification and balance expected total rates of return with the volatility of expected returns. The fund is to be broadly diversified across and within asset classes to limit the volatility of the total fund investment returns and to limit the impact of large losses on individual investments. Both traditional and nontraditional assets are incorporated into the asset allocation mix.

In addition to asset class targets, the Board sets ranges within which asset classes are maintained. The policy benchmark weight and the specified ranges for each asset class are presented on page 124. All of the asset classes were within their specified ranges at year-end.

PERA's investment policy is summarized in the Report on Investment Activity starting on page 124.

Investment Stewardship

PERA's fiduciary duty is to serve as stewards of capital for our members, participants, and beneficiaries.

Foundational to PERA's investment stewardship are cost-consciousness, integration of material factors in PERA's investment and proxy voting decisions, market advocacy, and the ongoing evaluation of portfolio holdings. These efforts are intended to strengthen PERA's investment stewardship across all asset classes in the portfolio while prioritizing financial sustainability.

Senior members of PERA staff serve on advisory groups and boards to advocate for robust capital markets and business practices accretive to long-term investment value. In 2025, I had the honor of being elected to serve as Co-Chair of the Board of Directors for the Council of Institutional Investors (CII) after serving as a member of the Policies committee. Amy C. McGarrity, Chief Investment Officer/Chief Operating Officer, was selected by her fellow committee members to serve as secretary of the Investor Advisory Committee of the U.S. Securities and Exchange Commission (SEC) and continues to serve as Chair of the Investor Advisory Group of the Public Company Accounting Oversight Board (PCAOB). These efforts demonstrate PERA's leadership in setting market standards and best practices in governance and stewardship. PERA believes healthy markets that support long-term investment value are in the best interest of PERA members and beneficiaries.

Major Initiatives

Throughout 2025, the focal point of work centered around the new 2025-2027 strategic plan approved by the PERA Board in March 2025. The strategic plan is anchored on three major goals:

- Strengthening Financial Security
- Enhancing Customer and Stakeholder Experience
- Organizational Excellence and Modernization

Each of these goals represent themes that are long-term in nature and which encompass multiple strategic objectives that PERA will focus on to remain aligned with the PERA Board's priorities.

Strengthening Financial Security

Ensuring financial stability and achieving full funding by 2048 is paramount for PERA. In 2025, foundational work was done to support the priorities for this goal, which are critical to advancing PERA's long-term financial stability.

Equity Unitization—In January 2025, the unitization of PERA's Global Equity asset class was completed. This allows for the commingling of assets for two portfolios available in the lineup of PERAdvantage investment offerings in the Capital Accumulation Plans that are managed as part of the Combined Investment Fund. This change supports continued access to low-cost, institutional-quality investment management, creates flexibility for the Investment team, and may lead to cost savings and future investment options for participants in the Capital Accumulation Plans.

Cost-Management Reporting—To better align operational cost-management reporting practices to strategic initiatives, PERA created a policy and framework and will pilot with one to three strategic initiatives on tracking and reporting costs.

Legislative Policy—PERA clarified its approach to legislative engagement by establishing a formal legislative policy to provide guidance on how PERA manages legislative matters.

Enhancing Customer and Stakeholder Experience

This goal is grounded in our customer-centric culture reinforcing a commitment to delivering exceptional value and refinement of evolving customer needs and preferences among members, employers, and other key stakeholders.

Refining NPS—Significant progress was made in refining PERA's capabilities to assess changing member needs and preferences over time. Foundational work was completed to align member-facing teams, develop systems (metrics and data sources), and improve feedback devices to identify opportunities for improvement. Additional work included the exploration of alternatives to the Net Promoter Score (NPS) survey.

Employer Engagement Steering Committee—PERA made meaningful progress in aligning services with employer needs by launching a cross-functional employer engagement steering committee. This group worked on determining areas of focus for assessing employer needs and preferences, through focus groups and surveys, to identify new or additional features and services needed. Establishing this baseline information is key to improving satisfaction and communication with this key stakeholder group as engagement work continues on this initiative in 2026.

Redesign of STARS Employer Portal--A major redesign of the STARS (Secure Employer And Reporting System) portal was launched in November 2025, delivering the most significant update to the system in nearly 20 years. The new portal introduces a modern, accessible design, streamlines navigation, and clarifies workflows so contribution reporting and other actions can be completed easier and more accurately. These updates were developed from direct employer feedback and internal research, ensuring the improvements reflect real user needs while moving STARS toward WCAG 2.1 Level AA accessibility standards. This launch advances PERA's strategic goal to strengthen and improve stakeholder partnerships.

Reintroduction of PERA Town Halls—In the realm of deepening member and stakeholder engagement, we embarked on our first series of in-person meetings in several years. We traveled to Golden and Fort Collins where we hosted town hall meetings which provided space for direct dialogue and questions. More town hall meetings are in the works as we aim to engage and connect with our membership across the state.

Organizational Excellence and Modernization

This goal reinforces PERA's commitment to strong governance, modernization, and organizational resilience and much of the work in 2025 focused on strengthening the internal foundation needed to support change.

PRISM (Pension Resource & Information Services Manager)—To help guide the PRISM pension administration system modernization, a modernization office was created to help ensure work stays aligned, transparent, and on track. This new office will keep the modernization roadmap moving forward while building the internal capacity needed to manage change effectively — now and into the future. Another key accomplishment for this project was the onboarding of a vendor, Provaliant, to support the creation of a roadmap for this program. Additionally, a clear mission, vision, and governance structure were established for the PRISM program including a formal program charter, project management office, and routine Board reporting processes. PERA also completed a business process review to help prepare staff and processes for future system changes.

Defining Innovation and Strengthening Community & Belonging—Integrating innovation into both culture and operations is a key focus of the 2025-2027 strategic plan. Through an innovation survey and workshop, staff worked to define what "innovation" means at PERA to ensure we had a common working definition for prioritizing our work and supporting innovative practices. The staff-led effort defined innovation for the organization as "the intentional pursuit of creative solutions that drive continuous improvement, enable evolution, and enhance efficiency and effectiveness." In parallel, PERA continued work to strengthen a culture of community and belonging by evolving an advisory committee and identifying key performance indicators (KPIs) to guide our work.

Top Workplaces—For the fourth year in a row, PERA was recognized as one of Denver's Top 150 Workplaces. This recognition reflects a sustained focus on the employee experience even as we navigate growth and priorities evolve. The Top Workplace recognition is awarded based only on employee feedback. An independent research company conducts the survey and does not disclose individual responses to PERA.

In addition to these excellence and modernization initiatives noted above, PERA is in the process of creating an Artificial Intelligence (AI) Strategy Roadmap that will focus on governance, training, use case development, and implementation of AI tools.

Actuarial Results

Two types of actuarial valuations are required to be performed for PERA's five defined benefit pension and two other postemployment benefit (OPEB) trust funds; one for accounting and financial reporting purposes and the other for funding purposes. The results of both actuarial valuations are included in the financial and actuarial sections of this report, respectively.

Actuarial Valuations for Accounting and Financial Reporting Purposes

The results of the actuarial valuations performed for accounting and financial reporting purposes are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Assets are required to be stated at fair value and the liabilities are determined using a standardized methodology allowing for greater transparency and comparability across U.S. governmental defined benefit pension and OPEB systems. The amount of total pension liability (TPL) in excess of the fair value of assets or the fiduciary net position (FNP) is referred to as the net pension liability (NPL).

The NPL decreased from $28.0 billion to $24.2 billion by year-end 2025, due to favorable investment performance during 2025, partially offset by a net demographic actuarial loss.

In accordance with GASB 67 and GASB 74, the discount rate determination for 2025 required the use of the long-term expected rate of return of 7.25% for the five pension and two OPEB trust funds.

A comprehensive discussion of the results of the actuarial valuation performed for accounting and financial reporting purposes can be found in the Management's Discussion and Analysis (MD&A) starting on page 39, as well as in Notes 10 and 11 of the Notes to the Financial Statements in the Financial Section.

Actuarial Valuations for Funding Purposes

The results of the actuarial valuations for funding purposes are prepared in accordance with the Actuarial Standards of Practice (ASOPs) and the Board's pension and OPEB funding policies. Investment gains and losses are recognized over a four-year period to calculate a smoothed or actuarial value of assets (AVA) used to determine funding metrics. The amount of actuarial accrued liability (AAL) in excess of the AVA is referred to as the unfunded actuarial accrued liability (UAAL). The ratio of AVA to AAL represents the funded status of each plan.

The UAAL as of year-end 2025 was $30.1 billion, an increase from $28.9 billion, as of year-end 2024, primarily due to an actuarial loss on the AVA or smoothed value of assets, further exacerbated by a net demographic actuarial loss.

To calculate the AAL for funding purposes, the discount rate used always is equal to the long-term expected rate of return set by the Board.

The results of the actuarial valuations performed for funding purposes are briefly summarized in the next section with information on certain funding actuarial metrics provided in the MD&A starting on page 35. A more comprehensive discussion is provided in the Actuarial Section.

Actuarial Valuation Similarities and Differences

Although the same funding or attribution method is used to determine liabilities for both accounting and financial reporting and funding purposes, differing asset values (fair value versus AVA) and other typically less impactful valuation processes can result in notably different assessments of unfunded liabilities (NPL versus UAAL) under various economic conditions.

For the five defined benefit pension trust funds as of the year ended December 31, 2025, the results of the two types of actuarial valuations are shown below, reflecting the calculation similarities and differences as described (dollars in billions):

	Accounting & Financial Reporting (GASB)	Funding (ASOPs & Board Funding Policy)
Discount Rate	7.25%	7.25%
A. Liabilities: TPL and AAL	$98.0	$97.4
B. Assets: FNP and AVA	73.8	67.3
Unfunded Liability (A) - (B): NPL and UAAL	**$24.2**	**$30.1**

For the five defined benefit pension trust funds as of December 31, 2024, the NPL calculated for accounting and financial reporting purposes was $28.0 billion compared to the UAAL calculated for funding purposes was $28.9 billion.

Funding

On December 31, 2025, the funded ratio for PERA's five defined benefit pension trust funds was 69.1% compared to 69.2% on December 31, 2024. The AVA as of December 31, 2025, was $67.3 billion. Although the 2025 fair value investment return of 14.1% was favorable when compared to the long-term expected rate of return of 7.25%, the investment return on an AVA basis was 5.9% versus the 7.25% assumption. This less than expected investment return for 2025 was predominantly due to the final portion of the 2022 investment losses recognized in the smoothed actuarial value. The UAAL as of December 31, 2025, was $30.1 billion, an increase of approximately $1.2 billion from the previous year, reflecting the AVA investment loss, as previously described, and a net demographic actuarial loss.

The development and ongoing review of a pension funding policy are responsibilities of the Board. PERA's current pension funding policy initially was adopted by the Board in March 2015, and last revised January 19, 2024, for the five defined benefit pension trust funds. The Board adopted a similarly structured OPEB funding policy in January 2018, which also was last revised January 19, 2024. Both policies focus on the determination of an actuarially determined contribution reflecting closed and layered 30-year amortization periods. The purpose of each policy is three-fold: (1) to define the overall funding benchmarks of each trust fund, (2) to assess the adequacy of the contribution rates set by the Colorado General Assembly by comparing each trust fund's statutorily set contribution rate to an actuarially determined contribution benchmark, and (3) to define the annual actuarial metrics which will assist in assessing the sustainability of the plan. The results of these three items help guide the Board when considering whether to pursue or support proposed contribution and benefit legislation.

Investment income is the most significant driver of the funded status in a defined benefit plan. To understand the significance of this assumption, a sensitivity analysis is included in the Actuarial Section on page 177 for the Division Trust Funds and page 200 for the Health Care Trust Funds. Additional information on PERA's funded ratio, unfunded liabilities, and actuarial assumptions may be found in the Actuarial Section starting on page 149 for the Division Trust Funds and on page 186 for the Health Care Trust Funds.

Employer contributions also drive the funded status. Considering all five Division Trust funds, 2025 is only the fifth year within the last 23 years the actual statutory employer and nonemployer contributions received were in excess of ($555.8 million greater than) the required actuarially determined contributions, or ADC. The ADC is calculated by PERA's actuaries, pursuant to the Board's pension funding policy, as a benchmark to compare the statutory rates. This actuarial metric is also a key component of the AAP assessment.

Five years of excess contributions have not offset the cumulative deficiency from the prior 18 years; accordingly, the net deficiency over the 23-year period totaled $3.9 billion as of December 31, 2025. See page 37 of the MD&A in the Financial Section for additional details.

Investment Rate of Return Sensitivity Effect on Projected Funding Periods

In addition to the annual actuarial funding valuation, the Board's actuary performs actuarial projections for each Division Trust Fund. These projections are forward-looking and take into consideration the many tiers of PERA benefit provisions and the statutory contribution rate structures. The projections also reflect applicable salary, demographic, and economic actuarial assumptions, as well as anticipated member growth and possible future AAP adjustments. Considering the various benefit tiers currently in effect within PERA and the likelihood of future AAP adjustments, the Board believes the results of the actuarial projections provide valuable insight into the long-term impact of the pension reforms adopted in 2010 and 2018.

The main focus of these projections is to provide, by division, the funding period, meaning the expected number of years until full funding status is achieved. The projected funding periods reflect all actuarial assumptions and the benefit and contribution provisions currently enacted, even if not yet effective.

The following table shows the projected funding periods determined considering a projected, open-group population, the possibility of future AAP adjustments, and anticipated changes to AED and SAED contribution rates, as necessary. The results are shown under two scenarios: (1) as of the December 31, 2025, actuarial valuation, reflecting 2025 investment return and other plan experience, and incorporating the revised contribution provisions of HB 26-1400, enacted June 1, 2026, and effective July 1, 2026, and (2) as of the December 31, 2024, actuarial valuation.

	Projected Funding Periods (in years)	
Division Trust Fund	2025 Valuation Results	2024 Valuation Results[1]
State	18	18
School	22	25
Local Government	4	10
Judicial	2	5
DPS	5	10

[1] Amounts have been updated from those previously reported in the 2024 ACFR to enhance comparability with 2025 results. The revised 2024 results reflect possible future AAP adjustments.

It is important to understand the risks related to defined benefit plans, specifically the risks associated with the selection and application of the long-term expected rate of return on investments. Given the long-term funding horizon and anticipated ongoing aspect of such defined benefit plans, particularly those providing benefits in the public sector, it is generally understood that the plan's existence is tied to the ongoing nature of governmental services. Therefore, it is common practice for plan sponsors/administrators of governmental or public sector pension plans also to apply the long-term expected rate of return as the discount rate used to determine the liabilities of the plan.

In order to derive the long-term expected rate of return, the Board looks to the expertise of its investment and actuarial consultants to perform a comprehensive asset/liability study on a periodic basis (generally every three to five years). In conjunction with this study, the Board reviews capital market data from numerous sources. PERA concluded the most recent asset/liability study in September 2024. As a result of the study, the Board updated and approved long-term asset allocations and target ranges effective January 1, 2025, and reaffirmed the current 7.25% long-term expected rate of return applicable to all five Division Trust Funds and the two Health Care Trust Funds.

The following table illustrates the projected funding periods, in years, of the School Division Trust Fund under the various return scenarios (used for both assumed investment return and to discount liabilities of the plan) which correspond to the confidence levels (probabilities of investment return) as indicated.

This table reflects the results and experience of the December 31, 2025, actuarial funding valuation and the actuarial assumptions adopted January 17, 2025, first effective for the December 31, 2024, actuarial valuations and measurement date. The projected funding periods reflect 50-year probability outlooks (Monte Carlo simulations), provided by the Board's actuaries, and are based on 30-year capital market assumptions, employed in the 2024 asset/liability study as previously described, provided by the Board's investment consultants.

Projected Funding Periods—School Division Trust Fund

Probability of Achieving at Least the Rate of Return Displayed (or Better), per Annum	Long-Term Expected Investment Return & Discount Rate				
	4.69%	6.36%	7.25%	8.74%	10.40%
95th Percentile	Infinite				
75th Percentile		37			
56th Percentile			18		
25th Percentile				6	
5th Percentile					2

Capital Accumulation Plans

PERA offers members opportunities to save more for retirement through three defined contribution plans: the Voluntary Investment Program (PERAPlus 401(k) Plan), the Defined Contribution Retirement Plan (DC Plan), and the Deferred Compensation Plan (PERAPlus 457 Plan), collectively known as the Capital Accumulation Plans (CAPs). All employees working for a PERA-affiliated employer may contribute to the PERAPlus 401(k) Plan. As of December 31, 2025, there were a total of 243 employers who recognized the value of offering more choices in savings by affiliating with the PERAPlus 457 Plan. The Roth option was added to the PERAPlus 401(k) and 457 Plans at the end of 2014. As of December 31, 2025, there were a total of 276 employers who have adopted the Roth option. The Roth option in these plans offers advantages over a Roth IRA, including higher contribution limits and no income-based contribution limitations.

The FNP of the PERAPlus 401(k), DC, and PERAPlus 457 Plans increased for the year ended December 31, 2025. The PERAPlus 401(k), DC, and PERAPlus 457 Plans earned $769.9 million, $88.6 million, and $218.2 million of investment income with a FNP of $5.4 billion, $622.2 million, and $1.6 billion, respectively.

Overview of Colorado PERA

PERA provides retirement and other benefits to the employees of more than 600 government agencies and public entities throughout the State of Colorado. PERA was established in 1931 by state law and operates by the authority of the Colorado General Assembly pursuant to Title 24, Article 51 of the Colorado Revised Statutes. The Board is responsible for administering PERA and has the authority to adopt and revise rules as permitted by statute. Additional information regarding plan participants and benefits provided by PERA in included in Notes 1, 8, and 9 to the financial statements.

Employer Affiliation

PERA welcomes the 23rd Judicial District Attorney, which affiliated in the State Division on January 1, 2025.

Board of Trustees Composition

PERA is governed by a 16-member Board; 12 Trustees are elected by the membership for staggered four-year terms and serve without compensation except for necessary expenses. There are three Governor-appointed Trustees confirmed by the Senate who receive limited compensation pursuant to statute. Also, the State Treasurer serves as a voting ex officio Trustee.

As a result of Senate Bill (SB) 25-147, the terms of both elected and appointed members of the Board are limited to not more than two consecutive four-year terms. This bill also provides that a former Trustee who has served two consecutive terms may be reelected or reappointed to the Board after not serving on the Board for at least one term.

Additionally, SB 26-151 changes the DPS Division Trustee to a voting member effective June 1, 2026. Other Board changes are noted as follows.

In June 2025, Judge Rebecca R. Freyre assumed the position of Board Chair due to the resignation of Taylor McLemore from the Board in June 2025. To fill the position of Vice Chair, which was held by Judge Freyre, the Board elected Trustee Trina Ruhland. Both terms will run until January 2027.

In June 2025, as a result of the 2025 Board election, three new Trustees were elected and two Trustees were reelected. Tina Mueh, a retired Secondary Science Educator from the Boulder Valley School District, was elected to a Retiree seat. Trustee Mueh will serve a four-year term that expires in June 2029. Maruti D. Moré, Chief Investment Officer for the Colorado Department of the Treasury, was elected by State Division members to the non-Higher Education seat. Trustee Moré will serve a four-year term that expires in June 2029. Tonya J. Thompson, General Counsel for Harrison School District 2, was elected to a School Division seat, filling a seat that was vacated in 2024. Trustee Thompson will serve the remaining year of that seat's term, which expires in June 2026. Eunice

Letter of Transmittal

Botchway, a Special Education Teacher in Adams-Arapahoe School District 28J, and Marcus Pennell, a Physics Teacher in the Jefferson County School District R-1, were both reelected by School Division members and will serve four-year terms which expire in June 2029.

In July 2025, four Trustees departed the Board, following the expiration of their terms. Ashley Smith, State Division; Julie Friedemann, Retiree seat; and Louis L. Fletcher, School Division. Norm Franke also departed the Board following the expiration of his term as a Governor-appointed Board member.

In July 2025, Governor Polis appointed two new Trustees. Cynthia Loh, a Financial Services Executive, and Andrew Schremp, President of Rough Rider Capital. Both were confirmed by the Senate in March 2026. By law, Governor-appointed Trustees must have experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis. Trustee Loh's term will expire in July 2028, and Trustee Schremp's term will expire in July 2029.

Management Changes

Jessie Bertoli was named Chief Information Security Officer in July 2025. Jesse is a Certified Information Systems Security Professional (CISSP) and most recently served as the CISO at Pinnacol Assurance. As Chief Information Security Officer, Jesse is responsible for developing, implementing, and maintaining a comprehensive security strategy to protect PERA's digital assets, mitigate risks, and ensure compliance with industry regulations and best practices. Jesse oversees security operations, threat intelligence, incident response, governance, and employee awareness programs.

Robin Maniglia was named Chief Audit Executive in July 2025. Previously, she served as Principal of Finance and Regulatory Compliance at CU Boulder. As Chief Audit Executive, Robin is responsible for leading Internal Audit and guiding the continued development and implementation of the independent assessment of PERA's governance, risk management, and control processes. Robin is also responsible for reporting conditions perceived to pose risks or potential losses to the organization, and for notifying management and the Audit Committee of perceived irregularities, fraud, or other acts detected through the application of usual and customary audit procedures.

Cheryl Pattelli was named Chief Financial Officer in October 2025. Previously, she served as Chief Financial Officer for Weld County Government and the City of Boulder. In her position at PERA, Cheryl is responsible for budgeting, accounting, financial reporting, establishing internal controls over the organization's financial activities, and ensuring compliance with all relevant laws, rules, and regulations. Cheryl will also oversee and manage PERA's financial health, ensuring compliance with regulations, and supporting mission-driven goals of the organization.

Laura Rymut was named Director of Customer Service in July 2025. Prior to joining PERA, Laura was the Vice President of Contact Center Operations at Vertex Service Partners. As Director of Customer Service, Laura is responsible for the overall management and direction of PERA's contact center. She is also responsible for oversight of walk-in customer contact, secure messaging, and non-secured email correspondence with PERA's members and retirees.

Sherrie Larson was promoted to Director of Change Management in December 2025 after serving as the Change Management Manager since May 2025. As Director of Change Management, Sherrie is responsible for developing core infrastructure, frameworks, and ways of working that enable consistent, effective support for change across the organization. The Director of Change Management position was established to build a centralized change management function that supports the numerous initiatives driving PERA's modernization efforts. Prior to joining PERA, Sherrie was Director of Operations for a Colorado nonprofit that supported entrepreneurs and small businesses across Colorado.

Faheem Naushad was named Director of Modernization in January 2026. As Director of Modernization, Faheem serves as the enterprise-wide leader and strategic conductor for the Pension Administration System (PRISM) modernization initiative. Faheem is responsible for ensuring alignment, integration, delivery of value, transparency, and accountability for modernization projects and activities. The Director of Modernization provides leadership, oversight, and coordination to ensure the modernization roadmap is executed effectively, sustainably, and in alignment with PERA's goals. Prior to joining PERA, Faheem was the Associate Chief Information Officer at the Railroad Retirement Board.

Stephen Komon was promoted to Director of Equities in February 2026, replacing Jim Liptak who retired in February after 27 years of service. Stephen joined PERA in 2012 as a Passive Equity Portfolio Manager/Trader. As Director of Equities, Stephen is responsible for the strategy, leadership, and administration of the Investment Department's Equities Division. He is also responsible for directing PERA's global equity investment program in accordance with established investment policies and strategic plan. Stephen also constructs the global equity asset class, utilizing both internal and external management.

Meg Cody was named Director of Risk and Compliance in February 2026. As Director of Risk and Compliance, Meg focuses on designing, implementing, and continuously improving a robust enterprise risk and

Letter of Transmittal

compliance program at PERA. She is responsible for assessing the risks in PERA's enterprise initiatives, strengthening oversight and transparency, ensuring continuity of operations, and aligning work at PERA with regulations, internal policies, and industry standards. Prior to joining PERA, Meg served as the Deputy Director of Risk Advisory and Insurance Services at the University of California, San Francisco.

Megan Peitzmeier was promoted to Deputy General Counsel in March 2026. Megan joined PERA in 2013 as a Staff Attorney. As Deputy General Counsel, Megan is responsible for direct support to the General Counsel in addition to management responsibilities within the Legal Division. She also provides support to various divisions across the organization. Prior to joining PERA, Megan was an associate attorney for Stinson LLP in Kansas City.

Kent Lighthall was named Director of Data and Analytics in May 2026. As Director of Data and Analytics, Kent is responsible for developing and implementing an enterprise-wide data analytics and governance framework to enhance decision-making, improve operational efficiency, and support long-term sustainability of PERA. He is also responsible for ensuring that data and analytics are leveraged as strategic assets to drive investment performance, optimize member services, and deliver value to stakeholders. Prior to joining PERA, Kent served as Director of Data and Analytics at the City and County of Denver.

Financial Information and Management Responsibility

Our *ACFR* must comply with the reporting requirements under Title 24, Article 51, Section 204(8) of the Colorado Revised Statutes.

This *ACFR* was prepared to conform to the accounting principles generally accepted in the United States of America, and the financial information presented in the report is consistent with the Basic Financial Statements. The ultimate responsibility for the Basic Financial Statements and *ACFR* rests with PERA management with the Board providing oversight. The Board is assisted in its duties by the Audit Committee, which consists of at least five Board members and two independent outside members. A more detailed description of the Audit Committee's role can be found in their report on pages 16-17.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. In addition, our internal audit personnel provide a continuing review of the internal controls and operations of PERA, and the Chief Audit Executive regularly reports to the Audit Committee.

The cost of controls should not exceed the benefits to be derived. PERA's internal control over financial reporting is designed to provide reasonable, but not absolute assurance, regarding the reliability of financial reporting, including data that is, out of necessity, based on estimates and judgments.

State law requires the State Auditor to conduct or cause to be conducted an annual audit of PERA. Pursuant to this requirement and under the direction of the State Auditor, Plante & Moran, PLLC audited PERA's 2025 Basic Financial Statements in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. Plante & Moran, PLLC issued an unmodified opinion on PERA's financial statements, which can be found in the Independent Auditors' Report in the Financial Section on pages 25-27.

The Financial Section of the *ACFR* also contains the MD&A that serves as a narrative introduction, overview, and analysis of the Basic Financial Statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction.

Recognition of Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its *ACFR* for the year ended December 31, 2024. This was the 40th consecutive year PERA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current *ACFR* continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded PERA an Award for Outstanding Achievement in Popular Annual Financial Reporting for its *Popular Annual Financial Report* for the year ended December 31, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. PERA has received a Popular Award for the last 23 consecutive years. We believe our current report

Letter of Transmittal

continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

PPCC Standards Award Program

The Public Pension Coordinating Council (PPCC) presented PERA with a Public Pension Standards Award for Funding and Administration in 2025 for meeting professional standards for funding and plan administration as set forth in the Public Pension Standards. This is the 23rd consecutive year PERA has received this annual award. The PPCC is a coalition of three national associations that represent public retirement systems and administrators—the National Association of State Retirement Administrators, National Council on Teacher Retirement, and National Conference on Public Employee Retirement Systems. These three associations represent more than 500 of the largest pension plans in the U.S.

Acknowledgments

This *ACFR* reflects the combined efforts of PERA staff and is the responsibility of PERA management. I extend my sincere appreciation to all who assisted in and contributed toward its completion. Our *ACFR* is intended to provide complete and reliable information for transparent communication and to serve as a resource.

An email with a link to this *ACFR* is provided to all PERA-affiliated employers and other interested parties; a summary (*Popular Annual Financial Report*) is distributed to members and benefit recipients. Electronic versions of both reports are available on the PERA website at copera.org.

I would like to thank our affiliated employers for their continued support and cooperation, which is vital to the success of PERA today and into the future. I would also like to thank the PERA Board and staff for their hard work and many contributions in moving the mission forward to provide retirement security for Colorado's public employees.

Respectfully submitted,

Andrew Roth
Chief Executive Officer/Executive Director
Colorado PERA

Professional Awards

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees' Retirement Association of Colorado

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Professional Awards

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
_2025_

Presented to

Colorado Public Employees' Retirement Association

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

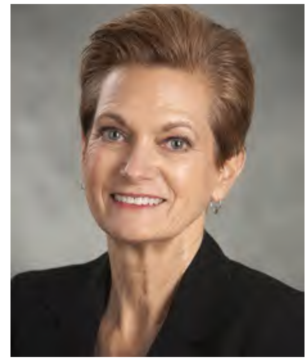
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

Board Chair's Report

June 25, 2026

Dear Colorado PERA Members, Benefit Recipients, and Employers:



Honorable Rebecca R. Freyre
Board Chair

As Chair of the Board of Trustees (Board), I am pleased to present this *Annual Comprehensive Financial Report* for the year ended December 31, 2025.

I was honored to assume the role of Chair of the Board of Trustees following Taylor McLemore's departure in June 2025. Taylor brought a very thoughtful and deliberate approach to serving as Chair, and I speak for the Board when I thank him for his dedication to our membership throughout his tenure.

The Board is tasked with overseeing the investment of plan assets on behalf of Colorado's public employees, and it's vital that we keep a close eye on the plan's financial health and periodically make adjustments as needed to protect the retirement security of our members.

As part of this oversight, in 2025 our actuaries conducted an analysis of the Automatic Adjustment Provision (AAP), the mechanism included in Senate Bill 18-200 that automatically adjusts plan provisions based on PERA's funding progress. The goal was to examine how well the AAP has been functioning so far and consider whether any proactive changes are warranted.

While the AAP has largely worked as intended, our actuaries identified two modifications to help reduce the chance of triggering automatic adjustments in the near future without jeopardizing our funding progress: Giving PERA flexibility to allocate the State's annual direct distribution to the five Division Trust Funds on an actuarial basis and diverting a portion of employers' Health Care Trust Fund contributions to help pay off pension liabilities. Together, these two changes aim to put PERA on even firmer financial footing and ensure we stay on track to meet our funding goal.

The Board is appreciative the General Assembly saw the value in these proposals and passed a bill in the 2026 legislative session, House Bill 26-1400, to make them law. Both modifications take effect on July 1, 2026.

2025 marks the first year under PERA's new three-year strategic plan, and the Board is proud of the work PERA staff accomplished to achieve 100% of the plan's first-year targets. PERA is making solid progress toward achieving year two's strategic goals, and I look forward to supporting modernization efforts to better meet the needs of our membership.

I want to thank the other Trustees who left the Board in 2025: Louis Fletcher, Norm Franke, Julie Friedemann, and Ashley Smith. I'd also like to welcome the Trustees who joined the Board in 2025: Cynthia Loh, Maruti Moré, Andrew Schremp, Tonya Thompson, and returning Trustee Tina Mueh. I deeply appreciate the high level of care and attention my fellow Trustees devote to the work we do as a Board.

Overseeing benefits for hundreds of thousands of Coloradans is a tremendous responsibility and an incredible honor. To the members and retirees we serve: As fiduciaries and PERA members ourselves, we take very seriously our role in working to ensure a more secure future, and we are committed to achieving that goal together with you.

Sincerely,

Hon. Rebecca R. Freyre
Chair, Colorado PERA Board of Trustees

Mail: PO Box 5800, Denver, CO 80217-5800 | 1.800.759.PERA (7372) | **copera.org**

Report of the Colorado PERA Audit Committee

As described more fully in its Charter, the purpose of the Colorado PERA Audit Committee (Audit Committee) is to assist the Board of Trustees (Board) in fulfilling its fiduciary responsibilities as they relate to accounting policies and financial reporting, the system of internal control, PERA's *Standards of Professional and Ethical Conduct*, the internal audit process, and the practices of the Chief Audit Executive. Management is responsible for the preparation, presentation, and integrity of PERA's financial statements; accounting and financial reporting principles; PERA's system of internal control; and procedures designed to reasonably ensure compliance with accounting standards, applicable laws, and regulations. PERA has a full-time Internal Audit Division that reports functionally to the Audit Committee. The Internal Audit Division is responsible for independently and objectively reviewing and evaluating the effectiveness and efficiency of PERA's system of internal control.

Plante & Moran, PLLC is the Independent Auditor responsible for performing an independent audit of PERA's financial statements in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. In accordance with State law, the Colorado State Auditor has ultimate authority and responsibility for selecting, evaluating, and, when appropriate, replacing PERA's Independent Auditor.

The Audit Committee provides Board-level oversight offering guidance to management and the Internal Audit Division based on Committee members' expertise in business, finance, and accounting, information received, and discussions with management, the Independent Auditor, and Internal Audit Division. In this role, the Audit Committee also reviews the audit plans of both the Independent Auditor and the Internal Audit Division, the results of their audits, and the status of management's actions to implement any recommendations from the audits.

The Audit Committee believes a candid, substantive, and focused dialogue with the internal auditors and the Independent Auditor is fundamental to the Audit Committee's oversight responsibilities. To support this belief, the Chair of the Audit Committee meets at least annually with the Chief Audit Executive and the Independent Auditor without management present and reports key information from these meetings to the Audit Committee. During these meetings, the Chair and the Audit Committee asked a number of questions intended to bring to light any areas of potential concern related to PERA's financial reporting and internal control system. These questions included, but were not limited to:

- Are there any significant accounting judgments, estimates, or adjustments made by management in preparing the financial statements that would have been made differently had the Independent Auditor prepared and been responsible for the financial statements?
- Based on the Independent Auditor's expertise, and its knowledge of PERA and PERA's financial statements, have subsequent events been appropriately disclosed in the financial statements?
- Based on the Independent Auditor's experience, and its knowledge of PERA, do PERA's financial statements fairly present to users, with clarity and completeness, PERA's financial position and performance for the reporting period in accordance with generally accepted accounting principles?
- Based on the Independent Auditor's experience, and its knowledge of PERA, has PERA implemented internal control and internal audit procedures that are appropriate for PERA?
- Are the Independent Auditor and internal auditors getting the support they need from management to execute their duties?
- Were ethics hotline complaints, if any, adequately investigated and resolved?
- Did all PERA staff, including members of management, attest to their compliance with the PERA Standards of Ethical and Professional Conduct?

Questions raised by the Audit Committee regarding these matters were answered to the Audit Committee's satisfaction.

Mail: PO Box 5800, Denver, CO 80217-5800 | 1.800.759.PERA (7372) | **copera.org**

Report of the Colorado PERA Audit Committee

The Audit Committee had an agenda for 2025 that included the following items:

- Recommending the *Annual Comprehensive Financial Report* to the Board for its approval;
- Reviewing and approving the selection criteria, interviewing finalists, selecting and appointing the Chief Audit Executive, including setting the compensation and any changes thereto of the Chief Audit Executive;
- Reviewing and approving the plan and budget of the Internal Audit Division;
- Reviewing the adequacy of resources made available to the Internal Audit Division;
- Reviewing the scope, objectives, and timing of the annual independent audit of PERA's financial statements;
- Providing input into the Chief Executive Officer/Executive Director's annual performance evaluation of the Chief Audit Executive;
- Reviewing PERA's compliance with its *Standards of Professional and Ethical Conduct*;
- Meeting with the Independent Auditor separately, without management present;
- Meeting with the Chief Executive Officer/Executive Director, Chief Audit Executive, the Independent Auditor, Director of Accounting/Controller, and General Counsel; and
- Meeting with the Chief Audit Executive and with management to discuss the effectiveness of PERA's system of internal control.

The Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2025, with management and the Independent Auditor. Management represented to the Audit Committee that PERA's audited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America that apply to governmental accounting for fiduciary funds. The Independent Auditor represented that their presentations to the Audit Committee included the matters required by auditing standards to be discussed with those charged with governance. The Audit Committee's review included a discussion with the Independent Auditor of the quality of PERA's accounting policies, the reasonableness of significant estimates, and the clarity of disclosures in PERA's financial statements.

In reliance on these reviews and discussions, and the reports of the Independent Auditor and the Chief Audit Executive, the Audit Committee has recommended to the Board, and the Board has approved PERA's *Annual Comprehensive Financial Report* for the year ended December 31, 2025.

Audit Committee as of June 24, 2026

Timothy M. O'Brien, Chairman

Nate Geroche

Mary-Margaret Henke

Cynthia Loh

Tammie Lowrie

Tina Mueh

Jennifer Pasquino

Tonya J. Thompson

Board of Trustees

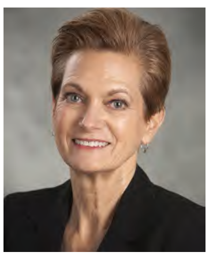
Serving from January 1, 2025, to June 25, 2026

By State law, authority over the Public Employees' Retirement Association of Colorado (PERA) is vested in the Board of Trustees (Board). The Board is composed of the following 16 Trustees:

- Nine members elected by members from their respective Divisions to serve on the Board for four-year terms; four from the School Division, three from the State Division, one from the Local Government Division, and one from the Judicial Division.
- Two retirees elected by retirees to serve on the Board for four-year terms.
- Three Trustees appointed by the Governor and confirmed by the State Senate to serve on the Board for four-year terms.
- The State Treasurer.
- One ex officio (non-voting) member or retiree elected by members and retirees of the Denver Public Schools (DPS) Division to serve on the Board for a four-year term.*

If a Board member resigns, a new Trustee is appointed from the respective Division until the next election of Trustees.

**As a result of Senate Bill 26-151, the DPS Division Trustee becomes a voting member effective June 1, 2026.*



Honorable Rebecca R. Freyre
Chair

Appointed to Judicial Division seat
Judge
Colorado Court of Appeals
Current term expires June 30, 2027

Eunice Botchway

Elected by School Members
Special Education Teacher
Cherry Creek School District
Current term expires June 30, 2029

Dr. Louis L. Fletcher

Appointed to School Division seat
Executive Director for Facilities & Operations
School District 49
Term expired June 30, 2025

Norm Franke

Appointed by the Governor
Term expired July 10, 2025

Julie Friedemann

Elected by Retirees
Retired Mathematics Teacher
Jefferson County School District R-1
Term expired June 30, 2025

Trina Ruhland
Vice Chair

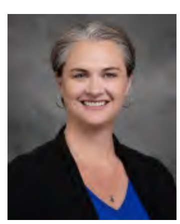
Elected by Local Government Division Members
Deputy County Attorney
Boulder County Attorney's Office
Current term expires June 30, 2027

Nathan Geroche

Elected by School Members
Science Teacher
Boulder Valley School District
Current term expires June 30, 2028

Amy Grant

Elected by DPS Division Active Members and Retirees
Former Chair of the Denver Public Schools Retirement System Board
Retired Secretary
Current term expires June 30, 2028



Lisa Landis

Elected by State Members
Associate Vice President of Employee Services
University of Colorado
Current term expires June 30, 2026

Cynthia Loh

Appointed by the Governor
Current term expires July 10, 2028

Board of Trustees (continued)

Serving from January 1, 2025, to June 25, 2026

Taylor McLemore

Appointed by the Governor
Resigned from the Board June 2025

Maruti D. Moré

Elected by State Members
Chief Investment Officer
Colorado Department of the Treasury
Current term expires June 30, 2029

Tina Mueh

Elected by Retirees
Retired Secondary Science Educator
Boulder Valley School District
Current term expires June 30, 2029

Honorable Timothy M. O'Brien

Elected by Retirees
Retired Colorado State Auditor
Office of the State Auditor
Current term expires June 30, 2027

Jennifer Pasquino

Appointed by the Governor
Current term expires July 10, 2026

Marcus A. Pennell

Elected by School Members
Physics Teacher
Jefferson County School District R-1
Current term expires June 30, 2029

Eric Rothaus

Deputy State Treasurer
Delegated Substitute for the State Treasurer
Continuous term effective January 2019

Andrew Schremp

Appointed by the Governor
Current term expires July 10, 2029

Scott Simon

Elected by State Members
Chief Investment Officer
Fire and Police Pension Association of Colorado
Current term expires June 30, 2028

Ashley M. Smith

Appointed to State Division seat
Director of Corporate Strategy and Development
Pinnacol Assurance
Term expired June 30, 2025

Tonya J. Thompson

Elected by School Members
General Counsel
Harrison School District 2
Current term expires June 30, 2026

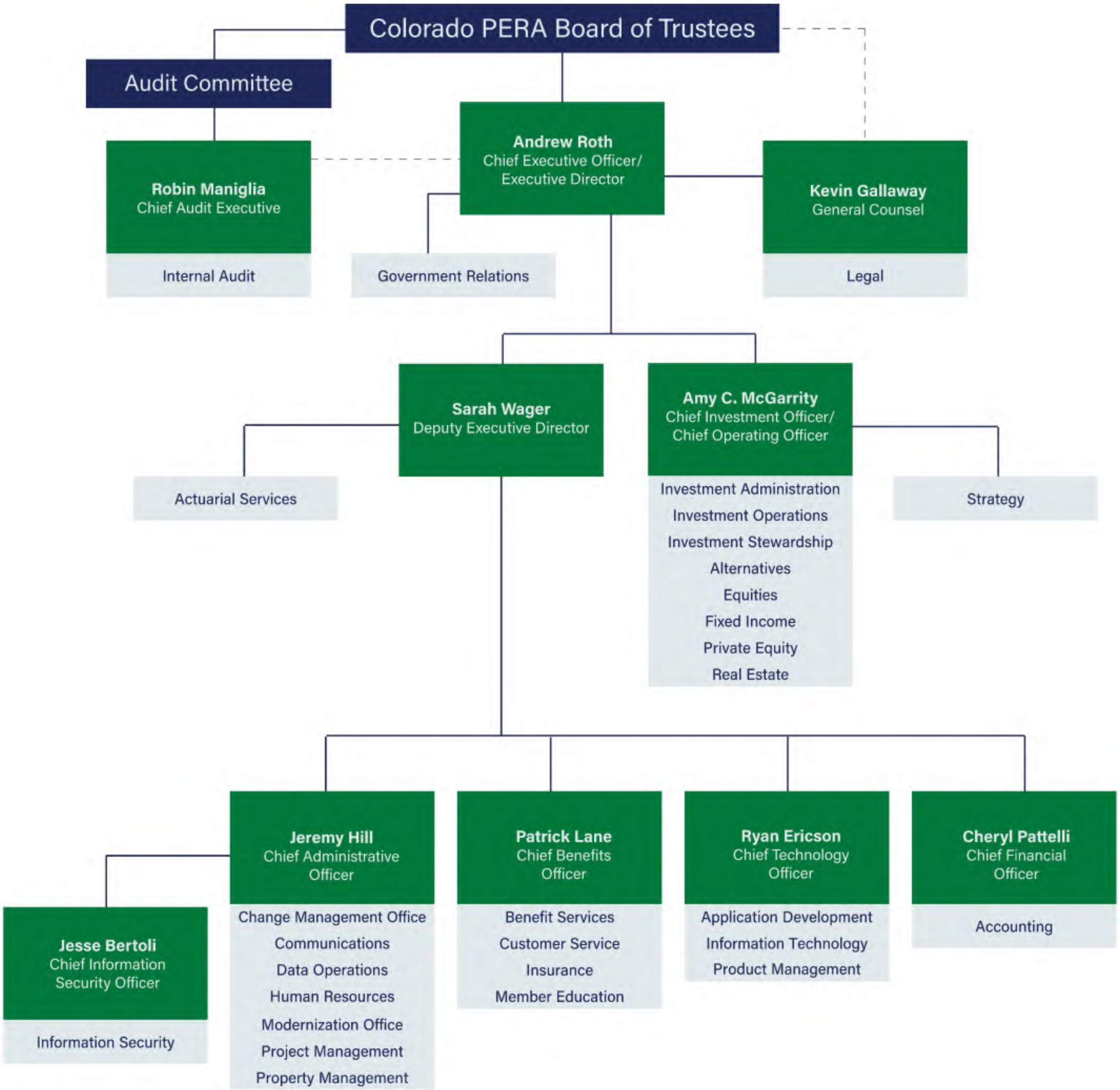
Honorable Dave Young

Ex officio member
State Treasurer
Continuous term effective January 2019

Additional detail about Trustees can be found in Board of Trustees Composition on pages 9-10 in the Letter of Transmittal.

Administrative Organizational Chart and Executive Management

As of June 1, 2026



Consultants

As of December 31, 2025

Actuarial Auditor

Cheiron
McLean, VA

Election Service Provider

Survey & Ballot Systems
Eden Prairie, MN

Fiduciary Counsel

Cohen Milstein Sellers & Toll PLLC
Washington, DC

Governance Consultant

Mosaic Governance Advisors, LLC
Westminster, CO

Health Care Program and Pharmacy Benefits Consultant

Segal
Greenwood Village, CO

Investment Consultant

Aon Investments USA, Inc.
Chicago, IL

Master Custodian

The Northern Trust Company
Chicago, IL

Pension and Health Care Program Actuary

Segal
Greenwood Village, CO

Voluntary Investment Program, Defined Contribution Retirement, and Deferred Compensation Plan Investment Consultant

Callan, LLC
Denver, CO

Voluntary Investment Program, Defined Contribution Retirement, and Deferred Compensation Plan Recordkeeper

Empower
Greenwood Village, CO

This page is limited to board-appointed consultants. A list of PERA's Investment Brokers/Advisers, the Schedule of Commissions, and other information related to investment expenses can be found in the Investment Section on pages 129-133.

COLORADO
PERA®

Financial Section

COLORADO
PERA®

Independent Auditors' Report

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Legislative Audit Committee and Board of Trustees
Public Employees' Retirement
Association of Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Public Employees' Retirement Association of Colorado (Colorado PERA) as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise Public Employees' Retirement Association of Colorado's basic financial statements.. We have also audited each individual fund of Colorado PERA as of and for the year ended December 31, 2025, as displayed in Colorado PERA's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Colorado PERA as of December 31, 2025 and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective fiduciary net position of each individual fund of Colorado PERA as of December 31, 2025 and the respective changes in fiduciary net position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Colorado PERA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado PERA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Report

To the Legislative Audit Committee and Board of Trustees
Public Employees' Retirement
Association of Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Colorado PERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado PERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditors' Report

To the Legislative Audit Committee and Board of Trustees
Public Employees' Retirement
Association of Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado PERA's basic financial statements. The schedules of administrative expenses, investment expenses, and payments for professional and consulting services are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the 2025 In Review page and the introductory, investment, actuarial, statistical, and acronym sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the year ended December 31, 2024 was audited by other auditors who expressed an unmodified opinion on those financial statements dated June 27, 2025.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2026 on our consideration of Colorado PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Colorado PERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Colorado PERA's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 17, 2026

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COLORADO PERA®

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

This Management's Discussion and Analysis (MD&A) provides an objective and understandable overview of the financial condition, results of operations, and significant events affecting the Public Employees' Retirement Association of Colorado (PERA) for the year ended December 31, 2025. This discussion is intended to help readers assess PERA's financial position and its ability to meet long-term benefit obligations and should be read in conjunction with the Letter of Transmittal starting on page 3 of this *Annual Comprehensive Financial Report (ACFR)* and with the Basic Financial Statements of PERA starting on page 43.

This MD&A includes forward-looking statements based on management's current expectations. Actual results may differ due to changes in capital markets, interest rates, economic conditions, and legislative actions affecting PERA, and other factors.

Overview of PERA

PERA administers 12 fiduciary funds within the following major categories:

Defined Benefit Pension Plans (Division Trust Funds)
State Division Trust Fund
School Division Trust Fund
Local Government Division Trust Fund
Judicial Division Trust Fund
Denver Public Schools (DPS) Division Trust Fund

Defined Benefit Other Postemployment Benefit Plans (Health Care Trust Funds)
Health Care Trust Fund (HCTF)
Denver Public Schools Health Care Trust Fund (DPS HCTF)

Defined Contribution Plans (Capital Accumulation Plans)
Voluntary Investment Program
Defined Contribution Retirement Plan
Deferred Compensation Plan

Private Purpose Trust Fund
Life Insurance Reserve

Custodial Fund
Direct Distribution Reserve

Additional information regarding the contribution and benefit provisions of the plans can be found in Notes 1, 4, 8, and 9 of the Notes to the Financial Statements.

Financial Statement Overview

PERA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements. The actuarial valuations reported in the Actuarial Section are prepared in accordance with the Actuarial Standards of Practice and the PERA Board's funding policy.

Because PERA acts in a fiduciary capacity, its financial position is presented through Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position.

Fiduciary net position (FNP) represents resources available to pay current and future benefits. Changes in FNP over time are an important indicator of PERA's long-term ability to meet benefit obligations and manage investment and operational risks.

Financial Highlights

Combined assets increased $10,558,837, or 12.6%, to $94,663,344 as of December 31, 2025. During the year, a new custodial fund was established (see Note 2 for additional information). Although the financial highlights presented below include activity related to this custodial fund, the net position held in the fund is not available for PERA's own programs or operations.

The overall increase was driven primarily by strong market performance, higher securities lending collateral, and increased investment settlements. Investments, at fair value increased $8,763,576, securities lending collateral increased $1,084,765 and investment settlements and income increased $809,211. The increase in securities lending collateral reflects continued expansion of the lending program, while the change in investment settlements and income is timing-related and consistent with normal trading activity rather than a shift in investment strategy.

Combined liabilities increased $1,283,216, or 12.3%, to $11,708,298 as of December 31, 2025, largely related to securities lending obligations increasing $1,034,132 reflecting the continued expansion of the lending program.

Combined FNP increased $9,275,683, or 12.6%, to $82,953,131 as of December 31, 2025, reflecting positive investment returns during the year, which more than offset benefit payments and administrative costs.

While 2025 results reflect strong investment performance, long-term sustainability remains dependent on continued investment returns, contribution adequacy, and evolving economic conditions.

See the remainder of the MD&A and the Notes to the Financial Statements for additional information.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Comparative Financial Statements

The following comparative condensed statements of Fiduciary Net Position and Changes in Fiduciary Net Position for five Division Trust Funds, two Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve have been derived from PERA's audited financial statements. For the year ended December 31, 2025, the FNP for five Division Trust Funds, two Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve increased by $7,726,788, $157,152, $3,516, and $525,036, respectively. The increase for all funds except the Direct Distribution Reserve was principally due to investment income. See Note 2 of the Notes to the Financial Statements for information on the Direct Distribution Reserve. While the annual changes in FNP can provide meaningful insight into the financial activities and financial status, long-term views and trend analysis are critical factors in reporting and understanding the financial status of PERA.

Fiduciary Net Position
As of December 31

	Division Trust Funds			Health Care Trust Funds		
	2025	**2024**	**% Chg**	**2025**	**2024**	**% Chg**
Assets						
Cash and cash equivalents	**$1,637,474**	$1,744,259	(6.1%)	**$21,500**	$21,437	0.3%
Receivables	**1,395,230**	612,918	127.6%	**24,632**	15,314	60.8%
Investments, at fair value	**72,075,026**	64,830,439	11.2%	**946,356**	796,762	18.8%
Securities lending collateral	**9,373,534**	8,666,812	8.2%	**123,076**	106,514	15.5%
Capital assets, net of accumulated depreciation	**13,832**	15,459	(10.5%)	**—**	—	—%
Total assets	**84,495,096**	75,869,887	11.4%	**1,115,564**	940,027	18.7%
Liabilities						
Investment settlements and other liabilities	**1,456,645**	1,220,991	19.3%	**46,695**	44,236	5.6%
Securities lending obligations	**9,261,196**	8,598,367	7.7%	**121,601**	105,675	15.1%
Total liabilities	**10,717,841**	9,819,358	9.2%	**168,296**	149,911	12.3%
Deferred inflows of resources	**1,915**	1,977	(3.1%)	**—**	—	—%
Net position	**$73,775,340**	**$66,048,552**	**11.7%**	**$947,268**	**$790,116**	**19.9%**

	Life Insurance Reserve			Direct Distribution Reserve[1]		
	2025	**2024**	**% Chg**	**2025**	**2024**	**% Chg**
Assets						
Cash and cash equivalents	**$743**	$791	(6.1%)	**$11,687**	$—	100.0%
Receivables	**526**	172	205.8%	**8,285**	—	100.0%
Investments, at fair value	**32,686**	29,432	11.1%	**514,412**	—	100.0%
Securities lending collateral	**4,251**	3,935	8.0%	**66,900**	—	100.0%
Total assets	**38,206**	34,330	11.3%	**601,284**	—	100.0%
Liabilities						
Investment settlements and other liabilities	**2,070**	2,007	3.1%	**10,149**	—	100.0%
Securities lending obligations	**4,200**	3,903	7.6%	**66,099**	—	100.0%
Total liabilities	**6,270**	5,910	6.1%	**76,248**	—	100.0%
Net position	**$31,936**	**$28,420**	**12.4%**	**$525,036**	**$—**	**100.0%**

[1] The Direct Distribution Reserve is a new fund in 2025. See Note 2 of the Notes to the Financial Statements for additional information.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Changes in Fiduciary Net Position

For the Years Ended December 31

	Division Trust Funds			Health Care Trust Funds		
	2025	2024	% Chg	2025	2024	% Chg
Additions						
Employer contributions	**$2,689,577**	$2,562,363	5.0%	**$136,082**	$133,716	1.8%
Nonemployer contributions	**225,000**	225,000	—%	**—**	—	—%
Member contributions	**1,499,292**	1,428,037	5.0%	**—**	—	—%
Purchased service	**92,232**	96,628	(4.5%)	**—**	—	—%
Employer disaffiliation	**—**	486	(100.0%)	**—**	20	(100.0%)
Net investment income	**9,147,642**	6,540,646	39.9%	**113,965**	74,740	52.5%
Other	**15,753**	14,036	12.2%	**6,602**	6,400	3.2%
Total additions	**13,669,496**	10,867,196	25.8%	**256,649**	214,876	19.4%
Deductions						
Benefit payments	**5,603,624**	5,439,900	3.0%	**90,052**	92,502	(2.6%)
Refunds	**249,212**	230,907	7.9%	**—**	—	—%
Disability and life insurance premiums	**3,613**	3,811	(5.2%)	**—**	—	—%
Administrative expenses	**66,920**	54,345	23.1%	**9,426**	8,810	7.0%
Other	**19,339**	18,979	1.9%	**19**	80	(76.3%)
Total deductions	**5,942,708**	5,747,942	3.4%	**99,497**	101,392	(1.9%)
Change in net position	**7,726,788**	5,119,254	50.9%	**157,152**	113,484	38.5%
Net position						
Beginning of year	**66,048,552**	60,929,298	8.4%	**790,116**	676,632	16.8%
End of year	**$73,775,340**	**$66,048,552**	**11.7%**	**$947,268**	**$790,116**	**19.9%**

	Life Insurance Reserve			Direct Distribution Reserve[1]		
	2025	2024	% Chg	2025	2024	% Chg
Additions						
Net investment income	**$4,132**	$2,954	39.9%	**$25,029**	$—	100.0%
Other	**1**	—	100.0%	**500,007**	—	100.0%
Total additions	**4,133**	2,954	39.9%	**525,036**	—	100.0%
Deductions						
Disability and life insurance premiums	**477**	449	6.2%	**—**	—	—%
Administrative expenses	**140**	103	35.9%	**—**	—	—%
Total deductions	**617**	552	11.8%	**—**	—	—%
Change in net position	**3,516**	2,402	46.4%	**525,036**	—	100.0%
Net position						
Beginning of year	**28,420**	26,018	9.2%	**—**	—	—%
End of year	**$31,936**	**$28,420**	**12.4%**	**$525,036**	**$—**	**100.0%**

[1] The Direct Distribution Reserve is a new fund in 2025. See Note 2 of the Notes to the Financial Statements for additional information.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Additions to Net Position

Investments

Net Investment Income

Trust Fund	Net Appreciation in Fair Value	Interest and Dividends	Net Operating Income[1]	Investment Expenses	Net Income from Securities Lending	Net Investment Income
State Division	$2,293,221	$361,201	$115,435	($72,659)	$21,454	$2,718,652
School Division	4,131,542	650,783	207,983	(130,912)	38,653	4,898,049
Local Government Division	678,410	106,808	34,135	(21,486)	6,344	804,211
Judicial Division	57,573	9,077	2,901	(1,826)	539	68,264
DPS Division	555,462	87,453	27,948	(17,592)	5,195	658,466
HCTF	86,637	13,668	4,369	(2,750)	812	102,736
DPS HCTF	9,476	1,488	475	(299)	89	11,229
Life Insurance Reserve	3,484	549	176	(110)	33	4,132
Direct Distribution Reserve	19,820	4,420	1,412	(889)	266	25,029
2025 Total	**$7,835,625**	**$1,235,447**	**$394,834**	**($248,523)**	**$73,385**	**$9,290,768**
2024 Total	**$5,292,937**	**$1,097,770**	**$384,750**	**($239,604)**	**$82,487**	**$6,618,340**

1 Includes investment income and expenses for Private Equity, Real Estate, and Alternatives as reported by the General Partners.

The Division Trust Funds, the Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve pool their investments into a combined investment fund (CIF). Investment income generated by PERA ultimately defrays the cost of benefits provided to PERA's membership. CIF net investment income for the year ended December 31, 2025, was $9,290,768, an increase of $2,672,428 from 2024.

PERA's target and actual investment allocation includes equity and fixed income investments in public markets and private equity, real estate, and alternatives in private markets. A modest cash balance provides ongoing liquidity to meet cash needs. Additional information on limitations, an overview of the investment policy, the targeted investment asset allocation, as well as the permissible ranges of asset allocation for PERA's investment program can be found starting on page 124 of the Investment Section.

The global equity market, in which over 50% of the portfolio is invested, is the single greatest driver of PERA's annual return. This asset class returned 19.8% in 2025. Fixed income investments comprise just over 20% of the portfolio. This asset class had a return of 7.6% in 2025.

The private market asset classes (private equity, real estate, and alternatives) experienced positive results in 2025. Private equity and alternatives each returned 9.1% and real estate returned 2.2%. Cash and cash equivalents ended the year with a positive return of 4.4%.

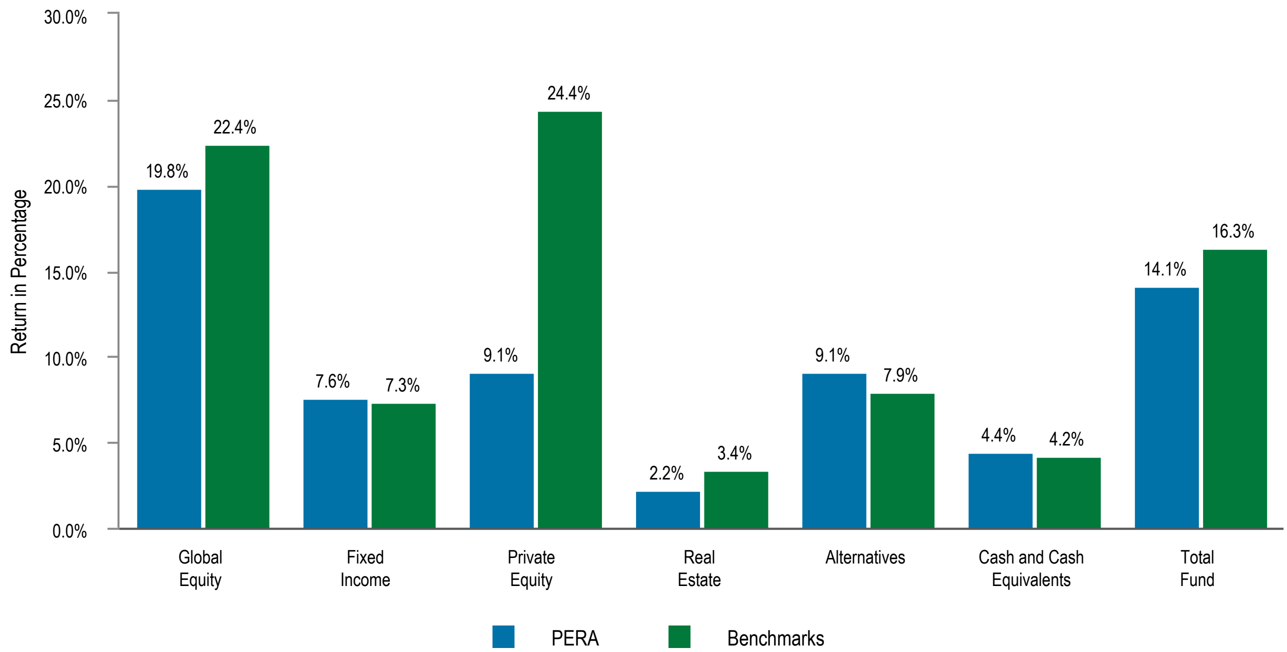
The actual time-weighted, net of external investment management and custody fees, rate of return was 14.1% for the year ended December 31, 2025. Further details regarding investment performance, benchmarks, and long-term results are provided in the Investment Section.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

The time-weighted, net of external investment management and custody fees, rates of return of the various asset classes, the total fund, and the various benchmarks are as follows:

2025 Time-Weighted Rates of Returns

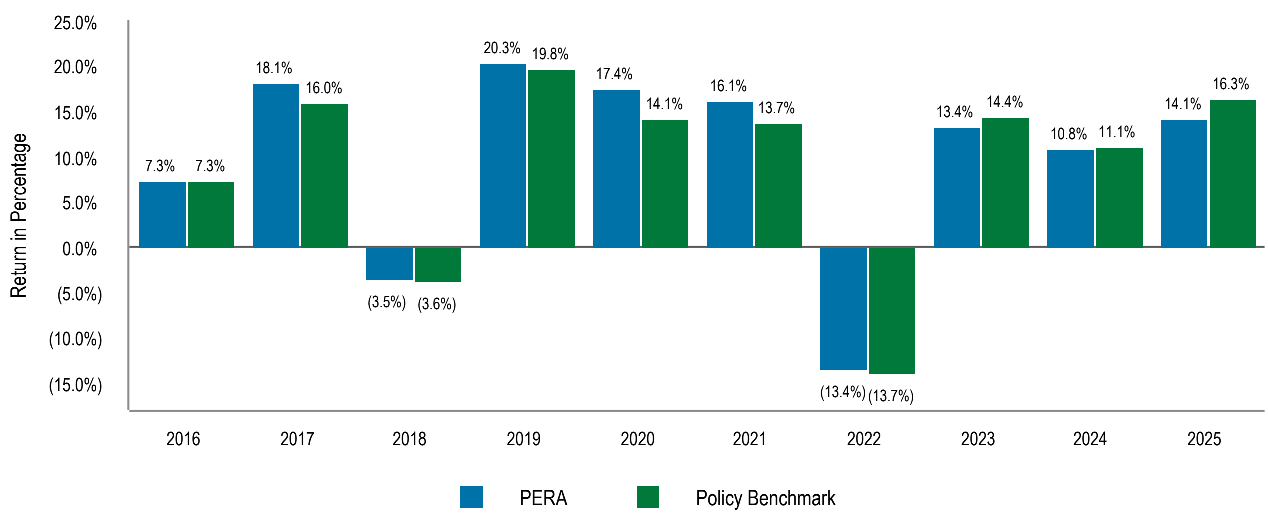


Long-Term Investment Returns

While the annual investment returns can provide meaningful insight into the financial activities and financial status, long-term views and trend analysis are critical factors in understanding the financial status of PERA. Additional information on longer-term investment returns for the investment program and benchmarks for the three-, five-, and 10-year periods for each investment asset class can be found in the Investment Section.

The following chart shows the annual investment returns for the total fund and the policy benchmark for each of the past 10 years:

Historical Time-Weighted Rates of Return



Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Contributions and Other Additions

Total Contributions and Other Additions by Trust Fund

Trust Fund	Employer Contributions[1]	Nonemployer Contributions[2]	Member Contributions	Purchased Service	Employer Disaffiliation Payment	Other Additions	Total Contributions and Other Additions
State Division	$917,082	$81,746	$470,176	$36,739	$—	$9,837	$1,515,580
School Division	1,510,066	141,918	815,454	42,265	—	1,074	2,510,777
Local Government Division	140,523	—	91,718	8,379	—	172	240,792
Judicial Division	16,170	1,336	7,446	680	—	4,501	30,133
DPS Division	105,736	—[3]	114,498	4,169	—	169	224,572
HCTF	129,775	—	—	—	—	6,446	136,221
DPS HCTF	6,307	—	—	—	—	156	6,463
2025 Total	**$2,825,659**	**$225,000**	**$1,499,292**	**$92,232**	**$—**	**$22,355**	**$4,664,538**
2024 Total	**$2,696,079**	**$225,000**	**$1,428,037**	**$96,628**	**$506**	**$20,436**	**$4,466,686**

1 Employer contributions include the employer statutory rates, AED, and SAED, less an offset of 9.12% in 2025 for the DPS Division as required by C.R.S. § 24-51-412 *et seq.*

2 Beginning in 2018, contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.*

3 Effective July 1, 2025, and prior to July 1, 2030, House Bill 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution.

Contribution rates are set in statute and are thus determined by the Colorado General Assembly. See pages 242-246 in the Statistical Section for the Schedule of Contribution Rate History.

Contributions	2025	2024
From members to the Division Trust Funds	**$1,499,292**	$1,428,037
From employers to the Division Trust Funds, HCTF, and DPS HCTF	**2,825,659**	2,696,079

Total member and employer contributions increased due to increases in covered payroll with slight increases in certain employer contribution rates subject to Colorado Revised Statutes (C.R.S.). House Bill (HB) 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduced the base employer contribution rate for the DPS Division from 10.4% to 7.4% of salary, and reduced the allocated employer contribution to the DPS HCTF from 1.02% to 0.20% of salary. At the end of 2025, PERA had benefit receivables in the amount of $238,224 which primarily represents contributions owed by members and employers for service credit earned in December 2025. Over the past 30 years, employer contributions (including nonemployer contributing entities and disaffiliation payments) represent 24% of the inflows into the Division Trust Funds and Health Care Trust Funds. Member contributions and purchased service represent 15% of the inflows into the Division Trust Funds.

C.R.S. § 24-51-412 *et seq.* provides for a unique offset to the employer contributions that otherwise would go toward financing the unfunded actuarial accrued liability (UAAL) of the DPS Division, allowing relief to DPS Division employers by recognizing the dollars they contribute toward the pension certificates of participation (PCOPs). The statute states that as long as the funded status of the DPS Division exceeds the School Division, the Denver Public Schools is allowed this offset to the DPS Division employer contribution rate. The offset, expressed as a percentage of payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing by the Denver Public Schools at a fixed effective annual interest rate of 8.50%. At a minimum, the DPS Division employer contribution rate must be sufficient to fund the DPS HCTF (1.02%, 0.20% effective July 1, 2025) and the Annual Increase Reserve (AIR) (1.00%) applicable to the DPS Division. The annual increase (AI) is a post-retirement, cost-of-living adjustment meeting certain criteria as described in Note 1 of the Notes to the Financial Statements. The staff of Denver Public Schools calculated the PCOP offset rate of 9.12% for 2025.

C.R.S. § 24-51-401(1.7)(e) requires a periodic "true-up" calculation to be performed beginning in 2015 and every five years following, with the purpose of determining the total DPS Division employer contribution rate that would result in the equalization of the ratio of UAAL over payroll between the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010. The 2020 and 2025 true-up calculations each indicated a reduction to the total DPS Division employer rate would be needed to equalize the defined ratio. Effective July 1, 2025, HB 25-1105 reduced the base employer contribution rate for the DPS Division by 3.0%.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

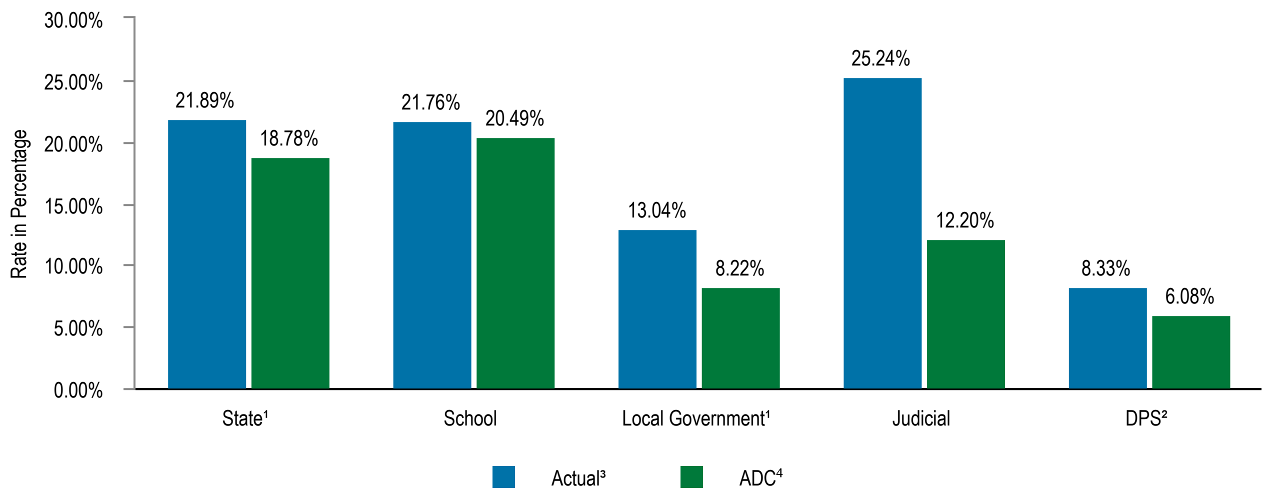
It should be noted the automatic adjustment provision (AAP) compares the blended actual contribution rates to the blended actuarially determined contribution rates, resulting in one ratio considering all participating Division Trust Funds. Therefore, a reduction in an employer contribution rate for any one of the participating Division Trust Funds could potentially influence the outcome of the AAP assessment. A failed assessment would trigger additional employer and member contributions for all divisions, and a decrease in the AI cap, affecting all benefit recipients of the plan.

In addition, effective July 1, 2025, through June 30, 2030, HB 25-1105 excludes the DPS Division contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.

While the annual contribution amounts can provide meaningful insight into the financial activities and financial status of PERA, the assessment of the adequacy of contributions on an actuarial funding basis is a critical factor in reporting the financial status of PERA. In accordance with the actuarial standards of practice and the Board's pension and OPEB funding policies, a plan-specific actuarially determined contribution (ADC) benchmark is developed against which to gauge the adequacy of PERA's statutory contribution rates for the five Division Trust Funds and two OPEB Funds. The ADC for each trust fund is developed annually and reported by management to be used as a benchmark for contributions two years in the future.

The following two charts show the ADC and actual contributions as a percentage of covered payroll for each trust fund for 2025. Additional information on long-term trends can be found in the Actuarial Section.

State, School, Local Government, Judicial, and DPS Divisions
2025 Year-End Actual Contributions/ADC Comparison



[1] Actual employer rates are for non-Safety Officers and include the applicable defined contribution (DC) supplement pursuant to C.R.S. § 24-51-415.

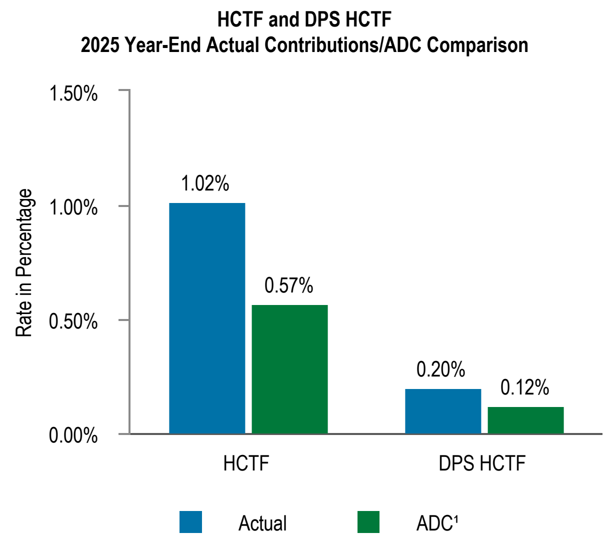
[2] Includes an offset as provided for under C.R.S. § 24-51-412.

[3] Actual contributions include employer, AED, SAED, DC supplement and nonemployer, as applicable, less the AIR and health care contributions.

[4] ADC rates for 2025 are based on the 2023 actuarial valuations.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)



[1] ADC rates for 2025 are based on the 2023 actuarial valuations.

Contribution Deficiency/(Excess)

Governmental accounting standards require the disclosure of the amount of contributions recognized by the defined benefit plan, the ADC amount, and the difference between these two amounts as RSI. An annual contribution deficiency arises when actual contributions are less than the ADC and an annual contribution excess arises when the actual contributions are greater than the ADC. The ADC is calculated using the investment rate of return and discount rate assumptions according to the Board's funding policies. The ADC for 2025 was determined based on the results of the December 31, 2023, actuarial valuation. The 10-year schedules illustrating the annual contribution deficiency/(excess) can be found in the RSI starting on page 98 for the Division Trust Funds and on page 111 for the Health Care Trust Funds.

Contribution deficiency/(excess) on an actuarial funding basis is determined through a similar process. Each year, the actuaries assess the increase or decrease to the expected unfunded liability by comparing the expected dollar inflows into each fund versus the actual dollar amounts recognized. This calculation for funding purposes differs slightly from the approach required by governmental accounting standards. It considers additional contributions from all sources each year and the timing of contributions made. Taking these factors into consideration results in a total contribution excess of $555.8 million (actual dollars) for the Division Trust Funds in 2025. During the past 23 years, contribution experience for the Division Trust Funds has resulted in 18 years of deficiencies and five years of excess, culminating in an accumulated shortfall of $3.9 billion (actual dollars), representing a favorable decrease from the $4.5 billion (actual dollars) shortfall at year-end 2024.

Due to legislative actions such as the implementation of the AAP, specifically designed to better align actual contributions with actuarially determined contributions, and the State's annual direct distribution, progress is being made to dampen and eventually eliminate contribution deficiencies. A breakdown of benefit structures by division and type can be found on page 50.

Senate Bill (SB) 18-200 implemented the AAP, which annually assesses actual contributions compared to required contributions to ascertain if adjustments to certain plan provisions are required in accordance with State statute beginning July 1, 2020. Based on certain statutory parameters, the AAP requires, as necessary, adjustments to member contributions, employer contributions, the direct distribution from the State, and the AI cap. The AAP is designed to help mitigate future contribution deficiencies and to keep PERA on the path to full funding. Additional information on this AAP can be found in Note 4 of the Notes to the Financial Statements on page 64, the Actuarial Section starting on page 174, and C.R.S. § 24-51-413.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Contribution Deficiency/(Excess)

(Dollars in Millions)

Trust Fund	2025	2024	2023	2022	2021	Cumulative Deficiency/(Excess) 2003–2025
State Division[1]	**($227.0)**	($163.4)	($53.0)	($163.3)	($83.2)	$1,160.1
School Division[1]	**(214.7)**	(185.2)	(34.5)	(178.1)	(102.0)	2,208.9
State and School Division[2]	**N/A**	N/A	N/A	N/A	N/A	685.5
Local Government Division	**(60.1)**	(51.7)	(39.4)	(13.5)	(15.1)	(370.9)
Judicial Division[1]	**(9.4)**	(8.8)	(6.9)	(7.6)	(3.3)	(11.8)
DPS Division[1,3,4]	**(44.6)**	(78.3)	(28.8)	(54.9)	(13.0)	270.4
Total Division Trust Funds	**($555.8)**	**($487.4)**	**($162.6)**	**($417.4)**	**($216.6)**	**$3,942.2**
HCTF	**($69.6)**	($56.2)	($43.4)	($32.7)	($23.8)	($331.6)
DPS HCTF[3]	**(5.4)**	(9.3)	(7.8)	(6.5)	(5.4)	(56.5)
Total OPEB Trust Funds	**($75.0)**	**($65.5)**	**($51.2)**	**($39.2)**	**($29.2)**	**($388.1)**

1 Beginning in 2018, includes contributions from a nonemployer contributing entity as required by C.R.S. § 24-51-414 *et seq*.

2 The State and School Divisions merged July 1, 1997, and separated on January 1, 2006.

3 The DPS Division and DPS HCTF were established on January 1, 2010.

4 Effective July 1, 2025, and prior to July 1, 2030, House Bill 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution.

Projected Funding Periods

The following table shows the projected funding periods for the Division Trust Funds and Health Care Trust Funds for the prior and current valuation year. These funding periods are determined considering a projected, open-group population, the possibility of future AAP adjustments, and anticipated changes to AED and SAED contribution rates, as necessary.

Additionally, the projected funding periods determined as of the December 31, 2025, actuarial valuation reflect the favorable 2025 investment performance return and other plan experience, as well as the required actuarial allocation method for the direct distribution and the reallocation of 0.50% of salary from the HCTF employer contribution to the applicable Division Trust Fund, pursuant to HB 26-1400, enacted June 1, 2026, and effective, July 1, 2026.

Trust Fund	Projected Funding Periods[1] as of December 31, 2025	2024
State Division	18 Years	18 Years
School Division	22 Years	25 Years
Local Govt Division	4 Years	10 Years
Judicial Division	2 Years	5 Years
DPS Division[2]	5 Years	10 Years
HCTF	6 Years	5 Years
DPS HCTF	N/A	N/A

1 Amounts shown in this table are on a different basis (open-group projections) than was shown in the 2024 *ACFR* and prior. The data displayed in this table was previously determined on a closed group basis as of the valuation date. PERA management has determined that the open-group projections, considering population increases and possible AAP adjustments, are a more accurate indicator of PERA's funding progress.

2 The calculation considers declining PCOP offset rate as described in statute.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

The projected funding periods for the five Division Trust Funds estimate the effect of legislation enacted in 2006, 2010, 2018, and 2026. This legislation includes plan changes designed to lower the normal cost over time as new members are added to PERA's population, and to allow a greater proportion of the employers' contribution to be used to amortize the unfunded liability. The 2018 legislation also increased contributions to the Division Trust Funds in order to further accelerate the amortization of the unfunded liability. The 2026 legislation requires actuarial allocation of direct distribution amounts to more effectively address the unfunded liability. From 2024 to 2025, the projected open-group funding periods decreased for four of the five Division Trust Funds, while the State Division's projected funding period remained at 18 years. These changes reflect favorable 2025 investment performance and the revised contribution provisions under HB 26-1400.

The DPS HCTF has achieved and maintained a funded ratio greater than 100% since December 31, 2023. The reduction in the allocated employer contribution to the DPS HCTF (from 1.02% to 0.20% of salary, pursuant to HB 25-1105, effective July 1, 2025) continues to be sufficient to cover the plan's normal cost and is not expected to adversely affect its funded status.

Unless otherwise temporarily altered by statute, the funding periods shown in the previous table consider ongoing employer, member, AED, and SAED contributions, including any future statutory increases, and the direct distribution and DC supplement, where applicable.

C.R.S. § 24-51-211 states that a maximum amortization period of 30 years shall be deemed actuarially sound.

As stated by Segal in the Certification Letter on pages 141-147 in the Actuarial Section*:*

"The results indicate that for all Division Trust Funds, the combined employer and member contribution rates, including the Direct Distribution from the State, as appropriate, are sufficient to fund the normal cost for all members and each division's unfunded actuarial accrued liability (UAAL), with consideration of the amounts allocated to finance the Annual Increase Reserve (AIR) Funds, and provide additional contributions to help finance both Health Care Trust Funds. In addition, the employer contribution rate with anticipated service purchase transfers is sufficient to eventually finance benefits for the HCTFs.

The Board's funding policy, in accordance with Senate Bill 18-200, is targeted to fully fund the UAAL determined as of December 31, 2017, for each of the five pension Division Trust Funds over a closed 30-year period (22 years remaining as of December 31, 2025).

At the direction of PERA, Segal has prepared deterministic financial projections for all Division Trust Funds with the lower cost benefit structure for new members and considering the following information and assumptions:

- All actuarial assumptions, including the assumption that 7.25% investment returns are realized each year
- Projections are performed on an open-group basis with assumed active membership growth, as follows:
  - –For State, Judicial, and Denver Public Schools – 0.25% each year
  - –For Local Government – 0.50% each year
  - –For School – 0.75% each year
- Recognition of all current sources of income from employer contributions, member contributions, and the Direct Distribution, as applicable, and any scheduled or anticipated future changes to the base employer contributions, member contributions, AED, SAED, and PCOP
- Possible changes to employer contributions, member contributions, and the annual increase rate, due to outcomes of future AAP assessments
- Anticipated impacts of legislative changes pursuant to HB 25-1105 and HB 26-1400

These projections indicate that fully funding the actuarial accrued liability under the PERA revised benefit structure created by SB 18-200 is achievable within a projection period of 22 years."

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Deductions from Net Position

Summary of Benefits, Refunds, and Other Expenses by Trust Fund

Trust Fund	Benefit Payments	Refunds	Disability and Life Insurance Premiums	Administrative Expenses	Other Deductions	Total Deductions
State Division	$1,892,850	$91,393	$1,066	$19,269	$2,595	$2,007,173
School Division	3,002,921	119,266	2,088	37,801	13,518	3,175,594
Local Government Division	379,378	17,183	253	4,996	1,241	403,051
Judicial Division	38,272	102	32	309	55	38,770
DPS Division	290,203	21,268	174	4,545	1,930	318,120
HCTF	85,964	—	—	8,920	18	94,902
DPS HCTF	4,088	—	—	506	1	4,595
Life Insurance Reserve	—	—	477	140	—	617
2025 Total	**$5,693,676**	**$249,212**	**$4,090**	**$76,486**	**$19,358**	**$6,042,822**
2024 Total	**$5,532,402**	**$230,907**	**$4,260**	**$63,258**	**$19,059**	**$5,849,886**

At the end of 2025, PERA was paying benefits to more than 145,000 retired public employees and their beneficiaries who received an average benefit of $3,248 per month (actual dollars). Historical information about benefit payments, average benefit payments, and the number of retirees receiving payments and earned service credit can be found in the Statistical Section.

Since 2000, many changes to plan provisions have been enacted into law, which do not have an immediate effect on PERA's financial activities and financial status but have had an effect over time.

On average, members have been retiring with lower monthly benefit amounts, though results may vary year to year. Recent pay increases, for example, can temporarily offset this trend. Compared to prior retirements, members are increasingly retiring at older ages with less service. Over time, recent changes to benefit provisions, including retirement eligibility and highest average salary calculations, are expected to have a more pronounced impact as they are reflected in a growing share of benefit calculations. PERA management monitors these effects and reports them as part of its governance framework.

Other Significant Changes: Division Trust Funds, Health Care Trust Funds, Life Insurance Reserve, and Direct Distribution Reserve

The Direct Distribution Reserve was established in 2025 with an advance from the State of Colorado of $500,000. Refer to Note 2 of the Notes to the Financial Statements for additional information regarding the Direct Distribution Reserve.

For the year ended December 31, 2025, PERA had total receivables of $1,428,673, an increase of $800,269 from 2024. The increase was primarily due to higher pending settlements of investment sales.

PERA recognized $0 and $506 in employer disaffiliation income for the years ended December 31, 2025, and December 31, 2024, respectively. The 2024 income was related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer.

Administrative expenses for the Division Trust Funds and the Life Insurance Reserve have increased by $12,612 since 2024. The change reflects the Board-approved increase in labor and consulting services to support strategic initiatives. Also, an increased workload was reported for the Life Insurance Reserve.

Other deductions related to the Health Care Trust Funds declined by $61 compared to 2024. In 2025, service fees were reclassified from other deductions to administrative expenses to align with transparency act requirements.

Actuarial Valuations: Accounting

Separate actuarial valuations are prepared for accounting and funding purposes for the Division Trust Funds and the Health Care Trust Funds. Calculations for purposes of financial reporting for the pension and OPEB plans are determined in accordance with GASB 67 and GASB 74, respectively.

The actuarial valuation for accounting purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology allowing comparability of amounts and increased transparency of liabilities across U.S. plans complying with GASB 67 and GASB 74.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

One of the key measurements in the accounting valuation which assesses the pension liabilities for accounting and financial reporting purposes is the net pension liability (NPL). The NPL is the difference between the FNP and the total pension liability (TPL). Similarly, one of the key measurements which assesses the OPEB liabilities for accounting and financial reporting purposes is the net OPEB liability (NOL) or the net OPEB asset (NOA). The NOL/NOA is the difference between the FNP and the total OPEB liability (TOL). The individual components which collectively comprise the FNP can be found in the Statements of Fiduciary Net Position starting on page 43.

PERA-affiliated employers who comply with GASB 68 and GASB 75 are required to report their proportionate share of the collective NPL, collective NOL/NOA, and other related amounts for the plan(s) in which they participate. GASB requires employer contributions and nonemployer contributions (if applicable) to be used as a basis for the proportion.

The following schedules show the collective NPLs and collective NOLs/NOAs as of December 31, 2025, and December 31, 2024, as well as the breakdown of changes in the collective liabilities and assets for 2025. The decrease in NPLs for all five Division Trust Funds primarily is due to favorable investment performance during 2025. The decrease in NOL for the HCTF and the increase in NOA for the DPS HCTF largely is due to favorable investment and demographic experience during 2025.

Schedule of Changes in Net Pension Liability

	State Division Trust Fund	School Division Trust Fund	Local Government Division Trust Fund	Judicial Division Trust Fund	DPS Division Trust Fund	All Division Trust Funds[1]
2024 Net pension liability	$9,509,399	$17,254,899	$613,598	$41,812	$566,472	$27,986,180
Service cost	534,973	1,180,149	136,167	10,521	138,086	1,999,896
Interest	2,084,249	3,782,519	461,411	38,155	383,881	6,750,215
Changes of benefit terms	—	—	—	—	—	—
Differences between expected and actual experience	352,488	735,865	73,937	11,071	(137,010)	1,036,351
Changes of assumptions or other inputs	—	—	—	—	—	—
Contributions—employer	(917,082)	(1,510,066)	(140,523)	(16,170)	(105,736)	(2,689,577)
Contributions—nonemployer	(81,746)	(141,918)	—	(1,336)	—	(225,000)
Contributions—active member, including purchased service	(506,915)	(857,719)	(100,097)	(8,126)	(118,667)	(1,591,524)
Net investment (gain)	(2,718,652)	(4,898,049)	(804,211)	(68,264)	(658,466)	(9,147,642)
Administrative expenses	19,269	37,801	4,996	309	4,545	66,920
Other	(7,242)	12,444	1,069	(4,446)	1,761	3,586
2025 Net pension liability	**$8,268,741**	**$15,595,925**	**$246,347**	**$3,526**	**$74,866**	**$24,189,405**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Schedule of Changes in Net OPEB Liability

	Health Care Trust Fund	DPS Health Care Trust Fund	All Health Care Trust Funds[1]
2024 Net OPEB liability (asset)	$478,167	($23,162)	$455,005
Service cost	12,817	900	13,717
Interest	84,029	3,874	87,903
Changes of benefit terms	—	—	—
Differences between expected and actual experience	(50,487)	(1,919)	(52,406)
Changes of assumptions or other inputs	(22,488)	(2)	(22,490)
Contributions—employer	(129,775)	(6,307)	(136,082)
Purchased service transfers	(4,110)	(34)	(4,144)
Net investment (gain)	(102,736)	(11,229)	(113,965)
Administrative expense[2]	6,353	374	6,727
Other	(2,318)	(120)	(2,438)
2025 Net OPEB liability (asset)	**$269,452**	**($37,625)**	**$231,827**

1 The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

2 Excludes administrative and other health care claims processing fees.

Additional information regarding the NPL, NOL/NOA, assumptions used to determine total pension and OPEB liabilities, sensitivity analysis of pension liabilities based on different discount rates, sensitivity analysis of OPEB liabilities based on different discount and health care trend rates, and development of the investment rate of return assumption can be found in Notes 10 and 11 of the Notes to the Financial Statements.

Capital Accumulation Plans

Comparative Financial Statements

PERA administers three defined contribution plans. The following tables are the comparative condensed statements of Fiduciary Net Position and Changes in Fiduciary Net Position for the Voluntary Investment Program (PERAPlus 401(k) Plan), Defined Contribution Retirement Plan (DC Plan), and Deferred Compensation Plan (PERAPlus 457 Plan), collectively known as the Capital Accumulation Plans (CAPs). This information has been derived from PERA's audited financial statements. While the annual changes in FNP can provide meaningful insight into the financial activities and financial status of PERA, long-term views and trend analysis are critical factors in reporting and understanding the financial status of the plans.

Capital Accumulation Plans Fiduciary Net Position
As of December 31

	2025	2024	% Chg
Assets			
Cash and cash equivalents	**$62,984**	$70,020	(10.0%)
Receivables	**99,689**	85,716	16.3%
Investments, at fair value	**7,526,287**	6,674,558	12.8%
Securities lending collateral	**724,234**	429,969	68.4%
Total assets	**8,413,194**	7,260,263	15.9%
Liabilities			
Investment settlements and other liabilities	**24,089**	23,330	3.3%
Securities lending obligations	**715,554**	426,573	67.7%
Total liabilities	**739,643**	449,903	64.4%
Net position	**$7,673,551**	**$6,810,360**	**12.7%**

Management's Discussion and Analysis (Unaudited)

(Dollars in Thousands)

Capital Accumulation Plans
Changes in Fiduciary Net Position
For the Years Ended December 31

	2025	2024	% Chg
Additions			
Employer contributions	**$36,255**	$32,766	10.6%
Member contributions	**306,640**	291,841	5.1%
Net investment income	**1,076,766**	941,967	14.3%
Other	**6,820**	5,325	28.1%
Total additions	**1,426,481**	1,271,899	12.2%
Deductions			
Distributions	**557,242**	494,902	12.6%
Administrative expenses	**3,985**	3,750	6.3%
Other	**2,063**	1,899	8.6%
Total deductions	**563,290**	500,551	12.5%
Change in net position	**863,191**	771,348	11.9%
Net position			
Beginning of year	**6,810,360**	6,039,012	12.8%
End of year	**$7,673,551**	**$6,810,360**	**12.7%**

Investments

Investments for the CAPs are managed in a single investment pool. Underlying investments are grouped into one of 17 white label PERAdvantage funds which participants can choose to contribute to and/or make transfers from on a daily basis. In addition, participants can choose to select their own investments by transferring funds into a Schwab self-directed brokerage account. The PERAdvantage funds provide diversification and cover a wide risk/return spectrum within each of the seven primary investment options and 10 target retirement date funds. The target retirement date funds are broadly diversified across global asset classes and automatically adjust the underlying asset allocation to become more conservative over time. By investing in a single target retirement date fund, participants may capture diversified investment opportunities without having to manage multiple funds. More information about investment options and results can be found in the Investment Section on pages 135-136.

For the year ended December 31, 2025, the CAPs had net investment income of $1,076,766, an increase of $134,799 from 2024. Investments at fair value increased by $851,729 or 12.8% for the year ended December 31, 2025. Additional information on performance and benchmarks for the one-, three-, five-, and 10-year periods for each investment option can be found in the Investment Section.

Plan administrative fees pay for recordkeeping, custodial services, consulting, and internal PERA administrative expenses. The administrative fee for the PERAPlus 401(k) Plan, the PERA DC Plan, and the PERAPlus 457 Plan consist of a flat $1.00 (actual dollars) per month per participant per plan. The asset-based fee was waived for all three plans in 2025. The asset-based fee for the PERAPlus 401(k) Plan and the PERAPlus 457 Plan was increased to 0.01% and 0.02%, respectively, and waived for the PERA DC Plan on each underlying PERAdvantage fund in 2026.

Participants also pay investment management fees. See additional details on page 134.

Plan Participants and Contributions

In 2025, overall participation in the CAPs increased by 1,129 participants from 2024. The following table shows the number of participants in each plan at the end of fiscal years 2025 and 2024:

Plan	2025	2024	Change
PERAPlus 401(k) Plan	**63,957**	63,930	27
DC Plan	**8,106**	7,647	459
PERAPlus 457 Plan	**20,908**	20,265	643
Total	**92,971**	**91,842**	**1,129**

For the year ended December 31, 2025, the CAPs had employer and member contributions of $342,895, an increase of $18,288 from 2024.

See current annual contribution limits for PERAPlus 401(k) Plan and PERAPlus 457 Plan and contribution rates for the DC Plan in Note 8 of the Notes to the Financial Statements on pages 77-78.

Distributions

Participants can take normal distributions when they reach the minimum age designated by the plan. Participants can also take in-service withdrawals and can transfer funds after termination of employment. For the year ended December 31, 2025, the CAPs had distributions of $557,242, an increase of $62,340 from 2024. See Note 8 of the Notes to the Financial Statements for additional information about allowable in-service withdrawals in each plan.

Other Changes

For the year ended December 31, 2025, the CAPs had securities lending collateral of $724,234 and securities lending obligations of $715,554, an increase of $294,265 and $288,981, respectively, from 2024. The securities lending collateral and obligations increased primarily due to an increase in the securities on loan because of increased borrower demand.

For the year ended December 31, 2025, the CAPs had other additions of $6,820, an increase of $1,495 from 2024. The other additions increased primarily due to an increase in loan interest related to higher loan balances in 2025, and due to the timing of transfers in 2024 and 2025.

Statements of Fiduciary Net Position

As of December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Defined Benefit Pension Plans					
	State Division Trust Fund	School Division Trust Fund	Local Government Division Trust Fund	Judicial Division Trust Fund	Denver Public Schools Division Trust Fund	Total Defined Benefit Pension Plans
Assets						
Cash and cash equivalents	$485,726	$877,945	$143,508	$12,249	$118,046	$1,637,474
Receivables						
Benefit	108,862	98,978	9,157	2,502	9,335	228,834
Interfund	154	279	45	4	37	519
Investment settlements and income	344,179	622,100	101,688	8,679	83,645	1,160,291
Other	1,547	3,317	350	13	359	5,586
Total receivables	454,742	724,674	111,240	11,198	93,376	1,395,230
Investments, at fair value						
Global equity	12,059,434	21,797,322	3,562,979	304,112	2,930,789	40,654,636
Fixed income	4,461,578	8,064,262	1,318,180	112,511	1,084,291	15,040,822
Private equity	1,628,075	2,942,733	481,017	41,057	395,669	5,488,551
Real estate	1,973,412	3,566,924	583,048	49,765	479,596	6,652,745
Alternatives	1,257,204	2,272,385	371,443	31,703	305,537	4,238,272
Multi-asset class funds	—	—	—	—	—	—
Self-directed brokerage	—	—	—	—	—	—
Total investments, at fair value	21,379,703	38,643,626	6,316,667	539,148	5,195,882	72,075,026
Securities lending collateral	2,780,483	5,025,698	821,498	70,118	675,737	9,373,534
Capital assets, net of accumulated depreciation and amortization	3,831	8,214	866	32	889	13,832
Total assets	25,104,485	45,280,157	7,393,779	632,745	6,083,930	84,495,096
Liabilities						
Investment settlements and other liabilities	433,194	780,561	127,122	10,688	105,080	1,456,645
Securities lending obligations	2,747,160	4,965,467	811,653	69,277	667,639	9,261,196
Interfund	—	—	—	—	—	—
Total liabilities	3,180,354	5,746,028	938,775	79,965	772,719	10,717,841
Deferred inflows of resources	531	1,137	120	4	123	1,915
Net position restricted for pensions, other postemployment benefits, private purpose trust fund participants, and other entities	**$21,923,600**	**$39,532,992**	**$6,454,884**	**$552,776**	**$5,311,088**	**$73,775,340**

The accompanying notes are an integral part of these financial statements.

Statements of Fiduciary Net Position (continued)

As of December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Defined Contribution Plans			Defined Benefit Other Postemployment Benefit Plans		Private Purpose Trust Fund	Custodial Fund
	Voluntary Investment Program	Defined Contribution Retirement Plan	Deferred Compensation Plan	Health Care Trust Fund	Denver Public Schools Health Care Trust Fund	Life Insurance Reserve	Direct Distribution Reserve
Assets							
Cash and cash equivalents	$35,146	$13,903	$13,935	$19,454	$2,046	$743	$11,687
Receivables							
Benefit	58,361	4,078	19,516	9,130	260	—	—
Interfund	—	—	—	6	1	—	4
Investment settlements and income	12,160	1,176	4,398	13,785	1,450	526	8,281
Other	—	—	—	—	—	—	—
Total receivables	70,521	5,254	23,914	22,921	1,711	526	8,285
Investments, at fair value							
Global equity	3,125,308	215,777	817,660	483,004	50,797	18,437	290,159
Fixed income	616,296	44,234	249,699	178,695	18,793	6,821	107,349
Private equity	—	—	—	65,208	6,858	2,489	39,173
Real estate	—	—	—	79,039	8,312	3,017	47,482
Alternatives	—	—	—	50,354	5,296	1,922	30,249
Multi-asset class funds	1,501,940	328,733	475,916	—	—	—	—
Self-directed brokerage	72,164	15,520	63,040	—	—	—	—
Total investments, at fair value	5,315,708	604,264	1,606,315	856,300	90,056	32,686	514,412
Securities lending collateral	547,957	35,422	140,855	111,364	11,712	4,251	66,900
Capital assets, net of accumulated depreciation and amortization	—	—	—	—	—	—	—
Total assets	5,969,332	658,843	1,785,019	1,010,039	105,525	38,206	601,284
Liabilities							
Investment settlements and other liabilities	16,547	1,484	5,528	43,646	3,049	2,070	10,149
Securities lending obligations	541,338	35,025	139,191	110,029	11,572	4,200	66,099
Interfund	313	108	109	—	—	—	—
Total liabilities	558,198	36,617	144,828	153,675	14,621	6,270	76,248
Deferred inflows of resources	—	—	—	—	—	—	—
Net position restricted for pensions, other postemployment benefits, private purpose trust fund participants, and other entities	**$5,411,134**	**$622,226**	**$1,640,191**	**$856,364**	**$90,904**	**$31,936**	**$525,036**

The accompanying notes are an integral part of these financial statements.

Statements of Fiduciary Net Position (continued)

As of December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Total	
	2025	**2024**
Assets		
Cash and cash equivalents	**$1,734,388**	$1,836,507
Receivables		
Benefit	**320,179**	315,735
Interfund	**530**	689
Investment settlements and income	**1,202,067**	392,856
Other	**5,586**	4,840
Total receivables	**1,528,362**	714,120
Investments, at fair value		
Global equity	**45,655,778**	40,553,378
Fixed income	**16,262,709**	13,639,850
Private equity	**5,602,279**	5,119,455
Real estate	**6,790,595**	6,172,439
Alternatives	**4,326,093**	4,793,892
Multi-asset class funds	**2,306,589**	1,928,939
Self-directed brokerage	**150,724**	123,238
Total investments, at fair value	**81,094,767**	72,331,191
Securities lending collateral	**10,291,995**	9,207,230
Capital assets, net of accumulated depreciation and amortization	**13,832**	15,459
Total assets	**94,663,344**	84,104,507
Liabilities		
Investment settlements and other liabilities	**1,539,118**	1,289,875
Securities lending obligations	**10,168,650**	9,134,518
Interfund	**530**	689
Total liabilities	**11,708,298**	10,425,082
Deferred inflows of resources	**1,915**	1,977
Net position restricted for pensions, other postemployment benefits, private purpose trust fund participants, and other entities	**$82,953,131**	**$73,677,448**

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Fiduciary Net Position

For the Year ended December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Defined Benefit Pension Plans					
	State Division Trust Fund	School Division Trust Fund	Local Government Division Trust Fund	Judicial Division Trust Fund	Denver Public Schools Division Trust Fund	Total Defined Benefit Pension Plans
Additions						
Contributions						
Employers	$917,082	$1,510,066	$140,523	$16,170	$105,736	$2,689,577
Nonemployer	81,746	141,918	—	1,336	—	225,000
Members	470,176	815,454	91,718	7,446	114,498	1,499,292
Purchased service	36,739	42,265	8,379	680	4,169	92,232
Employer disaffiliation	—	—	—	—	—	—
Total contributions	1,505,743	2,509,703	240,620	25,632	224,403	4,506,101
Investment income						
Net appreciation in fair value of investments	2,293,221	4,131,542	678,410	57,573	555,462	7,716,208
Interest	179,568	323,531	53,099	4,512	43,476	604,186
Dividends	181,633	327,252	53,709	4,565	43,977	611,136
Real estate, private equity, and alternatives net operating income	115,435	207,983	34,135	2,901	27,948	388,402
Less investment expenses	(72,659)	(130,912)	(21,486)	(1,826)	(17,592)	(244,475)
Net income from investing activities	2,697,198	4,859,396	797,867	67,725	653,271	9,075,457
Securities lending income	129,441	233,217	38,276	3,253	31,340	435,527
Securities lending borrower rebates	(107,159)	(193,072)	(31,687)	(2,693)	(25,945)	(360,556)
Securities lending management fees	(828)	(1,492)	(245)	(21)	(200)	(2,786)
Net income from securities lending	21,454	38,653	6,344	539	5,195	72,185
Net investment income	2,718,652	4,898,049	804,211	68,264	658,466	9,147,642
Other additions	9,837	1,074	172	4,501	169	15,753
Total additions	4,234,232	7,408,826	1,045,003	98,397	883,038	13,669,496
Deductions						
Benefits						
Benefits paid to retirees/cobeneficiaries	1,877,091	2,985,296	376,123	37,912	288,606	5,565,028
Benefits paid to survivors	15,759	17,625	3,255	360	1,597	38,596
Benefits paid on behalf of health care participants	—	—	—	—	—	—
Total benefits	1,892,850	3,002,921	379,378	38,272	290,203	5,603,624
Refunds and distributions	91,393	119,266	17,183	102	21,268	249,212
Disability and life insurance premiums	1,066	2,088	253	32	174	3,613
Administrative expenses	19,269	37,801	4,996	309	4,545	66,920
Other deductions	2,595	13,518	1,241	55	1,930	19,339
Total deductions	2,007,173	3,175,594	403,051	38,770	318,120	5,942,708
Net increase in net position	**2,227,059**	**4,233,232**	**641,952**	**59,627**	**564,918**	**7,726,788**
Net position						
Beginning of year	19,696,541	35,299,760	5,812,932	493,149	4,746,170	66,048,552
End of year	**$21,923,600**	**$39,532,992**	**$6,454,884**	**$552,776**	**$5,311,088**	**$73,775,340**

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Fiduciary Net Position (continued)

For the Year ended December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Defined Contribution Plans			Defined Benefit Other Postemployment Benefit Plans		Private Purpose Trust Fund	Custodial Fund
	Voluntary Investment Program	Defined Contribution Retirement Plan	Deferred Compensation Plan	Health Care Trust Fund	Denver Public Schools Health Care Trust Fund	Life Insurance Reserve	Direct Distribution Reserve
Additions							
Contributions							
Employers	$8,350	$27,775	$130	$129,775	$6,307	$—	$—
Nonemployer	—	—	—	—	—	—	—
Members	172,550	30,636	103,454	—	—	—	—
Purchased service	—	—	—	—	—	—	—
Employer disaffiliation	—	—	—	—	—	—	—
Total contributions	180,900	58,411	103,584	129,775	6,307	—	—
Investment income							
Net appreciation in fair value of investments	711,360	83,704	198,681	86,637	9,476	3,484	19,820
Interest	15,665	1,420	6,588	6,795	740	273	2,197
Dividends	41,302	3,615	12,843	6,873	748	276	2,223
Real estate, private equity, and alternatives net operating income	—	—	—	4,369	475	176	1,412
Less investment expenses	(3,611)	(414)	(1,202)	(2,750)	(299)	(110)	(889)
Net income from investing activities	764,716	88,325	216,910	101,924	11,140	4,099	24,763
Securities lending income	26,556	1,676	6,968	4,898	533	197	1,588
Securities lending borrower rebates	(21,221)	(1,350)	(5,653)	(4,055)	(441)	(163)	(1,312)
Securities lending management fees	(119)	(9)	(33)	(31)	(3)	(1)	(10)
Net income from securities lending	5,216	317	1,282	812	89	33	266
Net investment income	769,932	88,642	218,192	102,736	11,229	4,132	25,029
Other additions	3,724	1,667	1,429	6,446	156	1	500,007
Total additions	954,556	148,720	323,205	238,957	17,692	4,133	525,036
Deductions							
Benefits							
Benefits paid to retirees/cobeneficiaries	—	—	—	—	—	—	—
Benefits paid to survivors	—	—	—	—	—	—	—
Benefits paid on behalf of health care participants	—	—	—	85,964	4,088	—	—
Total benefits	—	—	—	85,964	4,088	—	—
Refunds and distributions	399,021	34,349	123,872	—	—	—	—
Disability and life insurance premiums	—	—	—	—	—	477	—
Administrative expenses	2,146	1,136	703	8,920	506	140	—
Other deductions	1,326	176	561	18	1	—	—
Total deductions	402,493	35,661	125,136	94,902	4,595	617	—
Net increase in net position	**552,063**	**113,059**	**198,069**	**144,055**	**13,097**	**3,516**	**525,036**
Net position							
Beginning of year	4,859,071	509,167	1,442,122	712,309	77,807	28,420	—
End of year	**$5,411,134**	**$622,226**	**$1,640,191**	**$856,364**	**$90,904**	**$31,936**	**$525,036**

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Fiduciary Net Position (continued)

For the Year ended December 31, 2025, with Summarized Financial Information for 2024

(Dollars in Thousands)

	Total	
	2025	**2024**
Additions		
Contributions		
Employers	**$2,861,914**	$2,728,845
Nonemployer	**225,000**	225,000
Members	**1,805,932**	1,719,878
Purchased service	**92,232**	96,628
Employer disaffiliation	**—**	506
Total contributions	**4,985,078**	4,770,857
Investment income		
Net appreciation in fair value of investments	**8,829,370**	6,159,208
Interest	**637,864**	538,614
Dividends	**679,016**	635,541
Real estate, private equity, and alternatives net operating income	**394,834**	384,750
Less investment expenses	**(253,750)**	(244,569)
Net income from investing activities	**10,287,334**	7,473,544
Securities lending income	**477,943**	554,889
Securities lending borrower rebates	**(394,751)**	(465,469)
Securities lending management fees	**(2,992)**	(2,657)
Net income from securities lending	**80,200**	86,763
Net investment income	**10,367,534**	7,560,307
Other additions	**529,183**	25,761
Total additions	**15,881,795**	12,356,925
Deductions		
Benefits		
Benefits paid to retirees/cobeneficiaries	**5,565,028**	5,402,456
Benefits paid to survivors	**38,596**	37,444
Benefits paid on behalf of health care participants	**90,052**	92,502
Total benefits	**5,693,676**	5,532,402
Refunds and distributions	**806,454**	725,809
Disability and life insurance premiums	**4,090**	4,260
Administrative expenses	**80,471**	67,008
Other deductions	**21,421**	20,958
Total deductions	**6,606,112**	6,350,437
Net increase in net position	**9,275,683**	6,006,488
Net position		
Beginning of year	**73,677,448**	67,670,960
End of year	**$82,953,131**	**$73,677,448**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

(Dollars in Thousands)

Note 1—Plan Description

Organization

Public Employees' Retirement Association of Colorado (PERA) was established in 1931. The statute governing PERA is Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.). PERA administers the following plans:

Plan Name	Type of Plan
Defined Benefit Pension Plans (Division Trust Funds)	
State Division Trust Fund	Cost-sharing multiple-employer
School Division Trust Fund	Cost-sharing multiple-employer
Local Government Division Trust Fund	Cost-sharing multiple-employer
Judicial Division Trust Fund	Cost-sharing multiple-employer
Denver Public Schools (DPS) Division Trust Fund	Single-employer
Defined Benefit Other Postemployment Benefit Plans (Health Care Trust Funds)	
Health Care Trust Fund (HCTF)	Cost-sharing multiple-employer
Denver Public Schools Health Care Trust Fund (DPS HCTF)	Single-employer
Defined Contribution Plans (Capital Accumulation Plans)	
Voluntary Investment Program	Multiple-employer
Defined Contribution Retirement Plan	Multiple-employer
Deferred Compensation Plan	Multiple-employer
Private Purpose Trust Fund	
Life Insurance Reserve	Multiple-employer

In addition, PERA holds a custodial fund where the assets are held for future allocation to the Division Trust Funds in accordance with statute. Please see Note 2 for more information.

Responsibility for the organization and administration of these plans rests with the PERA Board of Trustees (Board). The Board is composed of the following 16 Trustees:

- Nine members elected by members from their respective Divisions to serve on the Board for four–year terms; four from the School Division, three from the State Division, one from the Local Government Division, and one from the Judicial Division.
- Two retirees elected by retirees to serve on the Board for four-year terms.
- Three Trustees appointed by the Governor and confirmed by the State Senate to serve on the Board for four-year terms.
- The State Treasurer.
- One ex officio (non-voting) member or retiree elected by members and retirees of the DPS Division to serve on the Board for a four-year term. As a result of Senate Bill (SB) 26-151, the DPS Division Trustee becomes a voting member effective June 1, 2026.

This table is the number of active participating employers for the five Division Trust Funds. Guidance under the Governmental Accounting Standards Board (GASB) Statement No. 67 classifies a primary government and its component units as one employer.

Division	As of December 31, 2025[1]
State	33
School	236
Local Government	142
Judicial	2
DPS	1
Total employers	**414**

[1] This employer count is presented for purposes of complying with GASB 67 only. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

Pursuant to C.R.S. § 24-51-414, for 2025, the State of Colorado (State) is required to make an annual nonemployer contribution to PERA to be allocated to all divisions except the Local Government and DPS Divisions. See Note 4 for more information.

Notes to the Financial Statements

(Dollars in Thousands)

Membership—Division Trust Funds-Defined Benefit Pension Plans

The following chart shows PERA benefit recipients and members as of December 31, 2025, with summarized totals for 2024, along with the percentages representing the different benefit structures within each category:

	State Division	School Division	Local Government Division	Judicial Division	DPS Division	2025	2024
Retirees and beneficiaries (includes deferred survivors)	45,900	81,982	9,778	489	7,405	**145,554**	141,438
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	*91.5%*	*92.6%*	*89.2%*	*89.8%*	*90.0%*	***91.9%***	*93.1%*
PERA benefit structure hired after 12/31/06[1]	*8.5%*	*7.4%*	*10.8%*	*10.2%*	*10.0%*	***8.1%***	*6.9%*
Inactive members							
Inactive members eligible but not yet receiving benefits	9,962	25,096	3,155	30	3,473	**41,716**	41,354
Inactive members not eligible for benefits	99,547	173,884	33,740	12	19,025	**326,208**	314,040
Total inactive members	109,509	198,980	36,895	42	22,498	**367,924**	355,394
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	*31.3%*	*26.4%*	*27.6%*	*28.6%*	*8.8%*	***26.9%***	*28.8%*
PERA benefit structure hired after 12/31/06[1]	*68.7%*	*73.6%*	*72.4%*	*71.4%*	*91.2%*	***73.1%***	*71.2%*
Active members							
Vested members other than Safety Officers	30,093	73,947	6,264	274	8,502	**119,080**	119,701
Vested Safety Officers	948	—	16	—	—	**964**	822
Non-vested members other than Safety Officers	21,804	60,093	6,415	79	7,602	**95,993**	96,067
Non-vested Safety Officers	2,577	—	77	—	—	**2,654**	2,614
Total active members	55,422	134,040	12,772	353	16,104	**218,691**	219,204
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	*18.0%*	*20.1%*	*14.9%*	*28.9%*	*13.9%*	***18.8%***	*20.6%*
PERA benefit structure hired after 12/31/06[1]	*82.0%*	*79.9%*	*85.1%*	*71.1%*	*86.1%*	***81.2%***	*79.4%*
Total	**210,831**	**415,002**	**59,445**	**884**	**46,007**	**732,169**	**716,036**

[1] For membership benefit tiers beginning in 2007, the annual increase (AI) granted each year, as eligible, is provided through the affiliated Annual Increase Reserve (AIR). The AIR is created and maintained within each division for the sole purpose of funding benefit increases. The percentages represent the portion of each membership category for whom each division's AIR funds current and future AIs. Please see later in this Note and Note 4 for additional information related to the AI and AIR.

Membership—Capital Accumulation Plans

See Note 8.

Membership—Health Care Trust Funds

See Note 9.

Benefit Provisions—Division Trust Funds

Plan benefits are specified in Title 24, Article 51 of the C.R.S. and applicable provisions of the federal Internal Revenue Code (IRC). Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

Plan Eligibility

All employees of PERA employers who work in a position eligible for PERA membership must be enrolled in the PERA Defined Benefit Plan, except for employees who are hired into a position that makes them eligible for a choice between enrolling in the PERA Defined Benefit Plan or the PERA Defined Contribution Retirement Plan (PERAChoice). PERAChoice eligibility applies to certain employees of the State or Local Government Divisions, classified employees at State colleges and universities, most community colleges, as well as the District Attorney within each Judicial District, and if authorized by the county and the District Attorney, the attorneys within that Judicial District. If an eligible employee does not make a choice of which plan to participate in within 60 days of the starting date of employment, the employee is automatically enrolled in the defined benefit plan. Between the second and fifth year of participation in their original plan, employees may make a one-time, irrevocable election to switch to the other plan. After the fifth year of participation, this option to switch plan participation no longer exists.

Some positions within PERA-affiliated employers are not eligible for PERA membership and may be covered by another separate retirement program.

Notes to the Financial Statements

(Dollars in Thousands)

Benefit Provisions

The Division Trust Funds have various benefit provisions depending upon the member's date of hire or upon the member's date of retirement. The differences in plan benefit provisions are detailed in the following pages in this Note as of December 31, 2025. Following the January 1, 2010, merger of the Denver Public Schools Retirement System (DPSRS) into PERA, the benefit provisions of existing PERA members and all new hires post-merger date are identified as the PERA benefit structure and the benefit provisions originating under DPSRS are referred to as the DPS benefit structure.

Member Accounts

During 2025, most members in the State, School, Judicial, and DPS Divisions contributed 11.00% of their PERA-includable salary to their member accounts. Safety Officers (as defined in the next paragraph) contributed 13.00% of their PERA-includable salary. Most members of the Local Government Division contributed 9.00% of their PERA-includable salary.

The term "Safety Officers" is used for PERA purposes to better describe the expanded definition of the term "State Trooper," which under Colorado law includes several categories of employees:

- Employees of the Colorado State Patrol or Colorado Bureau of Investigation (CBI) vested with the powers of peace officers.
- Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII.
- New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer.
- New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.
- Beginning July 1, 2023, wildlife officers or parks and recreation officers hired on or after January 1, 2011, by the Division of Parks and Wildlife in the Department of Natural Resources.
- Beginning January 1, 2025, a person who is elected, reelected, or appointed on or after January 1, 2021, by a Local Government Division employer as a county coroner or deputy coroner.
- Beginning July 1, 2025, a duly sworn employee of the Division of Fire Prevention and Control in the Department of Public Safety whose duties include structural or wildfire management, wildfire response, live-fire training, or wildfire leadership, as determined by the Executive Director of the Department of Public Safety.

State law authorizes the Board to determine annually the interest to be credited to member accounts, but in no event may the Board specify a rate that exceeds 5%. Effective January 1, 2009, the annual rate was set at 3% and has been reconfirmed each November since adoption.

Service Credit

Members earn service credit for each month of work performed as an employee of a PERA-affiliated employer for which salary is earned for such services.

A full month of service credit is earned for each month of work where the salary earned by the employee is equal to or greater than 80 multiplied by the federal minimum hourly wage in effect for that month. Earned salary which is less than this amount results in a partial month of service credit. Positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to, positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Eligible members may purchase additional service credit based upon (1) other employment not covered by PERA or another retirement program or (2) the service credit forfeited as the result of a withdrawn PERA member account. Such service credit purchases are subject to limits in State and federal law. The amounts used to purchase service credit are credited to the member's account and may include tax-paid funds and eligible rollovers of tax-deferred funds. Such amounts are eligible for an interest accrual, but no match if the member account is refunded in a lump-sum distribution.

Refund or Distribution Provisions

Upon termination of employment with all PERA employers, members have the following options concerning their member account:

- Leave the account invested in the Division Trust Funds for a future distribution or retirement benefit, which must begin by the member's applicable required beginning date, as defined by IRC § 401(a)(9)(C).
- Request a distribution of the member account plus an applicable match, which cancels all service credit and any benefit entitlements associated with the account. The distribution may be taken as a cash refund with the resulting tax consequences or as a rollover to an eligible qualified plan.

Matching Amounts

Members under the PERA benefit structure who withdraw their accounts on or after reaching retirement eligibility or age 65 receive their member account plus a 100% match on eligible amounts. For members under the PERA benefit structure who withdraw their accounts before reaching retirement eligibility, all contributions received prior to January 1, 2011, are eligible for the 50% match regardless of how much service credit the member has earned. However, contributions received after January 1, 2011, are not eligible for the 50% match until the member earns five years of service credit.

Members under the DPS benefit structure who terminated employment on or after January 1, 2001, and withdraw their accounts on or after reaching retirement eligibility receive their member account plus a 100% match on eligible amounts. Members under the DPS benefit structure who withdraw their accounts before reaching retirement eligibility receive a refund of their member accounts, but do not receive any match.

Members reaching retirement eligibility who choose to take a retirement benefit are entitled to a minimum monthly benefit equal to the member's account plus a 100% match on eligible amounts, annuitized into a monthly benefit using PERA's expected rate of return.

Highest Average Salary

Plan benefits generally are calculated as a percentage of the member's three- or five- year highest average salary (HAS). The following conditions apply to the HAS calculation:

- ***For all members of the PERA benefit structure, except judges, who were eligible to retire as of January 1, 2011, who were hired before January 1, 2007, and who retire on or after January 1, 2009:*** HAS is determined by the highest annual salaries associated with four periods of 12 consecutive months of service credit. The four 12-month periods selected do not have to be consecutive nor do they have to include the last four years of membership. The lowest of the four periods becomes a base year used as a starting point for a 15% cap on annual salary increases for the next three periods used to determine the applicable HAS. This salary cap applies regardless of when the annual salaries used in the HAS calculation occurred.
- ***For all members of the PERA benefit structure, except judges, who were not eligible to retire as of January 1, 2011, or members of the PERA benefit structure who are hired on or after January 1, 2007, who have at least five years of service credit on December 31, 2019:*** HAS is determined by the highest annual salaries associated with four periods of 12 consecutive months of service credit. The four 12-month periods selected do not have to be consecutive nor do they have to include the last four years of membership. The lowest of the four periods becomes a base year used as a starting point for an 8% cap on annual salary increases for the next three periods used to determine the applicable HAS. This salary cap applies regardless of when the annual salaries used in the HAS calculation occurred.
- ***For all members of the PERA and DPS benefit structures, except judges, regardless of hire date, who do not have at least five years of service credit on December 31, 2019:*** HAS is determined by the highest annual salaries associated with six periods of 12 consecutive months of service credit. The six 12-month periods selected do not have to be consecutive nor do they have to include the last six years of membership. The lowest of the six periods becomes a base year used as a starting point for an 8% cap on annual salary increases for the next five periods used to determine the applicable HAS. This salary cap applies regardless of when the annual salaries used in the HAS calculation occurred.
- ***For members of the Judicial Division Trust Fund (judges) who have at least five years of service credit on December 31, 2019:*** HAS is one-twelfth of the highest annual salary associated with one period of 12 consecutive months of service credit.
- ***For members of the Judicial Division Trust Fund (judges) who do not have at least five years of service credit on December 31, 2019, regardless of the date of hire:*** HAS is determined by the highest annual salaries associated with four periods of 12 consecutive months of service credit. The four 12-month periods selected do not have to be consecutive nor do they have to include the last four years of membership. The lowest of the four periods becomes a base year used as a starting point for an 8% cap on annual salary increases for the next three periods used to determine the applicable HAS. This salary cap applies regardless of when the annual salaries used in the HAS calculation occurred.
- ***For members of the DPS benefit structure who are eligible to retire as of January 1, 2011:*** HAS is the average monthly salary of the 36 months of earned service having the highest salaries.
- ***For members of the DPS benefit structure who are not eligible to retire as of January 1, 2011, and have at least five years of service credit on December 31, 2019:*** HAS is determined by the highest annual salaries associated with four periods of 12 consecutive months of service credit. The four 12-month periods selected do not have to be consecutive nor do they have to include the last four years of membership. The lowest of the four periods becomes a base year used as a starting point for an 8% cap on annual salary increases for the next three periods used to determine the applicable HAS. This salary cap applies regardless of when the annual salaries used in the HAS calculation occurred.

Notes to the Financial Statements

(Dollars in Thousands)

Service Retirement Benefits—PERA Benefit Structure

With one exception, the service retirement benefit for all retiring members under the PERA benefit structure is the greater of the defined benefit formula or the money purchase formula explained as follows:

- **Defined Benefit Formula**
  HAS multiplied by 2.5% and then multiplied by years of service credit. The service retirement benefit is limited to 100% of HAS.
- **Money Purchase Formula**
  Values the retiring member's account plus a 100% match on eligible amounts as of the member's retirement date. This amount is then annuitized into a monthly benefit using the retiring member's life expectancy, expected rates of return, and other actuarial factors.

The exception is retiring members who are age 65, have less than five years of service credit, and less than 60 payroll postings will receive a service retirement benefit under the money purchase formula only.

In all cases, a service retirement benefit cannot exceed the maximum benefit amount allowed by federal law.

Service Retirement Benefits for Members other than Safety Officers—PERA Benefit Structure

Upon termination of PERA-covered employment and reaching eligibility for service retirement benefits, a member may begin receipt of benefits as follows:

Members Hired Before July 1, 2005, With Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
50	30
55	Age and Service = 80 or more
60	20
65	5 or at least 60 payroll postings

Members Hired on or After July 1, 2005, But Before January 1, 2007, With Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
55	Age and Service = 80 or more
60	20
65	5 or at least 60 payroll postings

Members Hired on or After January 1, 2007, But Before January 1, 2011, With Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
55	30
55	Age and Service = 85 or more
60	25
65	5 or at least 60 payroll postings

Members Hired Before January 1, 2011, With Less Than Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
55	30
55	Age and Service = 85 or more
60	25
65	5 or at least 60 payroll postings

Members Hired on or After January 1, 2011, But Before January 1, 2017, or Hired on or After January 1, 2017, But Before January 1, 2020, Whose Most Recent 10 Years of Service are in the School or DPS Divisions

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
58	30
58	Age and Service = 88 or more
60	28
65	5 or at least 60 payroll postings

Members Hired on or After January 1, 2017, But Before January 1, 2020, Whose Most Recent 10 Years of Service are not in the School or DPS Divisions

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
60	30
60	Age and Service = 90 or more
65	5 or at least 60 payroll postings

Members Hired on or After January 1, 2020

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
64	30
64	Age and Service = 94 or more
65	5 or at least 60 payroll postings

Service Retirement Benefits for Safety Officers—PERA Benefit Structure

Upon termination of PERA-covered employment and reaching eligibility for service retirement benefits, a Safety Officer may begin receipt of benefits as follows:

Safety Officer Hired Before January 1, 2020

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	30
50	25
55	20
60	Age and Service = 80 or more
65	5 or at least 60 payroll postings

Notes to the Financial Statements

(Dollars in Thousands)

Safety Officers Hired on or After January 1, 2020

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
55	25
55	Age and Service = 80 or more
65	5 or at least 60 payroll postings

Reduced Service Retirement Benefits— PERA Benefit Structure

Reduced service retirement benefits are calculated in the same manner as a service retirement benefit with a reduction for each month prior to the member's first eligible date for a service retirement.

Members and Safety Officers Hired Before January 1, 2020

Age Requirement (in years)	Service Credit Requirement (in years)
50	25
50 (Safety Officers only)	20
55	20
60	5

Members and Safety Officers Hired on or After January 1, 2020

Age Requirement (in years)	Service Credit Requirement (in years)
55	25
55 (Safety Officers only)	20
60	5

For members eligible to retire as of January 1, 2011, the early retirement reduction factors used to determine the reduced service retirement benefit are specified in C.R.S. § 24-51-605.

For members not eligible to retire as of January 1, 2011, the early retirement reduction factors used to determine the reduced service retirement benefit reflect an actuarial equivalent reduction.

Service Retirement Benefits—DPS Benefit Structure

The service retirement benefit for all retiring members under the DPS benefit structure is the greater of the two calculations explained as follows:

- HAS multiplied by 2.5% and then multiplied by years of service credit.
- $15 (actual dollars) times the first 10 years of service credit plus $20 (actual dollars) times service credit over 10 years plus a monthly amount equal to the annuitized member balance (which may include matching dollars if eligible) using the retiring member's life expectancy, expected rates of return, and other actuarial factors.

In all cases, a service retirement benefit is limited to 100% of HAS and cannot exceed the maximum benefit amount allowed by federal law.

Upon termination of PERA-covered employment and reaching eligibility for service retirement benefits, a member may begin receipt of benefits as follows:

Members With Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
50	30
55	25[1]
65	5

[1] 15 years must be earned service credit

Member With Less Than Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
Any Age	35
55	30[1]
55	Age and Service = 85 or more[1]
60	25
65	5

[1] 20 years must be earned service credit

Reduced Service Retirement Benefits— DPS Benefit Structure

Member With Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
Less than 50	30
Less than 55	25
55	15

Member With Less Than Five Years of Service Credit on January 1, 2011

Age Requirement (in years)	Service Credit Requirement (in years)
50	25
55	20
60	5

Members with less than five years of service credit under the DPS benefit structure do not have the option to apply for a benefit and are only eligible for a refund of the member account.

Disability Program

Eligible active members, other than judges, with five or more years of earned service credit are covered by the PERA disability program. Judges are immediately covered under the disability program. The earned service credit requirement may be waived for Safety Officers who become disabled as the result of injuries in the line of duty.

Notes to the Financial Statements

(Dollars in Thousands)

Medical determinations for the disability program are made by UNUM, PERA's disability program administrator pursuant to C.R.S. § 24-51-703. Applicants found to be disabled receive payments under one of two tiers:

- **Short-Term Disability:** Disability applicants are eligible for short-term disability payments if they are found to be mentally or physically incapacitated from performance of essential job duties after reasonable accommodation, and who are medically unable to earn at least 75% of their pre-disability earnings from any job, but who are not totally and permanently incapacitated from regular and substantial gainful employment. PERA's short-term disability program is an insurance product with PERA's disability program administrator, and payments are made directly to the individual from PERA's disability program administrator. The maximum income replacement is 60% of the member's pre-disability PERA salary for up to 22 months.
- **Disability Retirement Benefits:** Disability applicants who are found to be totally and permanently mentally or physically incapacitated from regular and substantial gainful employment are eligible for disability retirement benefits. These benefits are paid by PERA for as long as the disability retiree remains disabled. The benefit is calculated as a percentage of the disabled member's HAS using accrued, and in some cases, projected service credit.

Benefit Options

Service retirees in the PERA benefit structure and all members in either the DPS benefit structure or the PERA benefit structure who meet the requirements of a disability retirement may elect to receive their retirement or disability retirement benefits in the form of a single-life benefit payable for the retiree's lifetime only or one of two joint-life benefits payable for the lifetime of the retiree with a continuing benefit paid upon the retiree's death to the retiree's cobeneficiary. Such option designations may only be changed under limited conditions specified in State law. The options are as follows:

- *Option 1:* A single-life benefit payable for the life of the retiree and, upon the death of the retiree, no further monthly benefits are payable.
- *Option 2:* A joint-life benefit payable for the life of the retiree and, upon the death of the retiree, one-half of the benefit becomes payable to the cobeneficiary of the retiree for life. Upon the death of the cobeneficiary prior to the death of the retiree, an Option 1 benefit becomes payable to the retiree.
- *Option 3:* A joint-life benefit payable for the life of the retiree and, upon the death of the retiree, the same benefit becomes payable to the cobeneficiary of the retiree for life. Upon the death of the cobeneficiary prior to the death of the retiree, an Option 1 benefit becomes payable to the retiree.

Options 2 and 3 are reduced to be the actuarial equivalent of Option 1, to ensure equitable benefits are provided regardless of the payment option chosen.

Service retirees in the DPS benefit structure have the following options:

- *Option A:* A single-life benefit payable for the life of the retiree and, upon the death of the retiree, no further monthly benefits are payable.
- *Option B:* A single-life benefit, reduced from an Option A benefit to provide benefits to designated beneficiaries for a fixed period of time after retirement. As part of the retirement calculation, a guaranteed payment period is determined and if the retiree dies before the guaranteed period ends, the benefit will continue to the Option B beneficiary(ies) for the remainder of the guaranteed period. If the death of the retiree occurs after the guaranteed period, the benefit ends.
- *Option P2:* A joint-life benefit payable for the life of the retiree and, upon the death of the retiree, one-half of the benefit becomes payable to the cobeneficiary of the retiree for life. Upon the death of the cobeneficiary prior to the death of the retiree, an Option A benefit becomes payable to the retiree.
- *Option P3:* A joint-life benefit payable for the life of the retiree and, upon the death of the retiree, the same benefit becomes payable to the cobeneficiary of the retiree for life. Upon the death of the cobeneficiary prior to the death of the retiree, an Option A benefit becomes payable to the retiree.

Options B, P2, and P3 are reduced to be the actuarial equivalent of Option A, to ensure equitable benefits are provided regardless of the payment option chosen.

Survivor Benefits Program—PERA Benefit Structure

Members who have at least one year of earned service credit are covered by the PERA survivor benefits program. This one-year requirement is waived if a member's death is job-incurred.

In the event of the covered member's death, monthly survivor benefits may be paid to the qualified survivors of the deceased. Qualified survivors generally include minor children, a surviving spouse, dependent parents, or a cobeneficiary (for deceased members who were eligible for retirement at the time of death).

Monthly benefits are specified in statute and vary based upon the deceased's HAS, years of service credit, the qualified survivor to whom benefits are to be paid, and the number of qualified survivors receiving benefits.

Notes to the Financial Statements

(Dollars in Thousands)

If at the time of death, a member has less than one year of earned service credit or does not have any qualified survivors, the deceased's named beneficiary or the estate receives a lump-sum payment of the deceased member's account plus a 100% match on eligible amounts.

Survivor Benefits Program—DPS Benefit Structure

Active members who have at least five years of continuous service under the DPS benefit structure prior to the date of death and DPS disability retirements (prior to age 65) are covered by the survivor benefits program applicable to the DPS benefit structure.

In the event of the covered member's death, the member's qualified survivors are eligible for survivor benefits as long as the named beneficiary(ies) waive their right to receive a refund of the member's contributions. Qualified survivors generally include minor children, a surviving spouse, or dependent parents.

Monthly benefits are specified in statute and vary based upon the deceased's HAS, years of service credit, the qualified survivor to whom benefits are to be paid, and the number of qualified survivors receiving benefits.

If at the time of death, a member has not met the eligibility requirements for the DPS benefit structure survivor benefits program specified in statute, the member's named beneficiary(ies) will receive a lump-sum payment of the deceased member's account without a match.

Annual Increases

On an annual basis, eligible benefit recipients receive post-retirement, cost-of-living adjustments called annual increases (AI). The AI eligibility and amounts are determined by the date the retiree or deceased member began membership in PERA.

The AI provisions are explained as follows:

- For benefit recipients of the PERA benefit structure who began membership before January 1, 2007, and whose benefit is paid based on a retirement date prior to January 1, 2011, and benefit recipients of the DPS benefit structure whose benefit is paid based on a retirement date prior to January 1, 2011:
  - ***Payment Month:*** The AI is paid in July.
  - ***Eligibility:*** The benefit recipient has been receiving benefits for at least seven months immediately preceding the July in which the AI is to be paid.
  - ***AI Amount:*** The AI for 2025 is 1.00%. Each year, the AI is equal to the maximum AI or "AI cap," currently 1.00% per year, unless it is adjusted by the automatic adjustment provision (AAP). The AAP may raise or lower the AI cap by up to 0.25% if the AAP ratio of the Division Trust Funds is outside the parameters specified in C.R.S. § 24-51-413. The amount of the first AI will be prorated from the month of retirement to the first AI payment date.
- For benefit recipients of the PERA benefit structure who began membership before January 1, 2007, and whose benefit is paid based on a retirement date on or after January 1, 2011, and benefit recipients of the DPS benefit structure whose benefit is paid based on a retirement date on or after January 1, 2011, the following eligibility criteria is required:
  - ***Payment Month:*** The AI is paid in July.
  - ***Eligibility:*** For full service retirees, disability retirees, and reduced service retirees who are eligible to receive a benefit on January 1, 2011, and survivor benefit recipients, who already received the first AI on or before May 1, 2018, the benefit recipient has received benefit payments for the 12 months prior to the July in which the AI is to be paid.

    For full service retirees, disability retirees, and reduced service retirees who are eligible to receive a benefit on January 1, 2011, and survivor benefit recipients, who had not yet received the first AI on or before May 1, 2018, the benefit recipient has received benefit payments for 36 months total, including for the 12 months prior to the July in which the AI is to be paid.

    For reduced service retirees who are not eligible to retire as of January 1, 2011, but who already received the first AI on or before May 1, 2018: A reduced service retiree is eligible to receive the AI in July of the year in which both of the following conditions are met: (1) the retiree has received benefit payments for 12 months immediately preceding the July in which the AI is to be paid and (2) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the age and service rule for unreduced service retirement applicable to the retiree's plan.

    For reduced service retirees who are not eligible to retire as of January 1, 2011, and who had not yet received the AI on or before May 1, 2018: A reduced service retiree is eligible to receive the AI in July of the year in which all of the following conditions are met: (1) the retiree has received benefit payments for 36 months total; (2) the retiree has received benefit payments for 12 months immediately preceding the July in which the AI is to be paid; and (3) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the age and service rule for unreduced service retirement applicable to the retiree's plan.
  - ***AI Amount:*** The AI for 2025 is 1.00%. Each year, the AI is equal to the AI cap, currently 1.00% per year, unless it is adjusted by the AAP. The AAP may raise or lower the AI cap by up to 0.25% if the AAP ratio of the

Notes to the Financial Statements
(Dollars in Thousands)

Division Trust Funds is outside the parameters specified in C.R.S. § 24-51-413.

- For benefit recipients of the PERA benefit structure who began membership on and after January 1, 2007:
  - ***Payment Month:*** The AI is paid in July.
  - ***Eligibility:*** For full service retirees, disability retirees, and survivor benefit recipients who had already received an AI on or before May 1, 2018: The benefit recipient becomes eligible in July of the calendar year following the calendar year in which the benefit recipient has received 12 months of benefit payments. For full service retirees, disability retirees, and survivor benefit recipients who had not yet received an AI on or before May 1, 2018: The benefit recipient becomes eligible in July if the benefit recipient has received 36 months of benefit payments total including 12 months of benefit payments in the prior calendar year.

    A reduced service retiree who had already received an AI on or before May 1, 2018, is eligible to receive the AI in July of the year in which both of the following conditions are met: (1) as of January 1 of the year the AI is to be paid, the retiree has received 12 months of benefit payments in the prior calendar year and (2) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the age and service rule for unreduced service retirement applicable to the retiree's plan.

    A reduced service retiree who had not yet received an AI on or before May 1, 2018, is eligible to receive the AI in July of the year in which all of the following conditions are met: (1) as of January 1 of the year the AI is to be paid, the retiree has received 36 months of benefit payments total; (2) the retiree received 12 months of benefit payments in the prior calendar year; and (3) as of January 1 of the year the AI is paid, the retiree has either reached age 60 or the age and service rule for unreduced service retirement applicable to the retiree's plan.
  - ***AI Amount:*** The AI for 2025 is 1.00%. Each year, the AI is the lesser of the AI cap, currently 1.00% (unless adjusted by the AAP), or the average of the monthly Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) amounts for the prior calendar year. In no case can the present value of the year's AIs paid to a division's benefit recipients exceed 10% of the division's Annual Increase Reserve (AIR).

Changes to the AI Cap: If PERA's overall funded status (actuarial value of assets/actuarial accrued liability) is at or above 103%, the AI cap will increase by 0.25%. This adjustment will occur separately from any impact of the AAP.

Automatic Adjustment Provision

Adjustments may be made to the AI cap, member and employer contribution rates, and, under certain circumstances, the direct distribution from the State.

Based on the results of the AAP assessment which utilized the December 31, 2024, actuarial valuation performed for funding purposes, effective July 1, 2026, no adjustment to the AI cap is required.

Based on the results of the AAP assessment which utilized the December 31, 2025, actuarial valuation performed for funding purposes, effective July 1, 2027, no adjustment to the AI cap is required.

A summary of AAP provisions is provided in Note 4.

Suspending Benefits

If a retiree suspends retirement on or after January 1, 2011, returns to membership, and earns at least one year of service credit, a separate benefit will be earned. In this case, the retiree may opt to refund the contributions remitted with interest and an applicable match or receive a second, separate benefit. The original benefit will not be recalculated. Individuals who suspended retirement prior to January 1, 2011, are eligible to have their original benefit recalculated upon re-retirement.

If less than one year of service credit is earned during the return to membership, the retiree will be required to refund the contributions remitted with interest and an applicable match before the original benefit will resume.

Working After Retirement Without Suspending Benefits

- **Retiree Contributions:** With a few statutory exceptions, employers are required to remit employer contributions, amortization equalization disbursement (AED), supplemental amortization equalization disbursement (SAED), and defined contribution (DC) supplement (if applicable) on salary earned by retirees who work for them. Most working retirees are also required to make contributions at a percentage equal to the member contribution rate. Under C.R.S. § 24-51-101(53), working retiree contributions are nonrefundable and are not deposited into member accounts.
- **Limits on Working After Retirement:** With a few statutory exceptions, outlined as follows, retirees may work up to 110 days/720 hours per calendar year for a PERA employer with no reduction in benefits. In addition, pursuant to C.R.S. § 24-51-1101(1.8), each employer assigned to the School Division, DPS Division, and each Higher Education Institution assigned to the State Division may designate up to 10 service retirees each calendar year to work up to 30 additional days for a total of 140 days/916 hours in that calendar year. Legislation enacted April 19, 2024, further increased the number of service retirees who may be designated by School and DPS employers with over 10,000 students. These employers may now designate

one additional service retiree, for each 1,000 students above 10,000 students, to work a total of 140 days/916 hours in that calendar year. The following working after retirement provisions apply:

- The employer is required to provide full payment of PERA employer contributions, AED, SAED, DC supplement (if applicable), and remit working retiree contributions on all salary earned.
- The retiree cannot work for any PERA employer during the month of the effective date of retirement.
- The retiree does not resume PERA membership or build an additional benefit.

- **"Critical Shortage" Exceptions to the Limits on Working After Retirement:** Retirees who have applicable experience, skills, or qualifications of a listed position may work more than the above-referenced 110- or 140-day limit without a reduction in retirement benefits if the retiree's employer has declared a critical shortage of that position. Following is a summary of PERA law containing such exceptions, each with specific provisions or requirements not detailed here:
  - C.R.S. § 24-51-1101(1.9) is applicable to retirees who work for a rural school district, Boards of Cooperative Services (BOCES) within a rural school district, or a charter school within a rural school district that has determined it has a critical shortage of qualified superintendents, principals, teachers, school bus drivers, school food services cooks, school nurses, or paraprofessionals.
  - C.R.S. § 24-51-1101(5) enacted July 13, 2020, and April 12, 2024, to be repealed effective June 30, 2030, is applicable to retirees who work as a special service provider for a BOCES that serves rural school districts and has determined it has a critical shortage of qualified service providers.
  - C.R.S. § 24-51-1101(1.3) enacted March 17, 2022, to be repealed effective July 1, 2025, is applicable to retirees who hold a valid Colorado teaching license and work as substitute teachers for any school district or charter school that has determined it has a critical shortage of substitute teachers.

Benefit Provisions—Capital Accumulation Plans

See Note 8.

Benefit Provisions—Health Care Trust Funds

See Note 9.

Life Insurance Reserve

PERA offers an optional life insurance program where members can purchase varying amounts of coverage. The Life Insurance Reserve is an accumulation of dividends received in the past from the insurance company based upon plan experience. The investment income from the Life Insurance Reserve is used to pay the current administrative costs of the plan.

Termination of PERA

If PERA is partially or fully terminated for any reason, C.R.S. § 24-51-217 provides that the rights of all members and benefit recipients to all benefits on the date of termination, to the extent then funded, will become nonforfeitable.

Note 2—Summary of Significant Accounting Policies

Reporting Entity

The Board oversees all funds included in the financial statements of PERA and has the ability to influence operations. The Board's responsibilities include designation of management, membership eligibility, investment of funds, and accountability for fiscal matters.

PERA is an instrumentality of the State; it is not an agency of State government. In addition, it is not subject to administrative direction by any department, commission, board, bureau, or agency of the State. Accordingly, PERA's financial statements are not included in the financial statements of any other organization.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America that apply to governmental accounting for fiduciary funds.

The accompanying financial statements for the Division Trust Funds, the Health Care Trust Funds, the Capital Accumulation Plans, the Private Purpose Trust Fund, and the Custodial Fund are prepared using the economic resources measurement focus and the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires PERA to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates. Member and employer contributions are recognized as revenues in the period in which the compensation becomes payable to the member and the employer is statutorily committed to pay these contributions to the Division Trust Funds, the Health Care Trust Funds, and the Capital Accumulation Plans. Benefits and refunds are recognized when due and payable.

The Basic Financial Statements include summarized prior-year comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2024, from which the summarized information was derived.

(Dollars in Thousands)

Adoption of Accounting Standards

The objective of GASB Statement No. 102, *Certain Risk Disclosures*, is to provide financial statement users with key information about risks arising from a government's vulnerabilities due to certain concentrations or constraints. PERA conducted its assessment and determined that no additional disclosures were required as part of the implementation of GASB Statement No. 102. PERA will continue to monitor these risks annually and evaluate the requirements.

Fund Accounting

The financial activities of the State Division Trust Fund, the School Division Trust Fund, the Local Government Division Trust Fund, the Judicial Division Trust Fund, the DPS Division Trust Fund, the Voluntary Investment Program, the Defined Contribution Retirement Plan, the Deferred Compensation Plan, the HCTF, the DPS HCTF, the Life Insurance Reserve, and the Direct Distribution Reserve are recorded in separate funds. The State, School, Local Government, Judicial, and DPS Division Trust Funds maintain separate accounts, and all actuarial determinations are made using separate division-based information.

The Division Trust Funds, the Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve pool their investments into a combined investment fund (CIF). Investment value and earnings of the CIF are allocated among the funds based on each fund's percentage ownership. As of December 31, 2025, the ownership percentages of each fund are shown in the following table:

Trust Fund	Ownership Percentages
State Division	29.06%
School Division	52.53%
Local Government Division	8.59%
Judicial Division	0.73%
DPS Division	7.06%
HCTF	1.16%
DPS HCTF	0.12%
Life Insurance Reserve	0.05%
Direct Distribution Reserve	0.70%
Total	**100.00%**

The administrative activities and operating assets and liabilities are pooled and recorded in a common operating fund (COF). Expenses incurred and net operating assets are allocated from the COF to the Division Trust Funds based on administrative staff workload devoted to these funds and the ratio of the number of active and retired members in each division to the total for all the Division Trust Funds. Expenses are allocated to the HCTF and DPS HCTF based on administrative staff workload devoted to these funds and member participation in health plans. Expenses are allocated to the Voluntary Investment Program, the Defined Contribution Retirement Plan, and the Deferred Compensation Plan based on administrative staff workload, internally managed investment fees earned for Investment division expenses, and the ratio of FNP of each program or plan to the total for the program and plans. Expenses are allocated to the Life Insurance Reserve based on administrative staff workload.

Direct Distribution Reserve

SB 25-310, enacted June 2, 2025, authorized PERA to receive $500,000 in 2025 to offset future direct distributions intended to fund $350,000 for the Peace Officer Training and Support Fund. Once the statutory fulfillment threshold of $350,000 is reached, PERA may allocate any remaining custodial fund balance to the Division Trust Funds as a direct distribution payment in accordance with statute.

PERA holds the $500,000 in a custodial capacity on behalf of the State of Colorado for future allocation to one or more Division Trust Funds as a direct distribution payment, excluding the DPS Division (prior to July 1, 2030) and the Local Government Division. The resources were provided by the State during 2025 and, as of December 31, 2025, were not attributable to a specific pension trust fund. The activity is reported in a custodial fund in accordance with GASB Statement No. 84, Fiduciary Activities, as PERA acted as a custodian rather than a trustee. The assets are held for future allocation to the pension trust funds for the benefit of plan members and beneficiaries in accordance with statute.

The assets were invested in the CIF. The Direct Distribution Reserve receives an allocation of net earnings using established investment allocation methodology.

As of December 31, 2025, PERA held $525,036 in net assets in the custodial fund, consisting of the advance from the State of Colorado of $500,000, plus accumulated net investment earnings of $25,029 and other additions of $7 allocated from the CIF. The resources were reported as net position restricted for other entities and were not available for PERA's own programs or operations.

In accordance with GASB Statement No. 84, a liability is recognized only when an event occurs that compels PERA to disburse custodial assets. For this activity, the compelling event is the State of Colorado's statutory reduction of the warrant amount of the annual direct distribution. As reductions occur, PERA will recognize a liability and corresponding deduction as amounts are transferred to the pension trust funds pursuant to statute.

Consistent with GASB Statement No. 67, amounts held in the custodial fund are not recognized as a direct distribution payment until the resources become attributable to specific pension trust funds and the contribution requirements are met.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates. This includes investments with an original maturity of three months or less at the time of acquisition.

The total carrying value of cash and cash equivalents in the Statements of Fiduciary Net Position as of December 31, 2025, was $1,734,388. Cash balances represent operating cash accounts and investment cash held by banks.

See custodial credit risk disclosure on page 71 and foreign currency risk disclosure on page 74.

Fair Value of Investments

Plan investments are presented at fair value in the Statements of Fiduciary Net Position. See Note 5 for additional information.

Interfund Transfers and Balances

Interfund transfers of assets take place on a regular basis between the Division Trust Funds. The transfers occur upon the initiation of a retirement or survivor benefit where the member earned or purchased service in another division in addition to the Fund paying the benefit. Transfers also occur from the Division Trust Funds to the Health Care Trust Funds to allocate a portion of the amount paid by members to purchase service credit.

The Basic Financial Statements include amounts due from other funds and due to other funds and are classified as interfund receivables and interfund liabilities on the Statements of Fiduciary Net Position. As of December 31, 2025, interfund balances existed between funds due to unreimbursed internal operating expenses. All interfund balances are expected to be repaid within one year.

Other Additions and Other Deductions

The Statements of Changes in Fiduciary Net Position include other additions and other deductions. Other additions include administrative fee income, participant loan interest, net retirement transfer balances from other divisions, purchased service transfers in to health care, settlement income, advances to the Direct Distribution Reserve, and other miscellaneous additions. Other deductions include net retirement transfer balances to other divisions, purchased service transfers out to health care, and other miscellaneous deductions.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as income until that future period. The Statements of Fiduciary Net Position include deferred inflows of resources from tenant leases.

Compensated Absences

Expenses for accumulated compensatory time earned by PERA's employees are recorded when earned. Unused leave is paid upon termination of employment. The total compensated absences liability as of December 31, 2025, was $9,196, an increase of $1,016 from 2024, and is included in investment settlements and other liabilities on the Statements of Fiduciary Net Position.

Subsequent Events

PERA has evaluated subsequent events through June 17, 2026. See Note 12 for disclosure of material events.

Note 3—Leases, Capital Assets, and Subscription Liabilities

Leases

Lease receivables are included in other receivables in the Statements of Fiduciary Net Position. PERA, acting as lessor, leases office space at the Pointe Office in Westminster under long-term, non-cancelable lease payments. The agreements range from 30 months to 84 months with interest rates between 1.77% and 8.50% and provide for renewal options up to five years. During the year ended December 31, 2025, PERA recognized $648 and $52 in lease revenue and interest revenue, respectively.

Capital Assets

Capital assets include tangible capital assets and intangible right-to-use assets. PERA has adopted capitalization thresholds to determine whether acquisitions of assets are classified as capital assets or operating expenses.

Tangible capital assets are recorded at cost less accumulated depreciation since acquisition. Depreciation for tangible capital assets is calculated using the straight-line method, with estimated lives ranging from three to 40 years.

Intangible right-to-use assets and related liabilities are recorded at the present value of expected payments over the contract term. Right-to-use assets are amortized using the straight-line method over the contract term or the useful life of the underlying asset, whichever is shortest.

Notes to the Financial Statements

(Dollars in Thousands)

Capital asset balances and activity for the year ended December 31, 2025, are reported below:

Schedule of Capital Assets

	December 31, 2024	Additions	Deletions[1]	December 31, 2025
Non-depreciable capital assets				
Land	$4,043	$—	$—	**$4,043**
Construction in progress	906	484	(906)	**484**
Total non-depreciable capital assets	**4,949**	**484**	**(906)**	**4,527**
Capital assets being depreciated or amortized				
Buildings and improvements	32,149	858	(8,475)	**24,532**
Furnishings, equipment, and IT hardware	3,995	762	(3,123)	**1,634**
Intangible right to use assets	2,446	—	—	**2,446**
Total capital assets being depreciated or amortized	**38,590**	**1,620**	**(11,598)**	**28,612**
Total capital assets	**43,539**	**2,104**	**(12,504)**	**33,139**
Less accumulated depreciation or amortization				
Buildings and improvements	(24,088)	(1,113)	7,945	**(17,256)**
Furnishings, equipment, and IT hardware	(3,101)	(373)	2,969	**(505)**
Intangible right to use assets	(891)	(655)	—	**(1,546)**
Total accumulated depreciation or amortization	**(28,080)**	**(2,141)**	**10,914**	**(19,307)**
Total net capital assets	**$15,459**	**($37)**	**($1,590)**	**$13,832**

[1] During the current fiscal year, PERA increased its capitalization thresholds, resulting in the write-off of existing assets below the revised thresholds. The write-off was treated as a change in estimate and did not materially affect PERA's financial position or results of operations.

Subscription Liabilities

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITAs)*, requires the recognition of liabilities related to SBITAs. The liabilities related to these arrangements are included in investment settlements and other liabilities in the Statements of Fiduciary Net Position, with interest expense recognized over the contract term.

Schedule of Minimum Commitments

Fiscal Year	Principal	Imputed Interest[1]	Total
2026	$695	$25	**$720**
Total	**$695**	**$25**	**$720**

[1] The discount rate to calculate the present value of the new SBITA liabilities ranged from 3.26% to 3.72%. PERA reports the difference between the liability booked to record the present value of these future payment obligations and the actual lease payments as interest expense.

Note 4—Contributions

Division Trust Funds—Defined Benefit Pension Plans

Members and employers are required to contribute to PERA at a rate set by Colorado statute. The contribution requirements of plan members and affiliated employers are established under C.R.S. § 24-51-401 *et seq.* Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

Members are required to contribute a percentage of their PERA-includable salary as shown in the contribution rates table on page 63. PERA records these contributions in individual member accounts. Member contributions are tax-deferred for federal and Colorado income tax purposes, effective July 1, 1984, (January 1, 1986, for members of the DPS benefit structure) and January 1, 1987, respectively. Prior to those dates, contributions were on an after-tax basis. PERA-affiliated employers contribute a percentage of active member covered payrolls depending on division as shown in the following contribution rates table.

Employers that rehire a PERA retiree as an employee or under any other work arrangement (working retiree) are required to report and pay employer contributions, including an additional 2.00% for retirees rehired pursuant to C.R.S. § 24-51-1101(5), on the amounts paid to the working retiree. In addition, under C.R.S. § 24-51-101(53), working retirees are required to make contributions at a percentage of salary equal to the member contribution rate. However, these contributions are not member contributions, are not deposited into a member account, and, therefore, are nonrefundable to the working retiree.

For purposes of deferring federal income tax imposed on salary, member contributions and working retiree contributions shall be treated as employer contributions pursuant to the provisions of 26 U.S.C. § 414 (h)(2), as amended. For all other purposes, these contributions shall be treated as member contributions and working retiree contributions as previously described.

C.R.S. § 24-51-411 requires employers to pay the AED and SAED. The employers pay these amounts on the PERA-includable salary for all employees working for the employer who are members of PERA, or who are eligible to elect to become members of PERA on or after January 1, 2006, including any amounts paid in connection with the employment of a retiree by an employer. PERA uses these payments to help amortize the unfunded actuarial accrued liability (UAAL).

C.R.S. § 24-51-411 provides for adjustment of the AED and SAED based on the year end funded status within a particular Division Trust Fund. If a particular Division Trust Fund reaches a funded status of 103%, a decrease in the AED and SAED is mandated and if it subsequently falls below a funded status of 90%, an increase in the AED and SAED is mandated. For the Local Government and Judicial Divisions, if the funded ratio reaches 90% and subsequently falls below 90%, an increase in the AED and SAED is mandated. AED and SAED rates cannot exceed the maximums listed in the table on page 172.

Effective January 1, 2021, and every year thereafter, C.R.S. § 24-51-415 adjusts employer contribution rates for the State and Local Government Divisions to include a DC supplement. The DC supplement for these two divisions will be determined based on the employer contribution amounts paid on behalf of eligible employees who commence employment on or after January 1, 2019, to DC plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability. This calculation includes defined benefit investment earnings thereon, and is expressed as a percentage of salary on which employer contributions are made.

C.R.S. § 24-51-412 permits a pension certificates of participation (PCOP) offset to the DPS Division employer contribution rate. The offset, expressed as a percentage of covered payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing, by the DPS at a fixed effective annual interest rate of 8.50%. At a minimum, the DPS Division employer rate, after applying the PCOP offset, must be sufficient to fund the DPS HCTF and the AIR contribution rates applicable to the DPS Division. The staff of Denver Public Schools provided the PCOP offset rate of 9.12% for 2025, which is reviewed and analyzed by PERA staff.

C.R.S. § 24-51-401(1.7)(e) requires a periodic "true-up" calculation to be performed beginning in 2015 and every five years following, with the purpose of determining the total DPS Division employer contribution rate that would result in the equalization of the ratio of UAAL over payroll between the DPS and School Divisions at the end of the 30-year period beginning January 1, 2010. The 2020 and 2025 calculations indicated a reduction to the total DPS Division employer rate would be needed to equalize the defined ratio. House Bill (HB) 25-1105 enacted May 23, 2025, and effective July 1, 2025, reduced the base employer contribution rate for the DPS Division by 3.0%. As of December 31, 2025, the ratio of UAAL over payroll is 263.5% for the School Division and 58.2% for the DPS Division. It should be noted a reduction in an employer contribution rate for any one Division Trust Fund could potentially influence the outcome of the assessment of contributions (actual versus actuarially determined) considering all participating Division Trust Funds, annually performed under the AAP, enacted

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through C.R.S. § 24-51-413, and described in greater detail on page 64.

PERA-affiliated employers forward the contributions to PERA for deposit. PERA allocates a portion of these contributions into the HCTF or DPS HCTF for health care benefits. For 2025, 1.02% of the reported salaries were transferred into the HCTF. From January 1 through June 30, 2025, 1.02% of the reported salaries were transferred into the DPS HCTF. Effective July 1, 2025, HB 25-1105 reduced the allocated employer contribution to the DPS HCTF from 1.02% to 0.20% of reported salaries.

The AIR, under C.R.S. § 24-51-1009, was created within each Division Trust Fund for the sole purpose of funding future benefit increases. Funding for this reserve comes from the employer contributions and is calculated at 1.00% of the salary reported for members in the PERA benefit structure hired on or after January 1, 2007. The rate can be modified by the Colorado General Assembly. In 2025, post-retirement benefit increases for these members were limited to a maximum of 1.00% (unless further adjusted by the AAP) compounded annually, subject to the availability of assets in the AIR for each division. In no case can the present value of the year's AIs paid to a division's benefit recipients exceed 10% of the division's AIR.

The value of the AIR for each division was as follows:

Trust Fund	December 31, 2025
State Division	$454,500
School Division	656,621
Local Government Division	118,516
Judicial Division	5,940
DPS Division	113,113
Total	**$1,348,690**

The remainder of the employer contributions were transferred into a trust fund established for each division for the purpose of meeting current benefit accruals and future benefit payments.

The DC supplement provisions increased employer contribution rates, effective January 1, 2025, by 0.02% and 0.03% for all employers in the State and Local Government Divisions, respectively.

The combined employer contribution rates for retirement and health care benefits along with the member contribution rates for 2025 are shown as follows:

Contribution Rates

Trust Fund[1]	Employer Contribution Rate[2]	AED	SAED	DC Supplement	PCOP Offset	Total Contribution Rate Paid by Employer	Member Contribution Rate[2]
State Division (members other than Safety Officers)	11.40%	5.00%	5.00%	0.23%	—%	21.63%	11.00%
State Division (Safety Officers)	14.10%	5.00%	5.00%	0.23%	—%	24.33%	13.00%
School Division	11.40%	4.50%	5.50%	—%	—%	21.40%	11.00%
Local Government Division (members other than Safety Officers)	11.00%	2.20%	1.50%	0.11%	—%	14.81%	9.00%
Local Government Division (Safety Officers)	14.10%	2.20%	1.50%	0.11%	—%	17.91%	13.00%
Judicial Division	14.91%	5.00%	5.00%	—%	—%	24.91%	11.00%
DPS Division							
January 1 - June 30	11.40%	4.50%	5.50%	—%	(9.12%)	12.28%	11.00%
July 1 - December 31	8.40%	4.50%	5.50%	—%	(9.12%)	9.28%	11.00%

1 See Note 1 for the definition of "Safety Officers."

2 Includes two 0.50% rate increases resulting from the 2018 and 2020 AAP.

Funding of the plan assumes statutory contributions will be made on a timely basis. Any significant reduction in contributions would have an impact on the ability of the plan to make benefit payments in the future.

Direct Distribution

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State, as a nonemployer contributing entity, in the amount of $225,000. Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA allocates the distribution to the trust funds in a manner proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

Additionally, pursuant to HB 25-1105, effective July 1, 2025, and prior to July 1, 2030, the DPS Division receives no allocation of the direct distribution.

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The allocation for 2025 was as follows:

Trust Fund	Direct Distribution
State Division	$81,746
School Division	141,918
Judicial Division	1,336
Total	**$225,000**

Automatic Adjustment Provision

The primary intent of the AAP is to gauge the adequacy of the annual contributions coming into the pension trust fund against the amount required to achieve full funding by 2048. If determined necessary, the AAP initiates automatic changes to member and employer contribution rates, the AI cap, and, under certain circumstances, the direct distribution from the State.

Pursuant to C.R.S. § 24-51-413, the annual AAP assessment involves the comparison of two blended rates, weighted across all participating Division Trust Funds, determining a resulting ratio as follows:

+	employer contribution rates		
+	member contribution rate		
+	direct distribution as a rate of pay		
=	**Blended Total Contribution Amount**		
	divided by	=	**AAP Resulting Ratio**
+	actuarially determined contribution (ADC) rate		
+	member contribution rate		
=	**Blended Total Required Contribution**		

If the resulting ratio falls within an acceptable corridor (98% to 119%), no adjustments are made. If the resulting ratio falls short of the acceptable corridor (less than 98%), adjustments are applied in an equitable manner of impact resulting in increases in contributions and a decrease in the AI cap. If the resulting ratio exceeds the acceptable corridor (120% or greater), adjustments are applied in an equitable manner of impact resulting in decreases in contributions and an increase in the AI cap.

Pursuant to HB 25-1105, effective July 1, 2025, and prior to July 1, 2030, the DPS Division contribution rates are excluded from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.

The first required adjustment occurred as of July 1, 2020, as a result of the 2018 AAP assessment. The AAP defines the limited amounts of total adjustment available in each category, and the increments of adjustments that can occur in any year. Adjustments over multiple years arising from a single AAP are permitted, although they cannot exceed the ultimate annual or total limits as set forth in statute. An adjustment (increase or decrease) to each of the employer contribution rates and the member contribution rates cannot exceed 0.50% in any one year, and in total, cannot exceed 2.00% above the rates defined in C.R.S. § 24-51-401(1.7)(a)(IV) or fall below the rates defined in C.R.S. § 24-51-401(1.7)(a)(I). An adjustment (increase or decrease) to the direct distribution cannot exceed $20,000 in any one year, and cannot exceed the initially legislated annual $225,000 amount, but can be reduced to $0.

Further, adjustments required because funding is below the 98% AAP ratio threshold will be made to an extent that will bring the revised ratio to 103% following the corrective efforts, but in no event can the adjustments in one year be greater than the limits as previously described. Similarly, adjustments required because funding has reached the 120% AAP ratio threshold must not cause the ratio to fall below 103%.

Based on the results of the AAP assessment which utilized the December 31, 2024, actuarial valuation performed for funding purposes, effective July 1, 2026, no adjustments to member and employer contribution rates are required, with no adjustment to the $225,000 direct distribution.

Based on the results of the AAP assessment which utilized the December 31, 2025, actuarial valuation performed for funding purposes, effective July 1, 2027, no adjustments to member and employer contribution rates are required, with no adjustment to the $225,000 direct distribution.

Replacement Benefit Arrangements

IRC § 415 limits the amount of the benefit payable to a retiree or survivor in a defined benefit plan. In some cases, the IRC limit is lower than the benefit calculated under the plan provisions. For 2025, this limit is set at $280,000 (actual dollars) for retirees who are age 62 or older. This dollar amount is actuarially decreased for retirees younger than 62. IRC § 415(m) allows a government plan to set up a “qualified governmental excess benefit arrangement” to pay the difference to those retirees. To accomplish this, PERA has entered into agreements with the employers who last employed the affected retirees. Under the agreement, the employer pays the benefit difference to the retiree from a portion of the current employer contributions. In 2025, employers under these agreements used current employer contributions to pay retirees $2,800 in the State Division; $672 in the School Division; $1,253 in the Local Government Division; $1 in the Judicial Division; and $0 in the DPS Division. As of December 31, 2025, payroll, there were 95 accounts receiving a replacement benefit.

Contributions—Capital Accumulation Plans

See Note 8.

Contributions—Health Care Trust Funds

See Note 9.

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Note 5—Investments

PERA Board's Statutory Fiduciary Responsibility

By State law, the management of PERA's retirement fund is vested in the Board who is held to the standard of conduct of fiduciaries in discharging their responsibilities. According to C.R.S. § 24-51-207(2), the Board, as fiduciaries, must carry out their functions solely in the interest of PERA members and benefit recipients and for the exclusive purpose of providing benefits.

Investment Committee

The Investment Committee is responsible for assisting the Board in overseeing the PERA investment program. Specific responsibilities include:

For the Combined Investment Fund:

- Recommend *Statements of Investment Policy and Philosophy* and review the statements at least biennially.
- Recommend the strategic asset allocation and associated benchmarks.
- Review, at least annually, PERA's compliance with the *Statement of Investment Policy*.
- Review costs of the investment program.
- Review total fund, asset class, and investment manager performance and risk.
- Advise on any other investment matters and make recommendations for action when necessary.

For the Capital Accumulation Plans:

- Recommend a *Statement of Investment Policy* and review it at least biennially.
- Recommend to the Board changes in the lineup of investment options (i.e., PERAdvantage Funds) offered, including the default investment options.
- Review investment performance of each investment option offered quarterly.

Combined Investment Fund

Investment Authority

Under C.R.S. § 24-51-206, the Board has complete responsibility for the investment of PERA's funds, with the following investment limitations:

- The aggregate amount of moneys invested in corporate stocks or corporate bonds, notes, or debentures that are convertible into corporate stock or in investment trust shares cannot exceed 65% of the then book value of the fund.
- No investment of the fund in common or preferred stock (or both) of any single corporation can exceed 5% of the then book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stock or bonds of any single corporation.
- The origination of mortgages or deeds of trust on real residential property is prohibited.

Additionally, C.R.S. § 24-54.8-201 *et seq.* imposes targeted divestment from companies that have economic prohibitions against Israel.

Overview of Investment Policy

PERA's investment policy is established and may be amended by a majority vote of the Board. The policy outlines the investment philosophy and guidelines within which the fund's investments will be managed, and includes the following:

- Strategic asset allocation is the most significant factor influencing long-term investment performance and asset volatility.
- The fund's liabilities are long term and the investment strategy will therefore be long term in nature.
- The asset allocation policy will be periodically re-examined to ensure its appropriateness to the then prevailing liability considerations.
- As a long-term investor, PERA will invest across a wide spectrum of investments in a prudent manner.
- Active management may be expected to add value over passive investment alternatives under appropriate conditions.

The Board determines the strategic asset allocation for the fund. This strategic asset allocation contains a policy benchmark weight and specific ranges within which each asset class may operate. The asset allocation policy benchmark weight and ranges for each asset class are presented in the Investment Section on page 124.

The asset allocation policy is determined by an intensive asset/liability study which considers expected investment returns, risks, and correlations of returns. The characteristics of the fund's liabilities are analyzed in conjunction with expected investment risks and returns. The targeted strategic asset allocation is designed to provide appropriate diversification and to balance the expected returns while ensuring an appropriate level of risk is incurred.

The asset allocation targets are adhered to through the implementation of a rebalancing policy. Investments are managed and monitored in a manner which seeks to balance return and risk within the asset/liability framework. The Chief Investment Officer is authorized to execute investment transactions on behalf of the Board. Assets are managed both internally and externally. In making investment decisions, the Board and staff utilize external experts in various fields.

Information on the most recent asset/liability study can be found in the Investment Section on page 124.

Capital Accumulation Plans

Investment Authority

Colorado PERA administers three participant-directed contribution plans, collectively known as the Capital Accumulation Plans (CAPs). All three plans are governed by the Board, which makes available investment options pursuant to C.R.S. § 24-51-1404, C.R.S. § 24-51-1504(1), and C.R.S. § 24-51-1605(1).

The CAPs' participants are expected to have different retirement objectives, time horizons, and investment risk tolerances. To meet these varying needs, participants are able to direct their contributions and account balances among a range of investment options, including a self-directed brokerage account, to construct diversified portfolios that can reasonably align with the financial goals and risk tolerances. Investment options in the CAPs are identical. Participants alone bear the risk of investment results.

For additional information on the CAPs, please refer to Note 8 starting on page 76.

Overview of Investment Policy

The Board is responsible for approving an appropriate range of investments that addresses the needs of the participants in the CAPs. The objectives of selecting the investment options under each CAP are to:

- Provide a wide range of investment opportunities in various asset classes so as to allow for diversification and to cover a wide risk/return spectrum.
- Achieve returns within reasonable and prudent levels of risk.
- Provide returns comparable to returns for similar investment options.
- Control administrative and investment management costs to the plan and participants.

Investment Performance

For the year ended December 31, 2025, the net-of-fees, money-weighted rate of return on the pooled investment assets was 14.1%.

A money-weighted rate of return considers the effect of timing of transactions that increase the amount of pension plan investments (such as contributions) and those that decrease the amount of pension plan investments (such as benefit payments). Additionally, the money-weighted rate of return provides information comparable with the long-term assumed rate of return on the pooled investment assets.

Fair Value

Investments are measured at fair value in accordance with GASB Statement No. 72. Fair value is defined as the amount for which an investment could be sold in an orderly transaction between market participants at the measurement date in the principal or most advantageous market of the investment. This Statement establishes a three-tier, hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. The hierarchy is based on the valuation inputs used to measure the fair value of the investment and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The three-tier framework is summarized as follows:

- **Level 1—**Unadjusted quoted prices for identical instruments in active markets.
- **Level 2—**Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- **Level 3—**Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments in certain entities that calculate a net asset value (NAV) per share (or its equivalent) sometimes do not have a readily determinable fair value. For these investments, governmental accounting standards permit establishment of fair value using a practical expedient based on the NAV per share (or its equivalent).

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The following table presents PERA's investments within the hierarchical framework, as well as investments where fair value is determined using the practical expedient, as of December 31, 2025:

Investments Measured at Fair Value

		Fair Value Measurements Using:		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Global Equity				
Public market investments[1]				
Information technology	$12,545,535	$12,543,305	$2,230	$—
Financials	7,448,338	7,434,831	12,959	548
Industrials	5,113,586	5,110,306	1,767	1,513
Consumer discretionary	4,390,606	4,387,527	2,596	483
Communication services	4,321,976	4,321,184	792	—
Health care	4,310,860	4,310,530	—	330
Consumer staples	2,330,832	2,328,028	2,804	—
Materials	1,497,741	1,492,955	4,193	593
Energy	1,190,367	1,186,149	2,189	2,029
Real estate	734,309	728,616	273	5,420
Utilities	680,810	680,578	164	68
Total global equity investments	**44,564,960**	**44,524,009**	**29,967**	**10,984**
Fixed Income				
U.S. Treasuries	6,309,253	6,309,253	—	—
U.S. government MBS/CMBS	4,728,279	843,181	3,885,098	—
U.S. corporate bonds	3,134,873	—	3,134,873	—
Non-U.S. corporate bonds	601,313	—	601,313	—
Non-U.S. government/agency bonds	530,309	—	530,309	—
Non-agency MBS/CMBS	116,551	—	116,551	—
U.S. municipal bonds	79,754	—	79,754	—
U.S. government agencies	63,427	—	63,427	—
Fixed income mutual fund	30,013	30,013	—	—
Total fixed income investments	**15,593,772**	**7,182,447**	**8,411,325**	**—**
Real estate	2,683,249	—	—	2,683,249
Self-directed brokerage	109,410	101,130	8,274	6
Total investments by fair value level	**62,951,391**	**$51,807,586**	**$8,449,566**	**$2,694,239**
Investments Measured at the NAV				
Global equity	1,090,818			
Fixed income	234,202			
Self-directed brokerage	41,314			
Private equity	5,602,279			
Real estate	4,107,346			
Alternatives	4,326,093			
Multi-asset class funds	2,306,589			
Total investments measured at the NAV	**17,708,641**			
Total investments measured at fair value	**$80,660,032**			

[1] Public market investments of $27,730 are classified in Level 2 due to the election of fair value pricing for international equity portfolios. This election employs the use of intra-day movements of the Russell 1000 index as a factor in pricing individual equity investments to ensure equitability between participants in the PERAdvantage International Stock Fund.

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Reconciliation of Investment Leveling Disclosure to the Statements of Fiduciary Net Position

	Investments by Fair Value Level[1]	Investments Measured at the NAV	Stable Value Fund[2]	Statements of Fiduciary Net Position Combined Total
Global equity	$44,564,960	$1,090,818	$—	$45,655,778
Fixed income	15,593,772	234,202	434,735	16,262,709
Private equity	—	5,602,279	—	5,602,279
Real estate	2,683,249	4,107,346	—	6,790,595
Alternatives	—	4,326,093	—	4,326,093
Multi-asset class funds	—	2,306,589	—	2,306,589
Self-directed brokerage	109,410	41,314	—	150,724
Total	**$62,951,391**	**$17,708,641**	**$434,735**	**$81,094,767**

1 Futures investments of $106,625 that would be classified as Level 1 in the fair value hierarchy are excluded from this table but included as a component of Investment receivables in the Statements of Fiduciary Net Position.

2 The Stable Value Fund is the underlying investment in the PERAdvantage Capital Preservation Fund which is available to participants in the CAPs. The value of the investment is based on the contract value, which approximates fair value. Contract value represents what is owed to the plan participants and at what price the shares of the stable value fund are being bought and sold.

Global equity investments classified in Level 1 of the hierarchical framework include securities which trade on a national or international exchange. These investments are primarily valued at the official closing price or last reported sales price of the instrument according to the rules of the exchange. Mutual funds classified in Level 1 of the hierarchical framework include instruments which trade on a national exchange and the fund’s NAV is the basis for the fund’s transactions. Fixed income securities classified as Level 1 include U.S. Treasuries and U.S. mortgage-backed securities (MBS) purchased in the to-be-announced forward market. These securities are valued using the bid price, which is the price prospective buyer(s) are prepared to pay to purchase the security. Self-directed brokerage is an investment vehicle available to participants in the CAPs. Equity investments contained in the self-directed brokerage accounts trade on an exchange, and therefore are classified in Level 1 of the hierarchical framework.

Global equity investments classified in Level 2 of the hierarchical framework include securities valued using a theoretical price which utilizes a standardized formula to derive a price from a related security or from the intra-day movement of a market index. Fixed income investments classified as Level 2 typically do not trade on a national or international exchange and their fair value is based on equivalent values of the same or comparable securities with similar yield and risk, otherwise known as matrix pricing. Fixed income investments contained in the self-directed brokerage are typically valued using a matrix pricing approach, and therefore are classified in Level 2 of the hierarchical framework.

Global equity public market investments classified in Level 3 of the hierarchical framework are valued using one or more unobservable inputs. This includes instruments delisted from an exchange, instruments where trading has been suspended, and instruments that lack recent transaction information. Real estate investments classified in Level 3 of the hierarchical framework were valued by an independent appraiser.

Typically, pricing information for public market investments is made available to PERA by independent, third-party pricing services and other third-party vendors.

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The following table presents PERA's unfunded commitments, the investment redemption frequency and redemption notice period as of December 31, 2025, for PERA investments measured at the NAV:

Investments Measured at the Net Asset Value

	Investments Measured at the NAV	Unfunded Commitments[1]	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global equity commingled funds	$1,090,818	$—	Daily	1 - 3 days
Fixed income commingled funds	234,202	—	Daily	1 - 3 days
Private equity partnerships	5,602,279	3,486,513	N/A	N/A
Private real estate				
Directly held joint ventures	1,243,317	—	N/A	N/A
Real estate partnerships	1,351,032	326,051	N/A	N/A
Commingled open-end funds	1,512,997	43,330	Daily, Quarterly	30 - 90 days
Alternatives				
Alternatives partnerships	2,804,543	1,909,330	Daily, Monthly, Quarterly, Semiannual, Annual, Biennial, Quinquennial	0 - 180 days
Commingled open-end funds	1,521,550	206,042	Daily, Monthly, Quarterly, Biennial	30 - 180 days
Multi-asset class commingled funds	2,306,589	—	Daily	1 - 3 days
Self-directed brokerage	41,314	—	N/A	N/A
Total	**$17,708,641**	**$5,971,266**		

[1] Corresponding Note 7 includes unfunded commitments to assets valued at Level 3 within the hierarchical framework or with no fair value as of December 31, 2025.

The fair value of the investments in global equity, fixed income, multi-asset class commingled funds, and self-directed brokerage has been determined using NAV of the units held at December 31, 2025. Commingled funds are only offered to a limited group of investors, and the most significant element of the NAV is the fair value of the underlying investment holdings of the fund. Unit values are determined by dividing each fund's net assets by the number of units outstanding on the valuation date. Global equity commingled funds include seven funds which primarily consist of investments whose objective is to produce returns that either match or exceed the total rate of return of a particular benchmark. Fixed income commingled funds include three funds that seek results which correspond generally to the price and yield performance of a particular index or to produce returns in excess of the total rate of return of a particular benchmark. Multi-asset class commingled funds include 10 target date retirement funds which are broadly diversified across global asset classes, where asset allocations become more conservative over time with the objective of providing for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase. Additionally, this asset class also includes one fund whose objective is to produce returns that exceed inflation. Self-directed brokerage accounts, measured at NAV, consist of participant-directed holdings within self-directed brokerage accounts, for which investment selection and strategy are determined by individual members rather than PERA.

Private equity partnerships include 152 private equity limited partnership funds with various strategies including: buyout, venture capital, generalist debt, distressed debt, mezzanine debt, secondary funds, and energy-related strategies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of PERA's ownership interest in partners' capital. The most significant element of NAV is the fair value of the investment holdings. The valuation techniques vary based on investment type and involve a certain degree of expert judgment. These holdings are valued by the general partners in conjunction with management, investment advisers, and valuation specialists and are generally audited annually. These investments cannot be redeemed during the term of the partnership. Typically, private equity partnerships have an approximate life of 10 years, with the first four to six years deemed as the investment period when capital is deployed. The remaining years are typically the harvest period in which distributions are received through the liquidation of the underlying assets of the fund. The fair value for these investments could differ significantly if a ready market for these assets existed.

Private real estate includes 49 funds that invest primarily in U.S. institutional quality commercial real estate across a broad range of real estate asset types and locations. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of PERA's ownership interest in partners' capital. The most significant element of NAV is the fair value of the investment holdings. The valuation techniques vary based on investment type and involve a certain degree of expert judgment. These holdings are valued by the general partners in conjunction with management, investment advisers, and valuation specialists and are generally audited annually. There are 32 real estate closed-end limited partnership funds, which are considered illiquid as these investments cannot typically be redeemed during the term of the partnership. Distributions can be made periodically based on the sole discretion of the general partner. There are eight majority-owned joint venture investments which consist of industrial and multifamily assets in various locations throughout the U.S., Mexico, and Europe. These investments are considered illiquid. There are 17 real estate commingled open-end funds which are considered semi-liquid real estate funds by nature of the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which investors may elect to reinvest. Additionally, open-end funds generally offer quarterly redemption windows for requesting portions, or all, of PERA's investments. The fair value for these investments could differ significantly if a ready market for these assets existed.

(Dollars in Thousands)

Alternatives include 81 funds that invest in timber, real assets, tactical, credit, global macro, multi-strategy, and other opportunistic strategies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of PERA's ownership interest in partners' capital. The most significant element of NAV is the fair value of the investment holdings. The valuation techniques vary based on investment type and involve a certain degree of expert judgment. These holdings are valued by the general partners in conjunction with management, investment advisers, and valuation specialists and are generally audited annually. There are 57 partnerships within alternatives considered illiquid as the investments cannot be redeemed during the term of the partnership. Two open-end funds are also considered illiquid due to redemption restrictions. Illiquid funds represent approximately 49.4% of the value of alternatives. 10 partnerships have redemption periods ranging from monthly to every five years. There are 12 investments within alternatives considered liquid by nature of the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which investors may elect to reinvest. Additionally, open-end funds generally offer daily and monthly redemption windows for requesting portions, or all, of PERA's investments. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected the underlying assets of the funds may be liquidated over the next two to 10 years. The fair value for these investments could differ significantly if a ready market for these assets existed.

Securities Lending Transactions

C.R.S. § 24-51-206 and Board policies permit PERA to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. As of December 31, 2025, PERA lent securities exclusively through Securities Finance Trust Company (eSecLending).

eSecLending lends global equity and fixed income securities for cash and securities collateral. Securities are loaned versus collateral valued between 102% and 111% of the fair value of the securities plus any accrued interest. For non-cash collateral, eSecLending relies on Tri-Party agents to value the securities held as collateral and ensures pricing is within a 5% threshold tolerance.

For cash collateral investments, eSecLending determines the fair value of each holding as follows: for fixed-rate securities with final maturities of 100 days or less, eSecLending uses an amortized cost basis; for fixed-rate securities with maturities longer than 100 days and for floating rate securities, eSecLending uses a fair value derived from a bid-side market indication; and for money market fund investments, eSecLending uses the NAV per share for the respective money market fund. eSecLending's pricing process is done weekly as well as at month-end for both cash and non-cash collateral.

PERA cannot pledge or sell the collateral securities unless the borrower defaults.

eSecLending invests the cash collateral related to PERA's loaned securities in a separate account according to guidelines stipulated by PERA. eSecLending's Credit Risk Department sets borrower credit limits. As of December 31, 2025, the total fair value of securities on loan with eSecLending was not limited.

The following table details the balances relating to securities lending transactions at December 31, 2025:

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Received/ Securities Collateral Value	Cash Collateral Investment Value
For Cash Collateral			
Global equity	$6,973,609	$7,115,036	$7,201,341
Fixed income	2,992,775	3,053,614	3,090,654
For Securities Collateral			
Global equity	1,402,888	1,517,921	—
Fixed income	5,347,052	5,785,493	—
Total	**$16,716,324**	**$17,472,064**	**$10,291,995**

PERA's income from securities lending, including realized and unrealized gain/(loss), net of expenses, was $80,200 for the year ended December 31, 2025.

Notes to the Financial Statements
(Dollars in Thousands)

As of December 31, 2025, PERA had no credit risk exposure to borrowers because the associated value of the collateral held exceeded the value of the securities loaned. The contract with PERA's lending agent provides that the lending agent will indemnify PERA if loaned securities are not returned and PERA suffered or suffers direct losses due to a borrower's default and the lending agent's noncompliance with the contract. PERA had no losses on securities lending transactions resulting from the default of a borrower or the lending agent for the year ended December 31, 2025.

PERA or the borrower may terminate any security loan on demand. Though every loaned security may be sold and reclaimed at any time from the borrower, the weighted average loan life of overall loans outstanding at eSecLending was approximately 36 days as of December 31, 2025. Loans were made on an overnight (one day) basis throughout 2025. The approximate weighted average maturity (to the next reset date) at eSecLending was 1.3 days as of December 31, 2025. Since all securities loans are made on an overnight basis, there is usually a difference between the weighted average maturity of the investments made with the cash collateral provided by the borrower and the maturities of the securities loans.

As of December 31, 2025, the $10,291,995 investment value of the reinvested cash collateral consisted of $84,010 cash and receivables and $10,207,985 of investments. Repurchase agreements totaling $7,875,000 were measured at amortized cost (a cost-based measure), as these investments are nonparticipating interest-earning investment contracts. Accordingly, they were not classified within the fair value hierarchical framework. Fixed rate securities with final maturities of 100 days or less totaling $99,650 were also valued using amortized cost basis and were not classified within the fair value hierarchical framework; floating rate securities totaling $1,402,994 used a fair value derived from a bid-side market indication and are considered Level 2 investments in the fair value hierarchical framework. Money market fund investments totaling $830,341 were valued using the NAV per share for the respective money market fund.

Custodial Credit Risk

Governmental accounting standards limit the disclosure of custodial credit risk to investment securities that are uninsured, held in physical or book entry form, are not registered in PERA's name, and are held by either the counterparty or the counterparty's trust department or agent but not in PERA's name.

To mitigate custodial credit risk, PERA's custodial credit risk policy has requirements governing how securities are held by the master custodian and for the effective management of cash balances. To further minimize custodial credit risk, periodic reviews are required to be completed on the master custodian's credit quality and capital levels. Additionally, assessments of counterparty risk are completed periodically using internal analysis and information obtained from third-party research and rating agency reports.

Northern Trust is the master custodian for the majority of PERA's securities. At December 31, 2025, there were no investments or collateral securities subject to custodial credit risk.

Disclosure of custodial credit risk is also required when deposits are not covered by depository insurance and are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in PERA's name.

Operating cash account balances are covered by the Federal Deposit Insurance Corporation (FDIC) up to $250. Balances above that amount are collateralized, as required by the State of Colorado Public Deposit Protection Act statute, at 102% with a U.S. Bank Letter of Credit from the Federal Home Loan Bank of Cincinnati. Negative operating cash book balances resulting from investing the float of outstanding checks are recorded as investment settlements and other liabilities on the Statements of Fiduciary Net Position.

Uninvested cash deposits in the Schwab self-directed brokerage account are eligible for $250 FDIC insurance protection per participant at each bank.

Uninvested cash deposits held by Northern Trust, the custodian bank, are covered by FDIC up to $250, and the remaining balances are uninsured and uncollateralized. Projected cash held by the custodial bank is invested daily in short-term investment funds at a specified cut-off time. Projected cash may be higher than actual cash, resulting in an overinvestment in short-term investment funds, which may cause a negative investment cash balance overnight. Trade timing differences can also cause negative cash. Investment settlements and other liabilities on the Statements of Fiduciary Net Position include material negative investment cash book balances.

At December 31, 2025, there were $3,221 of U.S. dollar deposits, $25,770 of foreign currency deposits, $1 securities lending uninvested cash collateral, $106,625 of margin, and $108 cash collateral pledged outside of Northern Trust which were uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of PERA's investment in a single issuer. C.R.S. § 24-51-206(3)(b) requires that no investment of the fund in common or preferred stock, or both, of any single corporation shall be of an amount which exceeds 5% of the then book value of the fund, nor shall the fund acquire more than 12% of the outstanding

Notes to the Financial Statements

(Dollars in Thousands)

stock or bonds of any single corporation. There is no single issuer exposure that comprises 5% of the then book value of the fund and no holdings greater than 12% of the outstanding stock or bonds of any single corporation at December 31, 2025.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2025, PERA held investments across the credit ratings spectrum.

PERA's fixed income credit risk provisions primarily include limitations on the fixed income portfolio. However, the policy also governs limitations on the total fund. For the unitized PERA Fixed Income Pool, the amount of below investment grade securities defined as having a rating of Ba1 or lower issued by Moody's (or the equivalent by another nationally recognized statistical rating organization (NRSRO) which PERA does not have a license to publish) is limited to 3%. Additionally, the exposure of a single company's securities is limited to 5% and there are limits pertaining to holdings within the spectrum of credit rating categories. Additional individual manager mandates in the CAPs have limits pertaining to holdings within the spectrum of credit rating categories to limit below investment grade securities.

The following table provides Moody's credit quality ratings for PERA's fixed income holdings as of December 31, 2025:

Credit Quality Rating Dispersion Schedule

Quality Rating	Total	U.S. Govt MBS/CMBS	U.S. Corporate Bonds	Non-U.S. Corporate Bonds	Non-U.S. Govt/ Agency Bonds	Stable Value Fund	Non-Agency MBS/CMBS	U.S. Municipal Bonds	U.S. Govt Agencies[1]
Aaa	$514,382	$150,674	$61,946	$—	$223,302	$—	$60,674	$17,786	$—
Aa1	115,212	—	10,270	—	33,526	—	143	16,889	54,384
Aa2	178,592	—	86,013	—	58,447	—	1,061	24,028	9,043
Aa3	279,433	—	219,087	21,216	23,973	—	10,375	4,782	—
A1	463,170	—	363,540	82,506	15,228	—	1,047	849	—
A2	536,008	—	435,739	70,470	24,424	—	—	5,375	—
A3	580,773	—	418,361	158,716	—	—	—	3,696	—
Baa1	420,276	—	258,774	136,111	25,391	—	—	—	—
Baa2	768,662	—	609,547	70,052	89,063	—	—	—	—
Baa3	515,688	—	446,905	46,979	14,295	—	6,683	826	—
Ba1	151,125	—	151,125	—	—	—	—	—	—
Not rated[2]	4,336,826	3,748,511	73,566	15,263	22,660	434,735	36,568	5,523	—
Subtotal	8,860,147	$3,899,185	$3,134,873	$601,313	$530,309	$434,735	$116,551	$79,754	$63,427
U.S. Treasuries	6,309,253								
Explicit U.S. govt agencies[3]	829,094								
Fixed income commingled funds[2,4]	234,202								
Fixed income mutual funds[2]	30,013								
Total	**$16,262,709**								

[1] Includes bonds issued by Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and other Government-sponsored enterprises.

[2] Not rated by Moody's.

[3] Bonds issued by the Government National Mortgage Association.

[4] The fair value and average fund-level credit quality ratings as reported by the commingled fund managers are: $14,591—Aa1; $5,840—Aa2, and $213,771—A1.

Notes to the Financial Statements

(Dollars in Thousands)

Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. PERA's policy is to manage its exposure to fair value losses arising from changes in interest rates by requiring that the duration of individual portfolios stays within defined bands of the duration of each portfolio's benchmark. PERA utilizes effective duration as the primary measure of interest rate risk within its fixed income investments. Duration estimates the sensitivity of a bond's price to interest rate changes. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds, MBS, and variable-rate debt.

Effective duration for PERA's fixed income holdings as of December 31, 2025, is shown in the following table:

Interest Rate Risk—Effective Duration

	Fair Value	Effective Weighted Duration in Years
U.S. Treasuries	$6,309,253	5.67
U.S. government MBS/CMBS	4,728,279	6.31
U.S. corporate bonds	3,134,873	7.00
Non-U.S. corporate bonds	601,313	5.24
Non-U.S. government/agency bonds	530,309	5.00
Stable value fund	434,735	3.80
Fixed income commingled funds	234,202	5.96
Non-agency MBS/CMBS	116,551	3.63
U.S. municipal bonds	79,754	8.27
U.S. government agencies	63,427	3.75
Fixed income mutual fund	30,013	5.95
Total	**$16,262,709**	**6.02**

Mortgage-Backed Securities

PERA invests in residential MBS and commercial mortgage-backed securities (CMBS) which are reported at fair value in the Statements of Fiduciary Net Position under investments at fair value, fixed income. PERA invests in MBS for diversification and to enhance fixed income returns.

A residential MBS depends on the underlying pool of single-family mortgage loans to provide the cash flow to make principal and interest payments on the security. MBS are subject to credit risk, the risk the borrower will be unable to meet its obligations. In many cases, the payment of principal and interest is guaranteed by an agency of the U.S. Government, or a Government-sponsored enterprise. While these guarantees reduce credit risk, residential MBS are also subject to prepayment risk as the timing of principal and interest payments remains uncertain. A decline in interest rates can result in call risk as prepayments accelerate, which reduces the weighted average life of the security. Alternatively, an increase in interest rates can result in extension risk as prepayment rates decline, which may cause the weighted average life of a mortgage investment to be longer than anticipated.

CMBS depend on underlying pools of commercial real estate loans to provide the cash flow to make principal and interest payments on the security. CMBS are subject to credit risk, the risk the borrower will be unable to meet its obligations. These loans are typically for a fixed term, cannot be repaid early by the borrower without penalty and, accordingly, have lower prepayment risk than residential MBS.

To reduce PERA's counterparty credit risk while trading residential MBS, PERA has entered into Master Securities Forward Transaction Agreements with a number of counterparties which require margin collateral to be pledged or received when the change in net value of unsettled trades exceeds an agreed-upon threshold. As of December 31, 2025, there was $108 in pledged collateral to counterparties and $1,388 in counterparty pledged collateral held by PERA.

As of December 31, 2025, the fair value of residential MBS and CMBS was $3,917,406 and $927,423, respectively, which excludes the fair value of those securities held in commingled funds.

Notes to the Financial Statements

(Dollars in Thousands)

Foreign Currency Risk

Foreign currency risk is the risk changes in exchange rates will adversely impact the fair value of an investment or a deposit. PERA's currency risk exposure resides primarily within the Global Equity asset class. In accordance with governmental accounting standards, this disclosure is limited to investments denominated in non-U.S. dollars. There may be additional foreign currency risk in investments that contain underlying securities or business operations exposed to a foreign currency. PERA's formal policy regarding foreign currency risk is to incorporate the risk as part of the fund's periodic asset/liability study and to consider it in determining the total fund asset allocation.

At December 31, 2025, PERA did not have a currency hedging program at the total fund level. However, at the manager level, hedging currency risk may be permitted which allows the manager to actively manage currency exposure at their discretion in accordance with their individual investment guidelines. PERA monitors currency risk at the total fund, asset class, and portfolio levels. PERA's exposure to foreign currency risk as of December 31, 2025, is shown in the following table:

Foreign Currency Risk

Currency	Total	Global Equity	Private Equity	Real Estate	Alternatives	Cash and Cash Equivalents	Income Receivable	Pending Trades	Pending Foreign Exchange Trades
Euro	$4,602,248	$3,776,547	$364,985	$219,478	$172,292	$427	$68,519	$40	($40)
Japanese yen	1,959,686	1,957,019	—	—	—	195	2,268	774	(570)
British pound sterling	1,514,669	1,475,753	33,124	—	—	1,025	4,767	—	—
Canadian dollar	1,008,881	1,006,521	—	—	—	1,350	1,010	—	—
Hong Kong dollar	871,926	870,216	—	—	—	322	1,388	(274)	274
Swiss franc	865,997	840,966	—	—	—	25	25,006	—	—
New Taiwan dollar	701,105	697,668	—	—	—	2,430	1,007	—	—
South Korean won	442,966	440,630	—	—	—	1,322	1,014	—	—
Swedish krona	440,874	434,290	—	—	—	3	6,581	—	—
Australian dollar	402,637	401,947	—	—	—	165	525	—	—
Singapore dollar	274,665	274,616	—	—	—	49	—	—	—
Indian rupee	273,075	272,772	—	—	—	303	—	—	—
Chinese yuan renminbi (offshore)	236,684	235,104	—	—	—	1,580	—	—	—
Danish krone	131,604	126,128	—	—	—	—	5,476	93	(93)
Brazilian real	99,247	97,483	—	—	—	1,151	1,307	(1,113)	419
United Arab Emirates dirham	98,823	98,821	—	—	—	2	—	—	—
Polish zloty	88,058	87,927	—	—	—	33	85	13	—
Mexican peso	84,798	84,657	—	—	—	141	—	—	—
Indonesian rupiah	70,271	68,571	—	—	—	784	916	37	(37)
Israeli shekel	66,165	66,098	—	—	—	49	18	—	—
South African rand	58,943	58,898	—	—	—	41	4	—	—
Thai baht	54,659	54,658	—	—	—	1	—	—	—
Saudi riyal	53,033	49,923	—	—	—	3,110	—	—	—
Norwegian krone	51,391	51,333	—	—	—	58	—	97	(97)
Vietnamese dong	22,135	22,093	—	—	—	42	—	—	—
Malaysian ringgit	14,156	13,807	—	—	—	349	—	—	—
Philippine peso	13,857	13,661	—	—	—	196	—	—	—
New Zealand dollar	9,789	9,768	—	—	—	21	—	—	—
Russian ruble	9,493	955	—	—	—	8,538	—	—	—
Hungarian forint	8,294	8,220	—	—	—	74	—	—	—
Qatari riyal	6,093	4,981	—	—	—	1,112	—	—	—
Kuwaiti dinar	6,011	5,161	—	—	—	850	—	—	—
Czech koruna	4,876	4,862	—	—	—	—	14	—	—
Turkish lira	315	315	—	—	—	—	—	—	—
Colombian peso	252	249	—	—	—	3	—	—	—
Egyptian pound	109	97	—	—	—	12	—	—	—
Chilean peso	42	42	—	—	—	—	—	—	—
Peruvian sol	7	—	—	—	—	7	—	—	—
Total	**$14,547,834**	**$13,612,757**	**$398,109**	**$219,478**	**$172,292**	**$25,770**	**$119,905**	**($333)**	**($144)**

(Dollars in Thousands)

Note 6—Derivative Instruments

PERA reports derivative instruments at fair value. These derivative instruments involve, to varying degrees, elements of market risk to the extent of future market movements in excess of amounts recognized in the Statements of Fiduciary Net Position. For accounting purposes, derivative instruments are considered to be investments and not hedges.

The following table summarizes the derivative instruments outstanding as of December 31, 2025, deemed significant by management. These instruments are recorded in investment receivables in the Statements of Fiduciary Net Position and the changes in fair value are included in investment income in the Statements of Changes in Fiduciary Net Position. Investments in limited partnerships and commingled funds include derivative instruments that are not reported in the following disclosure.

Derivative Instruments

	Changes in Fair Value	
Investment Derivatives	Classification	Amount
Equity futures	Investment income	$122,594
Fixed income futures	Investment income	4,517
Total		**$127,111**

Fair Value at December 31, 2025	
Classification	Amount
Investment receivables	$106,625
Total	**$106,625**

Equity/Fixed Income Futures

Equity and fixed income futures represent contracts between two parties to purchase or sell securities or cash at a future date for a specified price. Futures contracts trade on organized exchanges with quoted prices, are included as investment receivables in the Statements of Fiduciary Net Position, and would be classified in Level 1 of the fair value hierarchy. Recognition of investment income, with a corresponding change to the amount of investment receivables or liabilities, occurs on a daily basis according to the fluctuation of value of the futures contract. Payments are received or made to settle the fluctuation of the contract's value on a periodic basis. Upon entering into a futures contract, PERA is required to pledge an amount of cash or securities (known as an initial margin deposit) equal to a percentage of the contract amount.

Investment in futures contracts exposes PERA to credit risk. No losses related to counterparty nonperformance occurred in 2025. Credit risk is minimized by central counterparty clearing, margin deposits, and periodic settlement payments. Investments in fixed income futures exposes PERA to interest rate risk.

At December 31, 2025, PERA had 4,158 outstanding futures contracts with a total notional market exposure of $711,401 and total investment receivables of $106,625 reflecting counterparty margin deposits and fluctuation of the contract value since the last periodic settlement payment.

Futures Contracts Outstanding
As of December 31, 2025

Contract Type	Year of Maturity	Notional Amount (Market Exposure)
Equity	2026	$620,584
Fixed income	2026	90,817
Total		**$711,401**

Rights and Warrants

Rights and warrants are derivative instruments that provide the holder with the right, but not the obligation, to purchase a company's common stock at a specified price for a defined period. Rights are typically issued to existing shareholders and generally have a short-term duration, while warrants provide a similar right but usually have a longer exercise period and may be issued in connection with other securities or as standalone instruments.

Rights and warrants may have intrinsic value when the market price of the underlying common stock exceeds the subscription or exercise price. These investments are subject to market risk related to fluctuations in the price of the underlying equity security; however, the maximum potential loss is limited to the cost of acquiring the instrument. Rights and warrants are reported with global equity investments in the Statements of Fiduciary Net Position and are measured at fair value in accordance with GASB Statement No. 72.

Rights and Warrants Outstanding
As of December 31, 2025

Security Type	Fair Value
Warrants	$11
Rights	5,413
Total	**$5,424**

The changes in fair value for rights and warrants are included in net appreciation in fair value of investments of the Statements of Changes in Fiduciary Net Position and amounted to $4,152 for the year ended December 31, 2025.

Notes to the Financial Statements

(Dollars in Thousands)

Note 7—Commitments and Contingencies

As of December 31, 2025, PERA had commitments for future investments in Private Equity of $3,486,513, Real Estate of $369,381, and Alternatives of $2,115,372.

Other Pending or Threatened Litigation

PERA is involved in various lawsuits or threatened legal proceedings arising in the normal course of business. In the opinion of management, the ultimate resolution of these other matters will not have a material effect on the financial condition of PERA.

Contribution Settlements

In the normal course of business, administrative errors can occur resulting in corrections to prior employer and member contribution remissions.

Note 8—Capital Accumulation Plans

PERA administers three defined contribution plans: the Voluntary Investment Program (PERAPlus 401(k) Plan), the Defined Contribution Retirement Plan (DC Plan), and the Deferred Compensation Plan (PERAPlus 457 Plan), collectively known as the Capital Accumulation Plans (CAPs). The Board has the authority to establish and administer the CAPs pursuant to C.R.S. § 24-51-1401, C.R.S. § 24-51-1501, and C.R.S. § 24-51-1601, respectively. The provisions of the PERAPlus 401(k) Plan and the DC Plan are found in the law at C.R.S. § 24-51-1401 *et seq.*, C.R.S. § 24-51-1501 *et seq.*, PERA Rules, 8 CCR 1502-1, and *PERA's 401(k) and Defined Contribution Plan and Trust* document. The provisions of the PERAPlus 457 Plan are found in the law at C.R.S. § 24-51-1601 *et seq.*, PERA Rules, 8 CCR 1502-1, and *The PERA Deferred Compensation Plan* document.

All Plans

The following investment, distribution, and fee provisions are the same under all CAPs:

- Participants have the choice of contributing to 18 different investment options. In addition, participants may also make transfers, at any time, among the following listed investment options:
  - PERAdvantage Capital Preservation Fund
  - PERAdvantage Fixed Income Fund
  - PERAdvantage Real Return Fund
  - PERAdvantage Socially Responsible Investment (SRI) Fund
  - PERAdvantage U.S. Large Cap Stock Fund
  - PERAdvantage U.S. Small and Mid-Cap Stock Fund
  - PERAdvantage International Stock Fund
  - PERAdvantage Income Fund
  - PERAdvantage 2030 Fund
  - PERAdvantage 2035 Fund
  - PERAdvantage 2040 Fund
  - PERAdvantage 2045 Fund
  - PERAdvantage 2050 Fund
  - PERAdvantage 2055 Fund
  - PERAdvantage 2060 Fund
  - PERAdvantage 2065 Fund
  - PERAdvantage 2070 Fund
  - Schwab Self-Directed Brokerage Account
- The participant's account balances become available for distribution upon termination from all PERA-affiliated employers. All distributions are in accordance with the Plan documents and IRC requirements.
- Empower administers the recordkeeping for all participant transactions. Northern Trust provides an array of financial services in support of day to day operations of the CAPs, including custodial services.

(Dollars in Thousands)

- Cash balances represent both operating cash accounts and investment cash on deposit held by the custodians.
- Participants pay plan administration fees and investment management fees. Plan administrative fees cover fees for services such as recordkeeping, accounting, and plan maintenance. Investment management fees are charged by the fund managers for the CAPs' investment options to cover the costs of managing their respective funds.

This table presents the number of employers eligible to participate in the three CAPs as of December 31, 2025:

Plan	Employers[1]
PERAPlus 401(k) Plan	414
DC Plan	166
PERAPlus 457 Plan	134

1 This employer count is presented for purposes of complying with GASB 67 only. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

PERAPlus 401(k) Plan

The PERAPlus 401(k) Plan was established January 1, 1985, and is an IRC § 401(k) plan that allows for voluntary participation to provide additional benefits at retirement for PERA members. All employees working for a PERA-affiliated employer may contribute to the PERAPlus 401(k) Plan.

In 2025, participants could contribute the lesser of $23,500 (actual dollars) or 100% of compensation less PERA member contributions. Standard catch-up contributions up to $7,500 (actual dollars) in 2025 were allowed for participants who had attained age 50 before the close of the plan year, and "super" catch-up contributions up to $11,250 (actual dollars) were allowed for participants aged 60-63, subject to the limitations of IRC § 414(v). Employer matching and discretionary contributions are allowable with total participant and employer contributions limited to $70,000 (actual dollars) per participant in 2025 (plus catch-up contributions, if applicable).

Provisions of the PERAPlus 401(k) Plan permit in-service withdrawals by participants while employed with a PERA-affiliated employer through loans, hardship withdrawals, additional withdrawals allowed by the tax code, or by a trustee-to-trustee transfer to the PERA defined benefit plan to purchase service credit. The balance of outstanding loans as of December 31, 2025, was $53,472 and was recorded as a benefit receivable on the Statements of Fiduciary Net Position. There were 63,957 participants with balances as of December 31, 2025. During 2025, 2,784 terminated participants received full distributions of their PERAPlus 401(k) Plan accounts.

DC Plan

The DC Plan was established January 1, 2006, and is an IRC § 401(a) governmental profit-sharing plan. Its purpose is to offer a defined contribution alternative to the PERA defined benefit plan. Participation is available to certain employees of the State or Local Government Divisions, classified employees at State colleges and universities, most community colleges, as well as the District Attorney within each Judicial District, and if authorized by the county and the District Attorney, the attorneys within that Judicial District. The eligible employees have the option to choose the PERA defined benefit plan or the DC Plan. If an eligible employee does not make a choice of which plan to participate in within 60 days of the starting date of employment, the employee is automatically enrolled in the defined benefit plan.

Between the second and fifth year of participation in the DC Plan, eligible participants may elect to terminate membership in the DC Plan and become a member of the PERA defined benefit plan. Similarly, an eligible employee of the PERA defined benefit plan may elect, between the second and fifth year of membership, to terminate membership in the defined benefit plan and become a participant of the DC Plan. Either election is irrevocable.

2025 rates for employer and member contributions deposited to DC Plan participant accounts are shown in the following table:

Trust Fund[1]	Employer Contribution Rate[2,3]	Member Contribution Rate
State Division (members other than Safety Officers)[4]	10.15%	11.00%
State Division (Safety Officers)[4]	12.85%	13.00%
Local Government Division (members other than Safety Officers)	10.00%	9.00%
Local Government Division (Safety Officers)[4]	12.85%	13.00%

1 See Note 1 for the definition of "Safety Officers."

2 Employers also contribute the AED and SAED to the respective Division Trust Fund. See Note 4 for additional details on AED and SAED.

3 Additional employer DC supplement contributions and employer AAP contributions are deposited in the respective Division Trust Fund. See Note 4 for additional information on the DC supplement and AAP.

4 Additional 0.25% in statutory employer contribution increases are deposited in the respective Division Trust Fund.

DC Plan participants immediately vest in 50% of their employer contributions, together with accumulated investment earnings on the vested portion. For each full year of participation, vesting increases by 10%. Contribution requirements are established under C.R.S. § 24-51-1505.

Provisions of the DC Plan allow for the transfer of DC funds to the PERAPlus 401(k) Plan if a participant is still a PERA member but not active in the DC Plan. Additionally, the election to purchase service credit is available to those who are eligible and who are members of the PERA defined benefit plan with an existing DC Plan account. As of December 31, 2025, the DC Plan had 8,106 participants with balances. During the year, 535 participants received full distributions of their DC Plan accounts.

PERAPlus 457 Plan

On July 1, 2009, PERA assumed the administrative and fiduciary responsibilities for the State of Colorado Deferred Compensation Plan previously administered under C.R.S. Part 1 of Article 52 of Title 24, as said part existed prior to its repeal in 2009.

The PERAPlus 457 Plan is an IRC § 457 plan that allows for voluntary participation to provide additional benefits at retirement. All employees working for a PERA employer affiliated with the PERAPlus 457 Plan may contribute to the PERAPlus 457 Plan.

In 2025, participants could defer the lesser of $23,500 (actual dollars) or 100% of compensation less PERA member contributions. Three different catch-up deferrals are also permitted, subject to the limitations of IRC § 414(v) and § 457(b), including standard catch-up contributions up to the greater of $7,500 (actual dollars) for participants who had attained age 50 before the close of the plan year, “super” catch-up contributions up to $11,250 (actual dollars) allowed for participants ages 60-63, and the special section 457 plan catch-up.

Provisions of the PERAPlus 457 Plan permit in-service withdrawals by participants while employed with a PERA-affiliated employer through loans, unforeseen emergency withdrawals, de minimis distributions, additional withdrawals allowed by the tax code, or by a trustee-to-trustee transfer to the PERA defined benefit plan to purchase service credit. The balance of outstanding loans as of December 31, 2025, was $14,462 and was recorded as a benefit receivable on the Statements of Fiduciary Net Position. There were 20,908 participants with balances as of December 31, 2025. During the year, 903 terminated participants received full distributions of their PERAPlus 457 Plan accounts.

Note 9—Health Care Trust Funds—Defined Benefit Health Care Plans

PERA offers two defined benefit other postemployment benefit (OPEB) health care plans to benefit recipients and retirees. The HCTF and the DPS HCTF were created under C.R.S. § 24-51-1201(1) and (2), respectively. The HCTF is a cost-sharing multiple-employer plan and the DPS HCTF is a single-employer plan. These funds provide a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit. For members who retire having service credit with employers in the DPS Division and one or more of the other four divisions, the premium subsidy is allocated between the two Health Care Trust Funds. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

PERA Board Authority

Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare health benefits program, including the administration of the premium subsidies. PERA contracts with health insurance companies to provide fully insured health care plans as well as to administer medical, pharmacy, dental, and vision claims for the self-insured plans.

Plan Description and Benefit Provisions

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Membership Eligibility

Enrollment in the PERACare health benefits program is voluntary and available to the following eligible individuals:

- Benefit recipients and their dependents.
- Guardians of children receiving PERA survivor benefits if the children are enrolled in the health care program.
- Surviving spouses of deceased retirees who chose single-life annuity options, if the surviving spouse was enrolled in the program when the retiree’s death occurred.
- Divorced spouses of retirees who are not receiving PERA benefits, but were enrolled in the program when the divorce occurred.

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- Members while receiving short-term disability program payments.
- Members whose employers have elected to provide coverage through the health care program and such members' dependents.

Available Health Care Premium Subsidy

PERA Benefit Structure

The maximum service-based premium subsidy is $230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 (actual dollars) per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 (actual dollars) per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 (actual dollars) per month subsidy reduced appropriately for service less than 20 years, as previously described. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

Contribution requirements are established by statute under C.R.S. § 24-51-208. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA-affiliated employers of the State Division, School Division, Local Government Division, and Judicial Division contribute to the HCTF. Employers submitted contributions for all PERA members and 1.02% of reported salaries were transferred into the HCTF. Affiliated employers of the DPS Division contribute to the DPS HCTF. From January 1 through June 30, 2025, 1.02% of the reported salaries were transferred into the DPS HCTF. Effective July 1, 2025, HB 25-1105 reduced the allocated employer contribution to the DPS HCTF from 1.02% to 0.20% of reported salaries.

This table is the number of active participating employers for the two Health Care Trust Funds. Guidance under GASB 74 classifies a primary government and its component units as one employer.

Trust Fund	As of December 31, 2025[1]
HCTF	413
DPS HCTF	1
Total employers	**414**

[1] This employer count is presented for purposes of complying with GASB 74 only. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

Employer contributions and investment earnings on the assets primarily pay for the cost of the premium subsidies and the administrative costs incurred by the funds.

Plan Data

Benefit recipients and members of PERA consisted of the following as of December 31, 2025:

Membership—Health Care Trust Funds[1]

	HCTF	DPS HCTF	Total
Retirees and beneficiaries[2]	138,149	7,405	**145,554**
Inactive members eligible but not yet receiving benefits[3]	38,243	3,473	**41,716**
Active members[3]	202,587	16,104	**218,691**
Total	**378,979**	**26,982**	**405,961**

[1] Inactive members not eligible for benefits are not included in this membership count.

[2] Currently receiving or eligible for OPEB benefits.

[3] May be eligible for future OPEB benefits.

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Participation in PERACare Health Plans for Eligible Retirees and Beneficiaries

	HCTF	DPS HCTF	Total
Enrolled in PERACare			
Under age 65	5,156	214	**5,370**
Age 65 and older	48,024	2,715	**50,739**
	53,180	2,929	**56,109**
Not enrolled in PERACare			
Under age 65	17,290	678	**17,968**
Age 65 and older	67,679	3,798	**71,477**
	84,969	4,476	**89,445**
Total eligible retirees and beneficiaries	**138,149**	**7,405**	**145,554**

Summary of HCTF and DPS HCTF

PERA offers two general types of health plans: fully insured plans offered through health care organizations and self-insured plans administered by third-party vendors. The plans offered include HMO, PPO, and Medicare Advantage plans.

Premiums collected and payments made are reported in two ways, depending on whether or not the funds bear any level of risk with regard to the health coverage. When there is no transfer of risk to the funds, the premiums collected are reported as a liability and the liability is relieved when the premiums are paid to the health insurance company that provides the fully insured health plan. When there is no health coverage risk, the only benefit payment reported is the subsidy benefit which is equal to the difference between the premiums collected from the enrollees and the full premium due to the health insurance company.

When the health care plan bears risk, all claims paid are reported as benefit payments and premiums collected are reported as a reduction to benefit payments. The health care plan that involves risk to the funds is the self-insured plan administered by UMR, a UnitedHealthcare company. For this plan, the commercial medical and prescription claims are self-insured, while the UnitedHealthcare Medicare Advantage medical and prescription plans are fully insured. Due to PERA's premium structure, the Medicare premiums paid to United are reported as an expense within the plan and included in benefit payments. PERA uses an outside consultant to determine the premiums required to cover anticipated health claims. The cost to the enrollee is reduced by the amount of the enrollee's calculated subsidy, if applicable. Implicit in this process is the risk actual claims experience could be different from the consultant's determination resulting in either a gain or loss to the funds. In addition, other estimates and assumptions are made for these funds. It is possible actual results could significantly differ from these estimates.

Dental and Vision Plans

Dental and vision plans are also available to benefit recipients. PERA offers fully insured and self-insured dental plans and self-insured vision plans. The funds provide no subsidy and the participants pay the full premiums for dental and vision coverage. For the fully insured dental plan, premiums collected are reported as a liability and the liability is relieved when the premiums are paid to the insurance company who provides the coverage. For this plan, the risk is borne by the insurance company contracted to provide the coverage. The claims paid for the self-insured dental and vision plans are recorded as benefit payments and the premiums collected are recorded as a reduction to benefit payments. PERA uses an outside consultant to determine the premiums required to cover anticipated claims. The risk to these plans is actual claims experience could be different from the estimates resulting in either a gain or loss to the funds. As of December 31, 2025, there were 69,417 participants enrolled in the dental plans and 56,677 participants enrolled in the vision plans in both the HCTF and the DPS HCTF.

PERA-Affiliated Employer Program Participation

In addition, fully insured pre-Medicare health plans offered through Kaiser Permanente are available to any PERA-affiliated employer who voluntarily elects to provide health care coverage through the health care plan for its employees who are PERA members. The program acts as a purchaser of private insurance to obtain economies of scale for the employers that elect to join in the joint purchasing arrangement. As of December 31, 2025, there were 11 employers in the program with 177 active members enrolled.

Fully insured dental and vision plans are also available to eligible employees of employers who have elected to provide health care coverage through PERA. As of December 31, 2025, there were 212 participants enrolled in the dental plans and 256 participants enrolled in the vision plans.

The insurance companies, who provide coverage through the program, set the rates for each employer group. There is no transfer of risk to the funds, PERA, or between the participating employers. The funds provide no subsidy and the insurance companies providing the benefits bear the risk for the plans. The participants and/or employers pay the full premiums for the coverage. PERA collects the premiums and remits them to the insurance companies who provide the coverage.

It is under this fully-insured set of plans that PERA offers coverage to members who are receiving short-term disability program payments.

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Note 10—Net Pension Liability of the Division Trust Funds

The components of the net pension liability (NPL) for participating employers for each Division Trust Fund as of December 31, 2025, are as follows:

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Total pension liability	$30,192,341	$55,128,917	$6,701,231	$556,302	$5,385,954
Plan fiduciary net position	21,923,600	39,532,992	6,454,884	552,776	5,311,088
Net pension liability	**$8,268,741**	**$15,595,925**	**$246,347**	**$3,526**	**$74,866**
Plan fiduciary net position as a percentage of the total pension liability	72.61%	71.71%	96.32%	99.37%	98.61%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. A Schedule of Changes in Net Pension Liability and Related Ratios is included in the Required Supplementary Information (RSI), which follows the Notes to the Financial Statements. It presents multi-year trend information about whether the FNP is increasing or decreasing over time relative to the total pension liability (TPL) for each division. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each pension actuarial valuation and on the pattern of sharing of costs between employers of each Division Trust Fund and/or plan members to that point. Actuarial calculations reflect a long-term perspective.

The TPL for the Division Trust Funds was determined by actuarial valuations as of December 31, 2024, and generally accepted actuarial techniques were applied to roll forward the TPL to December 31, 2025 (measurement date). The December 31, 2024, actuarial valuations used the following actuarial cost method and key actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:					
Members other than Safety Officers[1]	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%	3.90%-16.80%
Safety Officers[1]	3.20%-16.30%	N/A	3.20%-16.30%	N/A	N/A
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%	7.25%	7.25%	7.25%	7.25%
Discount rate	7.25%	7.25%	7.25%	7.25%	7.25%
Post-retirement benefit increases:					
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%	1.00%	1.00%	1.00%	1.00%
PERA benefit structure hired after 12/31/06[2]	Financed by the AIR	Financed by the AIR	Financed by the AIR	Financed by the AIR	Financed by the AIR

1 See Note 1 for the definition of "Safety Officers."

2 Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 scale.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School and DPS Divisions	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males:** 90% of the rates for all ages **Females:** 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School and DPS Divisions	PubT-2010 Healthy Retiree	**Males:** 106% of the rates for all ages **Females:** 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males:** 92% of the rates for all ages **Females:** 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the Board on January 17, 2025.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation. The capital market assumptions may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding pension plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected future returns.

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The Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	**100.00%**	

Note: In setting the long-term expected rate of return, projections[1] employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

[1] For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

Discount Rate/Single Equivalent Interest Rate

The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. The basis for the projection of the liabilities and the FNP was an actuarial valuation performed as of December 31, 2024, and the financial status of the funds as of the current measurement date (December 31, 2025). In addition to the actuarial cost method and assumptions presented earlier, the projection of cash flows applied the following methods and assumptions:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at the current fixed statutory rates specified in law for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employer contributions also include current and future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Due to the funded status of the Local Government Division slipping below 90%, as of December 31, 2024, each of the AED and SAED rates reflect a 0.50% increase for the Local Government Division. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the DPS Division Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter. Additionally, HB 25-1105, effective July 1, 2025, reduced the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%.
- Calculations regarding employee and employer contribution rate increases for the State and Local Government Divisions are based on closed group projections using a blended mix of members other than Safety Officers and Safety Officers. The blend is determined by the projected payroll of the current members in each group. Because Safety Officers are expected to retire earlier, their projected payroll declines more rapidly over time, and the remaining projected payroll becomes increasingly weighted toward members other than Safety Officers. As a result, the blended contribution rate trends back toward the lower rate over time.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225,000, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each division. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future ADCs assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP because, per statute, AIR amounts cannot be used to pay benefits until they are transferred out of the AIR to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the AIR and the related benefit payments were included in the projections.

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- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those methods and assumptions and the GASB 67 projection test methodology, the FNP for all Division Trust Funds were projected to be available to make all projected future benefit payments of current plan members and were not projected to reach a depletion date. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the TPL for each fund. The discount rate determination did not use a municipal bond index rate. Therefore, the discount rate used to measure the TPL for these funds as of the measurement date (December 31, 2025) was 7.25%, unchanged from the prior measurement date.

The results of the GASB 67 projection test methodology and development of the discount rate for each fund do not necessarily indicate the fund's ability to make benefit payments in the future.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following tables present the NPL or net pension asset (NPA) for participating employers for each fund using the current discount rate, as well the fund's NPL/NPA if calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

Trust Fund	1.0% Decrease in Discount Rate	Net Pension Liability
State Division	6.25%	$11,553,775
School Division	6.25%	22,063,817
Local Government Division	6.25%	1,009,117
Judicial Division	6.25%	59,057
DPS Division	6.25%	755,712

Trust Fund	Current Discount Rate	Net Pension Liability
State Division	**7.25%**	**$8,268,741**
School Division	**7.25%**	**15,595,925**
Local Government Division	**7.25%**	**246,347**
Judicial Division	**7.25%**	**3,526**
DPS Division	**7.25%**	**74,866**

Trust Fund	1.0% Increase in Discount Rate	Net Pension Liability (Asset)
State Division	8.25%	$5,502,649
School Division	8.25%	10,179,873
Local Government Division	8.25%	(394,194)
Judicial Division	8.25%	(44,046)
DPS Division	8.25%	(487,336)

As shown, if there is a significant deviation, over a long period, in the actual rate of return compared to the assumed discount rate, the measurement of the NPL/NPA could be materially under- or over-reported as of December 31, 2025.

Note 11—Net OPEB Liability of the Health Care Trust Funds

The components of the net OPEB liability (NOL) or net OPEB asset (NOA) for participating employers for each Health Care Trust Fund as of December 31, 2025, are as follows:

	HCTF	DPS HCTF
Total OPEB liability	$1,125,816	$53,279
Plan fiduciary net position	856,364	90,904
Net OPEB liability (asset)	**$269,452**	**($37,625)**
Plan fiduciary net position as a percentage of the total OPEB liability	76.07%	170.62%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. A Schedule of Changes in Net OPEB Liability and Related Ratios is included in the RSI, which follows the Notes to the Financial Statements. It presents multi-year trend information about whether the FNP is increasing or decreasing over time relative to the total OPEB liability (TOL) for each trust fund. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point. Actuarial calculations reflect a long-term perspective.

Notes to the Financial Statements

(Dollars in Thousands)

The TOL for the Health Care Trust Funds was determined by actuarial valuations as of December 31, 2024, and generally accepted actuarial techniques were applied to roll forward the TOL to December 31, 2025 (measurement date). The December 31, 2024, actuarial valuations used the following actuarial cost method and key actuarial assumptions and other inputs:

	HCTF				DPS HCTF
	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Actuarial cost method	Entry age				Entry age
Price inflation	2.30%				2.30%
Real wage growth	0.70%				0.70%
Wage inflation	3.00%				3.00%
Salary increases, including wage inflation:					
Members other than Safety Officers[1]	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%	3.90%-16.80%
Safety Officers[1]	3.20%-16.30%	N/A	3.20%-16.30%	N/A	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%				7.25%
Discount rate	7.25%				7.25%
	PERA Benefit Structure[2]				DPS Benefit Structure
Health care cost trend rates					
Service-based premium subsidy	0.00%				0.00%
PERACare Medicare plans	8.00% in 2025, gradually decreasing to 4.50% in 2035				N/A
Medicare Part A premiums	3.50% in 2025,gradually increasing to 4.50% in 2033				N/A

[1] See Note 1 for the definition of "Safety Officers."

[2] Also applies to members in the DPS HCTF with a PERA benefit structure.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2024, actuarial valuation, costs are based on 2025 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. MAPD premium costs are not age graded, an allowed exception under Section 3.7.7 (c) of ASOP No. 6.

(in Actual Dollars) Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$4,188	$8,928
MAPD PPO #2	2,028	5,508
MAPD HMO (Kaiser)	2,040	7,596

The 2025 Medicare Part A premium is $518 (actual dollars) per month.

All costs are subject to the health care cost trend rates, discussed as follows.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A.

(Dollars in Thousands)

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the following table:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2025	8.00%	3.50%
2026	7.65%	3.75%
2027	7.30%	3.75%
2028	6.95%	4.00%
2029	6.60%	4.00%
2030	6.25%	4.25%
2031	5.90%	4.25%
2032	5.55%	4.25%
2033	5.20%	4.50%
2034	4.85%	4.50%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds are shown in Note 10 on page 82, and were applied, as applicable, in the December 31, 2024, valuation for the HCTF and DPS HCTF but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

The following health care costs assumptions were updated for the HCTF and DPS HCTF:

- Per capita health care costs in effect as of the December 31, 2024, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2025 plan year.
- The health care cost trend rates applicable to health plan premiums were revised to reflect the current expectation of future increases in those premiums.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the Board's actuary.

The actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the Board on January 17, 2025.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation. The capital market assumptions may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected future returns.

The Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table in Note 10 on page 83.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table presents the NOL/NOA using the current health care cost trend rates applicable to the PERA benefit structure, as well as the fund's NOL/NOA if calculated using health care cost trend rates one percentage point lower or one percentage point higher than the current rates:

	1.0% Decrease in Trend Rates	Current Trend Rates	1.0% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	6.65%	**7.65%**	8.65%
Ultimate PERACare Medicare trend rate	3.50%	**4.50%**	5.50%
Initial Medicare Part A trend rate[1]	2.75%	**3.75%**	4.75%
Ultimate Medicare Part A trend rate	3.50%	**4.50%**	5.50%
Net OPEB liability (asset)			
HCTF	$258,251	**$269,452**	$282,131
DPS HCTF[2]	(37,626)	**(37,625)**	(37,623)

[1] For the January 1, 2026, plan year.

[2] Healthcare cost trend rates apply only to those members in the DPS HCTF with a PERA benefit structure.

Notes to the Financial Statements
(Dollars in Thousands)

Discount Rate/Single Equivalent Interest Rate

The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The basis for the projections of the liabilities and the FNP was an actuarial valuation performed as of December 31, 2024, and the financial status of the fund as of the current measurement date (December 31, 2025). In addition to the actuarial cost method and assumptions presented earlier, the projection of cash flows applied the following methods and assumptions:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2025, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. The current employer contribution rate for the HCTF is 1.02% of salary. Pursuant to HB 25-1105, effective July 1, 2025, the employer contribution rate for the DPS HCTF was reduced by 0.82% of salary, from 1.02% to 0.20%.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future ADCs assuming an analogous future plan member growth rate.
- Estimated transfers of dollars from the Division Trust Funds into the Health Care Trust Funds representing a portion of purchased service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those methods and assumptions and the GASB 74 projection test methodology, the FNP for the HCTF and DPS HCTF were projected to be available to make all projected future benefit payments of current plan members and were not projected to reach a depletion date. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the TOL for each fund. The discount rate determination did not use a municipal bond index rate. Therefore, the discount rate used to measure the TOL for these funds as of the measurement date (December 31, 2025) was 7.25%, unchanged from the prior measurement date.

The results of the GASB 74 projection test methodology and development of the discount rate for each fund do not necessarily indicate the fund's ability to make benefit payments in the future.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following tables present the NOL/NOA for participating employers for each fund using the current discount rate, as well as the fund's NOL/NOA if calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1.0% Decrease in Discount Rate	Net OPEB Liability (Asset)
HCTF	6.25%	$370,981
DPS HCTF	6.25%	(32,602)

	Current Discount Rate	Net OPEB Liability (Asset)
HCTF	**7.25%**	**$269,452**
DPS HCTF	**7.25%**	**(37,625)**

	1.0% Increase in Discount Rate	Net OPEB Liability (Asset)
HCTF	8.25%	$181,885
DPS HCTF	8.25%	(41,931)

As shown, if there is a significant deviation, over a long period, in the actual rate of return compared to the assumed discount rate, the measurement of the NOL/NOA could be materially under- or over-reported as of December 31, 2025.

Note 12—Subsequent Events

HB 26-1400, enacted June 1, 2026, and effective July 1, 2026, modifies the allocation of the direct distribution. Beginning with the direct distribution on July 1, 2026, and annually thereafter, PERA is required to allocate the direct distribution to the Division Trust Funds on an actuarial basis.

This change is intended to maximize PERA's blended total contribution amount in a manner that limits, to the extent possible, future contribution and annual increase adjustments required by the AAP under C.R.S. § 24-51-413(3), when the blended AAP assessment across PERA's participating divisions falls below a targeted level of funding.

Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—State Division

For the Years Ended December 31

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$534,973**	$478,151	$420,173	$401,939	$413,596
Interest	**2,084,249**	2,022,261	1,963,844	1,945,315	1,948,606
Changes of benefit terms	**—**	—	—	—	(547,823)
Difference between expected and actual experience	**352,488**	380,310	280,910	(229,762)	(16,478)
Changes of assumptions or other inputs	**—**	(122,248)	—	—	—
Benefit payments, refunds, and disability premiums	**(1,985,309)**	(1,935,275)	(1,899,046)	(1,861,237)	(1,802,036)
Net change in total pension liability	**986,401**	823,199	765,881	256,255	(4,135)
Total pension liability – beginning	**29,205,940**	28,382,741	27,616,860	27,360,605	27,364,740
Total pension liability – ending (a)	**$30,192,341**	**$29,205,940**	**$28,382,741**	**$27,616,860**	**$27,360,605**
Plan fiduciary net position					
Contributions – employer	**$917,082**	$865,714	$790,373	$704,797	$664,304
Contributions – nonemployer	**81,746**	75,146	16,233	198,247	76,706
Contributions – active member (includes purchased service)	**506,915**	477,776	438,359	396,222	369,166
Net investment income (loss)	**2,718,652**	1,954,077	2,187,360	(2,657,031)	2,806,442
Benefit payments, refunds, and disability premiums	**(1,985,309)**	(1,935,275)	(1,899,046)	(1,861,237)	(1,802,036)
Administrative expense	**(19,269)**	(15,698)	(13,979)	(13,312)	(12,051)
Other additions and deductions	**7,242**	5,153	6,064	(8,968)	3,088
Net change in plan fiduciary net position	**2,227,059**	1,426,893	1,525,364	(3,241,282)	2,105,619
Plan fiduciary net position – beginning	**19,696,541**	18,269,648	16,744,284	19,985,566	17,879,947
Plan fiduciary net position – ending (b)	**$21,923,600**	**$19,696,541**	**$18,269,648**	**$16,744,284**	**$19,985,566**
Net pension liability – ending (a)-(b)	**$8,268,741**	**$9,509,399**	**$10,113,093**	**$10,872,576**	**$7,375,039**
Plan fiduciary net position as a percentage of the total pension liability	**72.61%**	67.44%	64.37%	60.63%	73.05%
Covered payroll	**$4,070,851**	$3,884,095	$3,576,201	$3,183,955	$3,092,509
Net pension liability as a percentage of covered payroll	**203.12%**	244.83%	282.79%	341.48%	238.48%

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—State Division (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$355,719	$344,666	$727,319	$518,360	$317,466
Interest	1,825,929	1,800,848	1,658,186	1,640,426	1,741,390
Changes of benefit terms	—	(501,768)	(1,967,940)	—	—
Difference between expected and actual experience	195,634	408,792	330,007	416,731	176,889
Changes of assumptions or other inputs	1,025,120	—	(8,968,282)	2,286,877	7,313,068
Benefit payments, refunds, and disability premiums	(1,734,329)	(1,700,965)	(1,675,880)	(1,615,021)	(1,546,071)
Net change in total pension liability	1,668,073	351,573	(9,896,590)	3,247,373	8,002,742
Total pension liability – beginning	25,696,667	25,345,094	35,241,684	31,994,311	23,991,569
Total pension liability – ending (a)	**$27,364,740**	**$25,696,667**	**$25,345,094**	**$35,241,684**	**$31,994,311**
Plan fiduciary net position					
Contributions – employer	$646,386	$612,282	$583,164	$563,977	$521,804
Contributions – nonemployer	—	77,088	78,489	—	—
Contributions – active member (includes purchased service)	326,786	287,297	261,540	256,420	247,533
Net investment income (loss)	2,652,870	2,764,719	(497,562)	2,391,683	947,981
Benefit payments, refunds, and disability premiums	(1,734,329)	(1,700,965)	(1,675,880)	(1,615,021)	(1,546,071)
Administrative expense	(11,385)	(11,294)	(11,903)	(11,745)	(11,271)
Other additions and deductions	6,756	(2,685)	4,871	12,208	5,668
Net change in plan fiduciary net position	1,887,084	2,026,442	(1,257,281)	1,597,522	165,644
Plan fiduciary net position – beginning	15,992,863	13,966,421	15,223,702	13,626,180	13,460,536
Plan fiduciary net position – ending (b)	**$17,879,947**	**$15,992,863**	**$13,966,421**	**$15,223,702**	**$13,626,180**
Net pension liability – ending (a)-(b)	**$9,484,793**	**$9,703,804**	**$11,378,673**	**$20,017,982**	**$18,368,131**
Plan fiduciary net position as a percentage of the total pension liability	65.34%	62.24%	55.11%	43.20%	42.59%
Covered payroll	$3,089,161	$2,995,453	$2,898,827	$2,774,207	$2,710,651
Net pension liability as a percentage of covered payroll	307.03%	323.95%	392.53%	721.57%	677.63%

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—School Division
For the Years Ended December 31

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$1,180,149**	$930,772	$842,132	$815,689	$783,583
Interest	**3,782,519**	3,593,681	3,410,269	3,313,326	3,278,565
Changes of benefit terms	**—**	—	—	—	(964,344)
Difference between expected and actual experience	**735,865**	718,878	1,155,873	47,448	110,446
Changes of assumptions or other inputs	**—**	182,163	—	—	—
Benefit payments, refunds, and disability premiums	**(3,124,275)**	(3,016,141)	(2,918,064)	(2,813,457)	(2,708,328)
Net change in total pension liability	**2,574,258**	2,409,353	2,490,210	1,363,006	499,922
Total pension liability – beginning	**52,554,659**	50,145,306	47,655,096	46,292,090	45,792,168
Total pension liability – ending (a)	**$55,128,917**	**$52,554,659**	**$50,145,306**	**$47,655,096**	**$46,292,090**
Plan fiduciary net position					
Contributions – employer	**$1,510,066**	$1,444,279	$1,317,476	$1,201,265	$1,113,636
Contributions – nonemployer	**141,918**	129,789	28,908	350,393	127,781
Contributions – active member (includes purchased service)	**857,719**	831,396	759,800	699,671	630,849
Net investment income (loss)	**4,898,049**	3,490,728	3,871,069	(4,623,013)	4,847,781
Benefit payments, refunds, and disability premiums	**(3,124,275)**	(3,016,141)	(2,918,064)	(2,813,457)	(2,708,328)
Administrative expense	**(37,801)**	(30,584)	(26,887)	(25,562)	(22,608)
Other additions and deductions	**(12,444)**	(11,591)	(16,049)	1,610	(8,572)
Net change in plan fiduciary net position	**4,233,232**	2,837,876	3,016,253	(5,209,093)	3,980,539
Plan fiduciary net position – beginning	**35,299,760**	32,461,884	29,445,631	34,654,724	30,674,185
Plan fiduciary net position – ending (b)	**$39,532,992**	**$35,299,760**	**$32,461,884**	**$29,445,631**	**$34,654,724**
Net pension liability – ending (a)-(b)	**$15,595,925**	**$17,254,899**	**$17,683,422**	**$18,209,465**	**$11,637,366**
Plan fiduciary net position as a percentage of the total pension liability	**71.71%**	67.17%	64.74%	61.79%	74.86%
Covered payroll	**$7,019,522**	$6,743,067	$6,176,713	$5,670,280	$5,465,866
Net pension liability as a percentage of covered payroll	**222.18%**	255.89%	286.29%	321.14%	212.91%

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—School Division (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$663,873	$618,937	$1,270,011	$954,368	$567,247
Interest	3,006,736	2,938,492	2,759,146	2,690,433	2,722,256
Changes of benefit terms	—	(856,299)	(3,247,230)	—	—
Difference between expected and actual experience	595,867	770,676	443,651	564,155	346,658
Changes of assumptions or other inputs	2,020,180	—	(15,247,222)	3,547,294	13,572,334
Benefit payments, refunds, and disability premiums	(2,605,668)	(2,545,230)	(2,492,928)	(2,411,987)	(2,300,644)
Net change in total pension liability	3,680,988	926,576	(16,514,572)	5,344,263	14,907,851
Total pension liability – beginning	42,111,180	41,184,604	57,699,176	52,354,913	37,447,062
Total pension liability – ending (a)	**$45,792,168**	**$42,111,180**	**$41,184,604**	**$57,699,176**	**$52,354,913**
Plan fiduciary net position					
Contributions – employer	$1,048,992	$1,002,760	$923,910	$857,740	$812,740
Contributions – nonemployer	—	127,367	126,505	—	—
Contributions – active member (includes purchased service)	536,847	462,891	414,336	399,053	386,481
Net investment income (loss)	4,556,622	4,676,607	(838,899)	3,982,275	1,569,026
Benefit payments, refunds, and disability premiums	(2,605,668)	(2,545,230)	(2,492,928)	(2,411,987)	(2,300,644)
Administrative expense	(22,779)	(22,619)	(23,560)	(23,019)	(21,991)
Other additions and deductions	(11,226)	(7,929)	5,456	(22,378)	(17,334)
Net change in plan fiduciary net position	3,502,788	3,693,847	(1,885,180)	2,781,684	428,278
Plan fiduciary net position – beginning	27,171,397	23,477,550	25,362,730	22,581,046	22,152,768
Plan fiduciary net position – ending (b)	**$30,674,185**	**$27,171,397**	**$23,477,550**	**$25,362,730**	**$22,581,046**
Net pension liability – ending (a)-(b)	**$15,117,983**	**$14,939,783**	**$17,707,054**	**$32,336,446**	**$29,773,867**
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%
Covered payroll	$5,146,118	$5,104,431	$4,789,503	$4,471,357	$4,349,320
Net pension liability as a percentage of covered payroll	293.77%	292.68%	369.71%	723.19%	684.56%

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—Local Government Division
For the Years Ended December 31

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$136,167**	$112,092	$100,274	$93,983	$93,133
Interest	**461,411**	438,853	421,430	411,598	408,879
Changes of benefit terms	**—**	—	—	(9,807)	(118,435)
Difference between expected and actual experience	**73,937**	89,572	79,448	(8,688)	(2,587)
Changes of assumptions or other inputs	**—**	35,033	—	—	—
Benefit payments, refunds, and disability premiums	**(396,814)**	(380,133)	(365,198)	(350,307)	(338,375)
Net change in total pension liability	**274,701**	295,417	235,954	136,779	42,615
Total pension liability – beginning	**6,426,530**	6,131,113	5,895,159	5,758,380	5,715,765
Total pension liability – ending (a)	**$6,701,231**	**$6,426,530**	**$6,131,113**	**$5,895,159**	**$5,758,380**
Plan fiduciary net position					
Contributions – employer	**$140,523**	$130,956	$119,470	$108,748	$96,481
Contributions – employer disaffiliation	**—**	486	24,967	—	—
Contributions – active member (includes purchased service)	**100,097**	94,531	85,521	80,759	77,096
Net investment income (loss)	804,211	578,858	643,967	(781,550)	820,403
Benefit payments, refunds, and disability premiums	**(396,814)**	(380,133)	(365,198)	(350,307)	(338,375)
Administrative expense	**(4,996)**	(4,104)	(3,653)	(3,450)	(3,065)
Other additions and deductions	**(1,069)**	(4,734)	(598)	(5,721)	(3,061)
Net change in plan fiduciary net position	641,952	415,860	504,476	(951,521)	649,479
Plan fiduciary net position – beginning	**5,812,932**	5,397,072	4,892,596	5,844,117	5,194,638
Plan fiduciary net position – ending (b)	**$6,454,884**	**$5,812,932**	**$5,397,072**	**$4,892,596**	**$5,844,117**
Net pension liability (asset) – ending (a)-(b)	**$246,347**	**$613,598**	**$734,041**	**$1,002,563**	**($85,737)**
Plan fiduciary net position as a percentage of the total pension liability	**96.32%**	90.45%	88.03%	82.99%	101.49%
Covered payroll	**$963,905**	$922,767	$843,453	$760,262	$723,744
Net pension liability (asset) as a percentage of covered payroll	**25.56%**	66.50%	87.03%	131.87%	(11.85%)

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—Local Government Division (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$77,400	$75,305	$84,331	$75,417	$65,250
Interest	379,994	373,200	386,381	360,995	346,944
Changes of benefit terms	—	(105,812)	(412,930)	(110)	—
Difference between expected and actual experience	32,128	65,687	77,207	125,585	42,105
Changes of assumptions or other inputs	222,809	—	—	—	179,802
Benefit payments, refunds, and disability premiums	(320,919)	(312,629)	(302,903)	(289,218)	(272,344)
Net change in total pension liability	391,412	95,751	(167,914)	272,669	361,757
Total pension liability – beginning	5,324,353	5,228,602	5,396,516	5,123,847	4,762,090
Total pension liability – ending (a)	**$5,715,765**	**$5,324,353**	**$5,228,602**	**$5,396,516**	**$5,123,847**
Plan fiduciary net position					
Contributions – employer	$89,662	$85,597	$81,358	$78,291	$75,132
Contributions – employer disaffiliation	—	—	—	1,063	—
Contributions – active member (includes purchased service)	66,958	62,823	58,063	56,797	52,451
Net investment income (loss)	771,556	792,219	(142,476)	669,011	261,276
Benefit payments, refunds, and disability premiums	(320,919)	(312,629)	(302,903)	(289,218)	(272,344)
Administrative expense	(2,459)	(2,476)	(2,621)	(2,541)	(2,395)
Other additions and deductions	(3,122)	(3,961)	(3,118)	(3,823)	(1,123)
Net change in plan fiduciary net position	601,676	621,573	(311,697)	509,580	112,997
Plan fiduciary net position – beginning	4,592,962	3,971,389	4,283,086	3,773,506	3,660,509
Plan fiduciary net position – ending (b)	**$5,194,638**	**$4,592,962**	**$3,971,389**	**$4,283,086**	**$3,773,506**
Net pension liability – ending (a)-(b)	**$521,127**	**$731,391**	**$1,257,213**	**$1,113,430**	**$1,350,341**
Plan fiduciary net position as a percentage of the total pension liability	90.88%	86.26%	75.96%	79.37%	73.65%
Covered payroll	$698,060	$681,093	$660,998	$632,768	$608,223
Net pension liability as a percentage of covered payroll	74.65%	107.38%	190.20%	175.96%	222.01%

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—Judicial Division

For the Years Ended December 31

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$10,521**	$10,632	$9,938	$9,790	$9,791
Interest	**38,155**	37,639	35,975	34,772	34,282
Changes of benefit terms	**—**	—	—	—	(9,135)
Difference between expected and actual experience	**11,071**	7,023	12,762	5,974	4,037
Changes of assumptions or other inputs	**—**	(10,077)	—	—	—
Benefit payments, refunds, and disability premiums	**(38,406)**	(37,575)	(35,239)	(32,951)	(31,488)
Net change in total pension liability	**21,341**	7,642	23,436	17,585	7,487
Total pension liability – beginning	**534,961**	527,319	503,883	486,298	478,811
Total pension liability – ending (a)	**$556,302**	**$534,961**	**$527,319**	**$503,883**	**$486,298**
Plan fiduciary net position					
Contributions – employer	**$16,170**	$15,551	$14,920	$12,318	$9,787
Contributions – nonemployer	**1,336**	1,274	288	3,576	1,360
Contributions – active member (includes purchased service)	**8,126**	7,371	7,683	8,822	9,389
Net investment income (loss)	**68,264**	48,763	53,800	(63,501)	66,030
Benefit payments, refunds, and disability premiums	**(38,406)**	(37,575)	(35,239)	(32,951)	(31,488)
Administrative expense	**(309)**	(257)	(238)	(212)	(186)
Other additions and deductions	**4,446**	4,266	2,872	4,492	5,383
Net change in plan fiduciary net position	**59,627**	39,393	44,086	(67,456)	60,275
Plan fiduciary net position – beginning	**493,149**	453,756	409,670	477,126	416,851
Plan fiduciary net position – ending (b)	**$552,776**	**$493,149**	**$453,756**	**$409,670**	**$477,126**
Net pension liability – ending (a)-(b)	**$3,526**	**$41,812**	**$73,563**	**$94,213**	**$9,172**
Plan fiduciary net position as a percentage of the total pension liability	**99.37%**	92.18%	86.05%	81.30%	98.11%
Covered payroll	**$66,507**	$63,470	$60,606	$56,565	$55,780
Net pension liability as a percentage of covered payroll	**5.30%**	65.88%	121.38%	166.56%	16.44%

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—Judicial Division (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$9,106	$8,774	$13,516	$14,364	$12,639
Interest	32,590	32,105	30,417	27,480	25,774
Changes of benefit terms	105	(8,459)	(33,997)	—	—
Difference between expected and actual experience	10,421	2,732	3,122	16,644	22,804
Changes of assumptions or other inputs	915	—	(100,437)	(14,394)	43,576
Benefit payments, refunds, and disability premiums	(29,485)	(28,097)	(26,463)	(25,298)	(22,888)
Net change in total pension liability	23,652	7,055	(113,842)	18,796	81,905
Total pension liability – beginning	455,159	448,104	561,946	543,150	461,245
Total pension liability – ending (a)	**$478,811**	**$455,159**	**$448,104**	**$561,946**	**$543,150**
Plan fiduciary net position					
Contributions – employer	$10,402	$10,649	$8,299	$8,080	$8,024
Contributions – nonemployer	—	1,344	1,385	—	—
Contributions – active member (includes purchased service)	7,697	5,187	4,700	4,863	4,037
Net investment income (loss)	61,634	61,719	(11,006)	51,173	19,783
Benefit payments, refunds, and disability premiums	(29,485)	(28,097)	(26,463)	(25,298)	(22,888)
Administrative expense	(87)	(84)	(86)	(86)	(81)
Other additions and deductions	2,456	6,670	155	2,226	2,678
Net change in plan fiduciary net position	52,617	57,388	(23,016)	40,958	11,553
Plan fiduciary net position – beginning	364,234	306,846	329,862	288,904	277,351
Plan fiduciary net position – ending (b)	**$416,851**	**$364,234**	**$306,846**	**$329,862**	**$288,904**
Net pension liability – ending (a)-(b)	**$61,960**	**$90,925**	**$141,258**	**$232,084**	**$254,246**
Plan fiduciary net position as a percentage of the total pension liability	**87.06%**	80.02%	68.48%	58.70%	53.19%
Covered payroll	**$54,780**	$53,427	$50,506	$48,948	$48,700
Net pension liability as a percentage of covered payroll	**113.11%**	170.19%	279.69%	474.14%	522.07%

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—DPS Division

For the Years Ended December 31

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	**$138,086**	$125,048	$113,314	$113,836	$107,672
Interest	**383,881**	360,103	345,494	333,769	326,361
Changes of benefit terms	**—**	—	—	—	(89,028)
Difference between expected and actual experience	**(137,010)**	75,087	34,752	15,514	46,732
Changes of assumptions or other inputs	**—**	63,256	—	—	—
Benefit payments, refunds, and disability premiums	**(311,645)**	(305,494)	(302,075)	(299,660)	(291,799)
Net change in total pension liability	**73,312**	318,000	191,485	163,459	99,938
Total pension liability – beginning	**5,312,642**	4,994,642	4,803,157	4,639,698	4,539,760
Total pension liability – ending (a)	**$5,385,954**	**$5,312,642**	**$4,994,642**	**$4,803,157**	**$4,639,698**
Plan fiduciary net position					
Contributions – employer	**$105,736**	$105,863	$87,487	$74,199	$65,215
Contributions – nonemployer	**—**	18,791	4,132	52,784	19,153
Contributions – active member (includes purchased service)	**118,667**	113,591	104,916	96,124	90,154
Net investment income (loss)	**658,466**	468,220	517,546	(619,265)	649,370
Benefit payments, refunds, and disability premiums	**(311,645)**	(305,494)	(302,075)	(299,660)	(291,799)
Administrative expense	**(4,545)**	(3,702)	(3,292)	(3,133)	(2,829)
Other additions and deductions	**(1,761)**	1,963	2,796	652	(3,115)
Net change in plan fiduciary net position	**564,918**	399,232	411,510	(698,299)	526,149
Plan fiduciary net position – beginning	**4,746,170**	4,346,938	3,935,428	4,633,727	4,107,578
Plan fiduciary net position – ending (b)	**$5,311,088**	**$4,746,170**	**$4,346,938**	**$3,935,428**	**$4,633,727**
Net pension liability – ending (a)-(b)	**$74,866**	**$566,472**	**$647,704**	**$867,729**	**$5,971**
Plan fiduciary net position as a percentage of the total pension liability	**98.61%**	89.34%	87.03%	81.93%	99.87%
Covered payroll	**$990,445**	$888,094	$894,245	$810,403	$823,396
Net pension liability as a percentage of covered payroll	**7.56%**	63.79%	72.43%	107.07%	0.73%

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios—DPS Division (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$93,058	$91,764	$90,657	$91,986	$85,988
Interest	309,174	301,210	313,294	295,838	283,862
Changes of benefit terms	—	(82,064)	(318,480)	—	—
Difference between expected and actual experience	(15,298)	86,001	35,147	47,121	(2,839)
Changes of assumptions or other inputs	125,275	—	—	—	205,645
Benefit payments, refunds, and disability premiums	(287,719)	(288,984)	(287,825)	(281,844)	(272,071)
Net change in total pension liability	224,490	107,927	(167,207)	153,101	300,585
Total pension liability – beginning	4,315,270	4,207,343	4,374,550	4,221,449	3,920,864
Total pension liability – ending (a)	**$4,539,760**	**$4,315,270**	**$4,207,343**	**$4,374,550**	**$4,221,449**
Plan fiduciary net position					
Contributions – employer	$56,245	$43,340	$35,994	$27,578	$17,071
Contributions – nonemployer	—	19,201	18,621	—	—
Contributions – active member (includes purchased service)	75,456	65,496	61,098	56,820	54,852
Net investment income (loss)	610,847	632,669	(114,070)	548,585	218,415
Benefit payments, refunds, and disability premiums	(287,719)	(288,984)	(287,825)	(281,844)	(272,071)
Administrative expense	(2,667)	(2,713)	(2,919)	(2,857)	(2,754)
Other additions and deductions	(1,010)	2,975	(4,497)	3,781	3,135
Net change in plan fiduciary net position	451,152	471,984	(293,598)	352,063	18,648
Plan fiduciary net position – beginning	3,656,426	3,184,442	3,478,040	3,125,977	3,107,329
Plan fiduciary net position – ending (b)	**$4,107,578**	**$3,656,426**	**$3,184,442**	**$3,478,040**	**$3,125,977**
Net pension liability – ending (a)-(b)	**$432,182**	**$658,844**	**$1,022,901**	**$896,510**	**$1,095,472**
Plan fiduciary net position as a percentage of the total pension liability	90.48%	84.73%	75.69%	79.51%	74.05%
Covered payroll	$771,347	$736,264	$722,040	$658,198	$642,177
Net pension liability as a percentage of covered payroll	56.03%	89.48%	141.67%	136.21%	170.59%

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Employer and Nonemployer Contributions
For the Years Ended December 31

State Division	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**18.78%**	19.77%	20.71%	23.45%	21.05%
Covered payroll (b)	**$4,070,851**	$3,884,095	$3,576,201	$3,183,955	$3,092,509
Annual Increase Reserve contribution (c)	**31,953**	29,471	26,039	22,441	20,606
Actuarially determined contribution (a) x (b) + (c)	**796,459**	797,357	766,670	769,078	671,579
Contributions in relation to the actuarially determined contribution[1]	**998,828**	940,860	806,606	903,044	741,010
Annual contribution excess	**($202,369)**	**($143,503)**	**($39,936)**	**($133,966)**	**($69,431)**
Actual contributions as a percentage of covered payroll	**24.54%**	24.22%	22.55%	28.36%	23.96%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	23.69%	23.28%	26.30%	22.71%	22.31%
Covered payroll (b)	$3,089,161	$2,995,453	$2,898,827	$2,774,207	$2,710,651
Annual Increase Reserve contribution (c)	19,442	17,663	15,919	14,355	12,838
Actuarially determined contribution (a) x (b) + (c)	751,264	715,004	778,311	644,377	617,584
Contributions in relation to the actuarially determined contribution[1,2]	646,386	689,370	661,653	563,977	521,804
Annual contribution deficiency	**$104,878**	**$25,634**	**$116,658**	**$80,400**	**$95,780**
Actual contributions as a percentage of covered payroll	20.92%	23.01%	22.82%	20.33%	19.25%

School Division	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**20.49%**	20.58%	21.13%	24.54%	20.61%
Covered payroll (b)	**$7,019,522**	$6,743,067	$6,176,713	$5,670,280	$5,465,866
Annual Increase Reserve contribution (c)	**49,803**	45,882	40,019	35,114	31,169
Actuarially determined contribution (a) x (b) + (c)	**1,488,103**	1,433,605	1,345,158	1,426,601	1,157,684
Contributions in relation to the actuarially determined contribution[1]	**1,651,984**	1,574,068	1,346,384	1,551,658	1,241,417
Annual contribution excess	**($163,881)**	**($140,463)**	**($1,226)**	**($125,057)**	**($83,733)**
Actual contributions as a percentage of covered payroll	**23.53%**	23.34%	21.80%	27.36%	22.71%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	23.37%	23.59%	26.80%	22.54%	22.36%
Covered payroll (b)	$5,146,118	$5,104,431	$4,789,503	$4,471,357	$4,349,320
Annual Increase Reserve contribution (c)	28,159	26,062	22,497	19,903	17,868
Actuarially determined contribution (a) x (b) + (c)	1,230,807	1,230,197	1,306,084	1,027,747	990,376
Contributions in relation to the actuarially determined contribution[1,2]	1,048,992	1,130,127	1,050,415	857,740	812,740
Annual contribution deficiency	**$181,815**	**$100,070**	**$255,669**	**$170,007**	**$177,636**
Actual contributions as a percentage of covered payroll	20.38%	22.14%	21.93%	19.18%	18.69%

1 Includes an annual contribution from a nonemployer contributing entity required by C.R.S. § 24-51-414 *et seq.* starting on July 1, 2018.

2 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Employer and Nonemployer Contributions (continued)

For the Years Ended December 31

Local Government Division	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**8.22%**	8.28%	9.20%	12.72%	10.84%
Covered payroll (b)	**$963,905**	$922,767	$843,453	$760,262	$723,744
Annual Increase Reserve contribution (c)	**8,024**	7,261	6,403	5,739	4,964
Actuarially determined contribution (a) x (b) + (c)	**87,257**	83,666	84,001	102,444	83,418
Contributions in relation to the actuarially determined contribution[1]	**140,523**	130,956	119,470	108,748	96,481
Annual contribution excess	**($53,266)**	**($47,290)**	**($35,469)**	**($6,304)**	**($13,063)**
Actual contributions as a percentage of covered payroll	**14.58%**	14.19%	14.16%	14.30%	13.33%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	13.01%	11.13%	14.27%	11.92%	11.98%
Covered payroll (b)	$698,060	$681,093	$660,998	$632,768	$608,223
Annual Increase Reserve contribution (c)	4,492	4,201	3,779	3,390	2,969
Actuarially determined contribution (a) x (b) + (c)	95,310	80,007	98,103	78,816	75,834
Contributions in relation to the actuarially determined contribution[1]	89,662	85,597	81,358	78,291	75,132
Annual contribution deficiency (excess)	**$5,648**	**($5,590)**	**$16,745**	**$525**	**$702**
Actual contributions as a percentage of covered payroll	12.84%	12.57%	12.31%	12.37%	12.35%

Judicial Division	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**12.20%**	12.78%	13.83%	15.56%	14.13%
Covered payroll (b)	**$66,507**	$63,470	$60,606	$56,565	$55,780
Annual Increase Reserve contribution (c)	**470**	434	397	357	314
Actuarially determined contribution (a) x (b) + (c)	**8,584**	8,545	8,779	9,159	8,196
Contributions in relation to the actuarially determined contribution[2]	**17,506**	16,825	15,208	15,894	11,147
Annual contribution excess	**($8,922)**	**($8,280)**	**($6,429)**	**($6,735)**	**($2,951)**
Actual contributions as a percentage of covered payroll	**26.32%**	26.51%	25.09%	28.10%	19.98%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	22.05%	21.90%	27.26%	22.54%	22.07%
Covered payroll (b)	$54,780	$53,427	$50,506	$48,948	$48,700
Annual Increase Reserve contribution (c)	289	251	207	191	164
Actuarially determined contribution (a) x (b) + (c)	12,368	11,952	13,975	11,224	10,912
Contributions in relation to the actuarially determined contribution[2,3]	10,402	11,993	9,684	8,080	8,024
Annual contribution deficiency (excess)	**$1,966**	**($41)**	**$4,291**	**$3,144**	**$2,888**
Actual contributions as a percentage of covered payroll	18.99%	22.45%	19.17%	16.51%	16.48%

[1] Contributions do not include disaffiliation payments, if applicable.

[2] Includes an annual contribution from a nonemployer contributing entity required by C.R.S. § 24-51-414 *et seq.* starting on July 1, 2018.

[3] House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Schedule of Employer and Nonemployer Contributions (continued)

For the Years Ended December 31

DPS Division	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**6.08%**	6.04%	6.77%	9.25%	8.22%
Covered payroll (b)	**$990,445**	$888,094	$894,245	$810,403	$823,396
Annual Increase Reserve contribution (c)	**8,077**	7,564	6,859	6,160	5,905
Actuarially determined contribution (a) x (b) + (c)	**68,296**	61,205	67,399	81,122	73,588
Contributions in relation to the actuarially determined contribution[1,2]	**105,736**	124,654	91,619	126,983	84,368
Annual contribution excess	**($37,440)**	**($63,449)**	**($24,220)**	**($45,861)**	**($10,780)**
Actual contributions as a percentage of covered payroll	**10.68%**	14.04%	10.25%	15.67%	10.25%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	10.42%	11.14%	13.50%	10.28%	10.46%
Covered payroll (b)	$771,347	$736,264	$722,040	$658,198	$642,177
Annual Increase Reserve contribution (c)	5,357	4,989	4,624	4,100	3,685
Actuarially determined contribution (a) x (b) + (c)	85,731	87,009	102,099	71,763	70,857
Contributions in relation to the actuarially determined contribution[1,3]	56,245	62,541	54,615	27,578	17,071
Annual contribution deficiency	**$29,486**	**$24,468**	**$47,484**	**$44,185**	**$53,786**
Actual contributions as a percentage of covered payroll	7.29%	8.49%	7.56%	4.19%	2.66%

[1] Includes an annual contribution from a nonemployer contributing entity required by C.R.S. § 24-51-414 *et seq*. starting on July 1, 2018.

[2] Effective July 1, 2025, and prior to July 1, 2030, House Bill 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution.

[3] House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

The accompanying notes are an integral part of the Required Supplementary Information.

Schedule of Investment Returns

For the Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expenses	**14.1%**	10.9%	13.4%	(13.5%)	16.1%	17.1%	20.4%	(3.3%)	18.1%	7.3%

The accompanying notes are an integral part of the Required Supplementary Information.

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Note 1—Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2025 Changes in Plan Provisions Since 2024

- Senate Bill (SB) 24-169, enacted May 24, 2024, and effective July 1, 2025, modifies the definition of "State Trooper" to include a duly sworn employee of the Division of Fire Prevention and Control in the Department of Public Safety. The bill applies the "State Trooper" member and employer contribution rates and benefit structure to eligible employees whose duties include structural or wildfire management, wildfire response, live-fire training, or wildfire leadership, as determined by the Executive Director of the Department of Public Safety.
- SB 24-186, enacted June 5, 2024, and effective January 1, 2025, modifies the definition of "State Trooper" to include employees of a Local Government Division employer classified as a coroner or deputy coroner who were elected, reelected, or appointed on or after January 1, 2021, which includes the Boulder County Coroner. The bill applies the "State Trooper" member and employer contribution rates and benefit structure to eligible employees meeting these criteria.
- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500,000 on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an automatic adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.
- House Bill (HB) 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the base employer contribution rate for the Denver Public Schools (DPS) Division by 3.0% of salary, from 10.4% to 7.4%. In addition, prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the direct distribution and excludes DPS contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $486 and $20, respectively.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were $24,967 and $1,033, respectively.
- SB 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of HB 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in C.R.S. § 24-51-416, plus $10,000 from the General Fund, totaling $14,561.
- SB 23-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

"non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2022 Changes in Plan Provisions Since 2021

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled $225,000 direct distribution, a warrant to PERA in the amount of $380,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190,000 to $35,000. The July 1, 2024, direct distribution will not be reduced from $225,000 due to a negative investment return in 2022.
- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2021 Changes in Plan Provisions Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2020 Changes in Plan Provisions Since 2019

- HB 20-1379, enacted on June 29, 2020, suspended the $225,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.
- HB 20-1394, enacted on June 29, 2020, requires 5.0% of the Judicial Division base employer contributions rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This does not apply to the employer or member contribution rates for judges employed by the Denver County Court.
- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of "State Trooper" under Colorado law as follows:
  - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
  - New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and
  - New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2019 Changes in Plan Provisions Since 2018

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18–200.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of SB 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

  - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
  - An annual direct distribution of $225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
  - AI cap is lowered from 2.00% per year to 1.50% per year.
  - Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.
  - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of $1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $1,063 and $96, respectively.
- Pursuant to HB 17-1265, the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) contribution rates are adjusted for employers in the Judicial Division as follows:
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(4.5) increased the AED payment to 3.40% of PERA-includable salary and requires the AED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the AED payment will be 5.00% of PERA-includable salary.
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(7.5) increased the SAED payment to 3.40% of PERA-includable salary and requires the SAED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the SAED payment will be 5.00% of PERA-includable salary.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2016 Changes in Plan Provisions Since 2015

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

Note 2—Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2025 Changes in Assumptions or Other Inputs Since 2024

- There were no changes made to the actuarial methods or assumptions.

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023 Changes in Assumptions or Other Inputs Since 2022

- There were no changes made to the actuarial methods or assumptions.

2022 Changes in Assumptions or Other Inputs Since 2021

- There were no changes made to the actuarial methods or assumptions.

2021 Changes in Assumptions or Other Inputs Since 2020

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for Safety Officers was changed to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
  - **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018 Changes in Assumptions or Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.
- The SEIR for the School Division was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.
- The SEIR for the Judicial Division was increased from 5.41% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Assumptions or Other Inputs Since 2016

- The SEIR for the State Division was lowered from 5.26% to 4.72% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

- The SEIR for the School Division was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The SEIR for the Judicial Division was increased from 5.18% to 5.41% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR for the State, School, and Judicial Divisions changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

2016 Changes in Assumptions or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73% factor applied to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78% factor applied to ages below 80 and a 109% factor applied to age 80 and above, projected to 2020, for females.
- The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.
- The SEIR for the Local Government Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.
- The SEIR for the Judicial Division was lowered from 5.73% to 5.18% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 3.57% on the prior measurement date to 3.86% on the measurement date.
- The SEIR for the DPS Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

Notes to the Required Supplementary Information (Unaudited)—Division Trust Funds

(Dollars in Thousands)

Note 3—Methods and Assumptions Used in Calculations of ADC

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in the Schedule of Employer and Nonemployer Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2023, actuarial valuation were used to determine contribution rates reported in that schedule for the year ending December 31, 2025:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period[1]	30 years, closed, layered
Equivalent single amortization period	22 years for State Division, 24 years for School Division, 21 years for Local Government Division, 23 years for Judicial and DPS Divisions
Asset valuation method	4-year smoothed market
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	2.80% to 12.40%[2]
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.25%
Future post-retirement benefit increases	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	1.00% compounded annually
PERA benefit structure hired after 12/31/06	0.00%, as financed by the AIR
Mortality	Various Pub-2010 mortality tables, reflecting adjustments for PERA experience, with generational improvement based on Scale MP-2019

[1] Effective with the December 31, 2014, actuarial valuation, gains and losses are to be amortized over a closed period.

[2] Salary increase range varies by Division Trust Fund.

Note: Some actuarial assumptions were revised effective December 31, 2024, as part of the actuarial experience review for the four-year period January 1, 2020, through December 31, 2023.

Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net OPEB Liability and Related Ratios—Health Care Trust Fund

For the Years Ended December 31

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	**$12,817**	$14,347	$15,571	$15,727	$18,188
Interest	**84,029**	93,842	94,376	101,209	101,172
Changes of benefit terms	**—**	—	—	(43)	—
Difference between expected and actual experience	**(50,487)**	(33,646)	(18,579)	(59,877)	(52,850)
Changes of assumptions or other inputs	**(22,488)**	(118,468)	(8,889)	(65,295)	15,483
Benefit payments and health care claims/ administrative processing fees	**(88,531)**	(91,236)	(86,025)	(85,592)	(72,465)
Net change in total OPEB liability	**(64,660)**	(135,161)	(3,546)	(93,871)	9,528
Total OPEB liability – beginning	**1,190,476**	1,325,637	1,329,183	1,423,054	1,413,526
Total OPEB liability – ending (a)	**$1,125,816**	**$1,190,476**	**$1,325,637**	**$1,329,183**	**$1,423,054**
Plan fiduciary net position					
Contributions – employer	**$129,775**	$123,529	$112,931	$103,818	$97,974
Contributions – employer disaffiliation	**—**	20	1,033	—	—
Other additions (includes purchased service transfers)	**6,446**	6,231	6,755	9,004	8,108
Net investment income (loss)	**102,736**	67,524	69,617	(70,476)	68,319
Benefit payments	**(85,964)**	(88,492)	(82,911)	(83,145)	(63,893)
Administrative expense	**(8,920)**	(8,335)	(8,122)	(7,136)	(12,976)
Other deductions	**(18)**	(79)	(96)	(110)	(84)
Net change in plan fiduciary net position	**144,055**	100,398	99,207	(48,045)	97,448
Plan fiduciary net position – beginning	**712,309**	611,911	512,704	560,749	463,301
Plan fiduciary net position – ending (b)	**$856,364**	**$712,309**	**$611,911**	**$512,704**	**$560,749**
Net OPEB liability – ending (a)-(b)	**$269,452**	**$478,167**	**$713,726**	**$816,479**	**$862,305**
Plan fiduciary net position as a percentage of the total OPEB liability	**76.07%**	59.83%	46.16%	38.57%	39.40%
Covered payroll	**$12,120,785**	$11,613,399	$10,656,973	$9,671,062	$9,337,899
Net OPEB liability as a percentage of covered payroll	**2.22%**	4.12%	6.70%	8.44%	9.23%

Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net OPEB Liability and Related Ratios—Health Care Trust Fund (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total OPEB liability					
Service cost	$18,074	$18,159	$19,328	$20,036	
Interest	106,997	117,840	112,849	108,625	
Changes of benefit terms	—	—	—	5	
Difference between expected and actual experience	(68,772)	(224,212)	(2,482)	7,354	
Changes of assumptions or other inputs	(69,759)	2,006	11,438	—	
Benefit payments and health care claims/ administrative processing fees	(61,522)	(65,019)	(77,221)	(116,960)	
Net change in total OPEB liability	(74,982)	(151,226)	63,912	19,060	
Total OPEB liability – beginning	1,488,508	1,639,734	1,575,822	1,556,762	
Total OPEB liability – ending (a)	**$1,413,526**	**$1,488,508**	**$1,639,734**	**$1,575,822**	**$1,556,762**
Plan fiduciary net position					
Contributions – employer	$94,634	$92,011	$86,559	$83,077	
Contributions – employer disaffiliation	—	—	—	96	
Other additions (includes purchased service transfers)	7,909	6,984	8,373	9,760	
Net investment income (loss)	60,280	53,867	(9,678)	44,990	
Benefit payments	(53,023)	(58,221)	(61,777)	(102,665)	
Administrative expense	(10,977)	(9,290)	(20,401)	(19,162)	
Other deductions	(32)	(33)	(106)	(102)	
Net change in plan fiduciary net position	98,791	85,318	2,970	15,994	
Plan fiduciary net position – beginning	364,510	279,192	276,222	260,228	
Plan fiduciary net position – ending (b)	**$463,301**	**$364,510**	**$279,192**	**$276,222**	**$260,228**
Net OPEB liability – ending (a)-(b)	**$950,225**	**$1,123,998**	**$1,360,542**	**$1,299,600**	**$1,296,534**
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%
Covered payroll	$8,988,119	$8,834,404	$8,399,835	$7,927,280	$7,716,894
Net OPEB liability as a percentage of covered payroll	10.57%	12.72%	16.20%	16.39%	16.80%

[1] Amounts for changes in net OPEB liability shaded in gray are not available for 2016.

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net OPEB Liability and Related Ratios—DPS Health Care Trust Fund
For the Years Ended December 31

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	**$900**	$1,030	$1,138	$1,095	$1,237
Interest	**3,874**	4,299	4,358	4,675	4,750
Changes of benefit terms	**—**	—	—	—	—
Difference between expected and actual experience	**(1,919)**	(1,228)	(2,206)	(2,353)	(2,855)
Changes of assumptions or other inputs	**(2)**	(5,649)	134	(3,703)	—
Benefit payments and health care claims/ administrative processing fees	**(4,219)**	(4,150)	(4,105)	(4,162)	(3,873)
Net change in total OPEB liability	**(1,366)**	(5,698)	(681)	(4,448)	(741)
Total OPEB liability – beginning	**54,645**	60,343	61,024	65,472	66,213
Total OPEB liability – ending (a)	**$53,279**	**$54,645**	**$60,343**	**$61,024**	**$65,472**
Plan fiduciary net position					
Contributions – employer	**$6,307**	$10,187	$9,445	$8,744	$8,622
Other additions (includes purchased service transfers)	**156**	169	236	306	206
Net investment income (loss)	**11,229**	7,216	7,218	(7,311)	6,963
Benefit payments	**(4,088)**	(4,010)	(3,951)	(4,022)	(3,516)
Administrative expense	**(506)**	(475)	(461)	(434)	(639)
Other deductions	**(1)**	(1)	(1)	(1)	(4)
Net change in plan fiduciary net position	**13,097**	13,086	12,486	(2,718)	11,632
Plan fiduciary net position – beginning	**77,807**	64,721	52,235	54,953	43,321
Plan fiduciary net position – ending (b)	**$90,904**	**$77,807**	**$64,721**	**$52,235**	**$54,953**
Net OPEB liability (asset) – ending (a)-(b)	**($37,625)**	**($23,162)**	**($4,378)**	**$8,789**	**$10,519**
Plan fiduciary net position as a percentage of the total OPEB liability	**170.62%**	142.39%	107.26%	85.60%	83.93%
Covered payroll	**$990,445**	$888,094	$894,245	$810,403	$823,396
Net OPEB liability (asset) as a percentage of covered payroll	**(3.80%)**	(2.61%)	(0.49%)	1.08%	1.28%

Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Schedule of Changes in Net OPEB Liability and Related Ratios—DPS Health Care Trust Fund (continued)

For the Years Ended December 31

	2020	2019	2018	2017	2016
Total OPEB liability					
Service cost	$1,291	$1,342	$1,420	$1,591	
Interest	5,005	4,970	5,245	5,057	
Changes of benefit terms	—	—	—	—	
Difference between expected and actual experience	(4,339)	(2,070)	(6,045)	(35)	
Changes of assumptions or other inputs	(1,764)	—	5	—	
Benefit payments and health care claims/ administrative processing fees	(3,453)	(3,968)	(4,693)	(6,191)	
Net change in total OPEB liability	(3,260)	274	(4,068)	422	
Total OPEB liability – beginning	69,473	69,199	73,267	72,845	
Total OPEB liability – ending (a)	**$66,213**	**$69,473**	**$69,199**	**$73,267**	**$72,845**
Plan fiduciary net position					
Contributions – employer	$8,045	$7,649	$7,417	$6,930	
Other additions (includes purchased service transfers)	224	188	205	242	
Net investment income (loss)	6,019	4,892	(894)	3,305	
Benefit payments	(3,086)	(3,644)	(4,158)	(5,694)	
Administrative expense	(516)	(477)	(845)	(808)	
Other deductions	(1)	(1)	(4)	(4)	
Net change in plan fiduciary net position	10,685	8,607	1,721	3,971	
Plan fiduciary net position – beginning	32,636	24,029	22,308	18,337	
Plan fiduciary net position – ending (b)	**$43,321**	**$32,636**	**$24,029**	**$22,308**	**$18,337**
Net OPEB liability – ending (a)-(b)	**$22,892**	**$36,837**	**$45,170**	**$50,959**	**$54,508**
Plan fiduciary net position as a percentage of the total OPEB liability	65.43%	46.98%	34.72%	30.45%	25.17%
Covered payroll	$771,347	$736,264	$722,040	$658,198	$642,177
Net OPEB liability as a percentage of covered payroll	2.97%	5.00%	6.26%	7.74%	8.49%

[1] Amounts for changes in net OPEB liability shaded in gray are not available for 2016.

The accompanying notes are an integral part of the Required Supplementary Information.

Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Schedule of Employer Contributions
For the Years Ended December 31

Health Care Trust Fund	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**0.57%**	0.65%	0.73%	0.84%	0.89%
Covered payroll (b)	**$12,120,785**	$11,613,399	$10,656,973	$9,671,062	$9,337,899
Actuarially determined contribution (a) x (b)	**69,088**	75,487	77,796	81,237	83,107
Contributions in relation to the actuarially determined contribution[1]	**129,775**	123,529	112,931	103,818	97,974
Annual contribution excess	**($60,687)**	**($48,042)**	**($35,135)**	**($22,581)**	**($14,867)**
Actual contributions as a percentage of covered payroll	**1.07%**	1.06%	1.06%	1.07%	1.05%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	0.97%	1.11%	1.12%	1.08%	1.09%
Covered payroll (b)	$8,988,119	$8,834,404	$8,399,835	$7,927,280	$7,716,894
Actuarially determined contribution (a) x (b)	87,185	98,062	94,078	85,615	84,114
Contributions in relation to the actuarially determined contribution[1]	94,634	92,011	86,559	83,077	80,825
Annual contribution deficiency (excess)	**($7,449)**	**$6,051**	**$7,519**	**$2,538**	**$3,289**
Actual contributions as a percentage of covered payroll	1.05%	1.04%	1.03%	1.05%	1.05%

DPS Health Care Trust Fund	2025	2024	2023	2022	2021
Actuarially determined contribution rate (a)	**0.12%**	0.16%	0.24%	0.35%	0.44%
Covered payroll (b)	**$990,445**	$888,094	$894,245	$810,403	$823,396
Actuarially determined contribution (a) x (b)	**1,189**	1,421	2,146	2,836	3,623
Contributions in relation to the actuarially determined contribution	**6,307**	10,187	9,445	8,744	8,622
Annual contribution excess	**($5,118)**	**($8,766)**	**($7,299)**	**($5,908)**	**($4,999)**
Actual contributions as a percentage of covered payroll	**0.64%**	1.15%	1.06%	1.08%	1.05%

	2020	2019	2018	2017	2016
Actuarially determined contribution rate (a)	0.51%	0.60%	0.67%	0.68%	0.75%
Covered payroll (b)	$771,347	$736,264	$722,040	$658,198	$642,177
Actuarially determined contribution (a) x (b)	3,934	4,418	4,838	4,476	4,816
Contributions in relation to the actuarially determined contribution	8,045	7,649	7,417	6,930	6,723
Annual contribution excess	**($4,111)**	**($3,231)**	**($2,579)**	**($2,454)**	**($1,907)**
Actual contributions as a percentage of covered payroll	1.04%	1.04%	1.03%	1.05%	1.05%

[1] Contributions do not include disaffiliation payments, if applicable.

The accompanying notes are an integral part of the Required Supplementary Information.

Schedule of Investment Returns
For the Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expenses	**14.1%**	10.9%	13.4%	(13.5%)	16.1%	17.1%	20.4%	(3.3%)	18.1%	7.3%

The accompanying notes are an integral part of the Required Supplementary Information.

Notes to the Required Supplementary Information (Unaudited)—Health Care Trust Funds
(Dollars in Thousands)

Note 1—Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2025 Changes in Plan Provisions Since 2024

- HB 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the allocated employer contribution to the Denver Public Schools Health Care Trust Fund (DPS HCTF) by 0.82% of salary, from 1.02% to 0.20%.

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $20 and $486, respectively.

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1,033 and $24,967, respectively.

2022 Changes in Plan Provisions Since 2021

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 Changes in Plan Provisions Since 2020

- There were no changes made to plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to plan provisions.

2018 Changes in Plan Provisions Since 2017

- There were no changes made to plan provisions.

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of $1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $1,063 and $96, respectively.

2016 Changes in Plan Provisions Since 2015

- There were no changes made to plan provisions.

Note 2—Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2025 Changes in Assumptions or Other Inputs Since 2024

- There were no significant changes made to the actuarial methods or assumptions.

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 Changes in Assumptions or Other Inputs Since 2022

- There were no significant changes made to the actuarial methods or assumptions.

2022 Changes in Assumptions or Other Inputs Since 2021

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 Changes in Assumptions or Other Inputs Since 2020

- There were no significant changes made to the actuarial methods or assumptions.

Notes to the Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for Safety Officers was changed to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
  - **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- There were no significant changes made to the actuarial methods or assumptions.

2018 Changes in Assumptions or Other Inputs Since 2017

- There were no significant changes made to the actuarial methods or assumptions.

2017 Changes in Assumptions or Other Inputs Since 2016

- There were no changes made to the actuarial methods or assumptions.

2016 Changes in Assumptions or Other Inputs Since 2015

- The following methodology change was made:
  - The Entry Age Normal actuarial cost method allocation basis has been changed from a level dollar amount to a level percentage of pay.
- The following changes were made to the actuarial assumptions:
  - The investment rate of return assumption decreased from 7.50% to 7.25%.
  - The price inflation assumption decreased from 2.80% to 2.40%.

Notes to the Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

- The wage inflation assumption decreased from 3.90% to 3.50%.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73% factor applied to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78% factor applied to ages below 80 and a 109% factor applied to age 80 and above, projected to 2020, for females.
- The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The assumed rates of withdrawal, retirement, and disability have been adjusted to more closely reflect experience.
- The assumed rates of PERACare participation have been revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2017 plan year.
- The percentage of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage have been revised to reflect more closely actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage has been revised to reflect more closely actual experience.
- The health care cost trend rates for Medicare Part A premiums have been revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- Assumed election rates for the PERACare coverage options available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire have been revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, have been revised to more closely reflect actual experience.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees was revised to reflect more closely actual experience.
- The assumed age differences between future retirees and their participating spouses have been revised to reflect more closely actual experience.

Notes to the Required Supplementary Information (Unaudited)—Health Care Trust Funds

(Dollars in Thousands)

Note 3—Methods and Assumptions Used in Calculations of ADC

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in the Schedule of Employer Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2023, actuarial valuation were used to determine contribution rates reported in that schedule for the year ending December 31, 2025:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period[1]	30 years, closed, layered
Asset valuation method	4-year smoothed market
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% in aggregate
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.25%
Health care inflation factors	
PERA benefit structure:	
Service-based premium subsidy	0.00%
Medicare Part A premiums[2]	3.50% initial 4.50% ultimate
MAPD PPO #2[2,3]	105.00% initial 4.50% ultimate
PERACare Medicare plans[2,3]	16.00% initial 4.50% ultimate
DPS benefit structure:	
Service-based premium subsidy	0.00%
Medicare Part A premiums	N/A
Carrier premiums	N/A

1 Effective with the December 31, 2017, actuarial valuation, gains and losses are to be amortized over a closed period.

2 The Medicare Part A and carrier premiums only apply to calculation of the implicit subsidy applicable to the PERA benefit structure.

3 Increase in trend rates due to the effect of the Inflation Reduction Act.

Supplementary Schedules

(Dollars in Thousands)

Schedule of Administrative Expenses
For the Year Ended December 31, 2025

	Amount
Personnel Services	
Salaries	$65,920
Employee benefits	18,487
Total personnel services	**84,407**
Professional and Consulting Services	
Investment services	3,835
Other professional and consulting services	13,748
Total professional and consulting services	**17,583**
Miscellaneous	
Building and equipment rent, utilities, and supplies	1,475
Insurance	565
Memberships, publications, and subscriptions	392
Office supplies and printing	878
Postage	1,301
Services	2,030
Travel and meeting	729
Total miscellaneous	**7,370**
Direct Expenses	
State Division Trust Fund	114
School Division Trust Fund	111
Local Government Division Trust Fund	24
Judicial Division Trust Fund	1
DPS Division Trust Fund	11
Voluntary Investment Program	1,563
Defined Contribution Retirement Plan	184
Deferred Compensation Plan	528
Health Care Trust Fund	2,634
DPS Health Care Trust Fund	132
Total direct expenses	**5,302**
Depreciation and amortization[1]	**1,817**
Tenant and other expenses/(income)[2]	**1,486**
Less internal investment manager expenses[3]	**(37,494)**
Total administrative expenses[4]	**$80,471**

[1] $324 in depreciation of tenant capital assets and $223 in tenant services is included in tenant and other expenses/(income).

[2] During the current fiscal year, PERA increased its capitalization thresholds, resulting in a $1,334 expense for the write-off of assets that fell below the revised thresholds.

[3] Investment-related costs, reported as investment expenses in the Statements of Changes in Fiduciary Net Position, include external consultants, software, and internal labor and non-labor expenses related to PERA's investment division employees.

[4] The 2025 ratio of administrative expenses to fiduciary net position is nine basis points (0.09%) for the Division Trust Funds and is ten basis points (0.10%) for all funds.

See accompanying Independent Auditors' Report.

Supplementary Schedules

(Dollars in Thousands)

Schedule of Investment Expenses

For the Year Ended December 31, 2025

	Amount
Combined Investment Fund	
External manager expenses	
Global equity	$32,947
Fixed income	—
Private equity	75,991
Real estate	40,048
Alternatives	60,553
Cash and cash equivalents	453
Total external manager expenses	**209,992**
Internal manager expenses	**35,701**
Investment service expenses and custody fees	**1,800**
Other investment expenses	**1,030**
Total Combined Investment Fund investment expenses	**248,523**
Capital Accumulation Plans	
External manager expenses	**3,379**
Internal manager expenses	**1,793**
Other investment expenses	**55**
Total Capital Accumulation Plan investment expenses	**5,227**
Total investment expenses	**$253,750**

Schedule of Payments for Professional and Consulting Services

For the Year Ended December 31, 2025

	Amount
Professional and Consulting Services	
Actuarial	$822
Audit and accounting	345
Payroll services	106
Legal and legislative counsel	2,656
Computer services and consulting	5,287
Management consulting	1,347
Health care consulting	402
Other	2,783
Total payments for professional and consulting services[1]	**$13,748**

[1] Excludes investment advisers.

The Schedule of Commissions and other information related to investment expenses can be found in the Investment Section on pages 129-133.

See accompanying Independent Auditors' Report.

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Investment Section

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CHIEF INVESTMENT OFFICER LETTER

June 25, 2026

Dear Colorado PERA Stakeholders:

Amy C. McGarrity
Chief Investment Officer/ Chief Operating Officer

The Public Employees' Retirement Association of Colorado (PERA) provides stable retirement benefits for more than 730,000 members, contributing to local economies in cities and towns throughout the state. PERA's dedicated investment team manages 62% of assets internally, including 100% of fixed income and almost 74% of global equities, at a cost that is among the lowest of its peers. Our low-cost internal management, paired with our external advisors, has allowed us to stay on course to achieve full funding. For the 30-year period ending December 31, 2025, PERA has achieved a total portfolio return of 8.1% (annualized, time weighted, net of external investment management and custody fees), greater than the assumed rate of return of 7.25%. Strong performance in 2025 allowed plan assets to grow by $8.4 billion, to end the year at $75.1 billion in the Combined Investment Fund (CIF) portfolio.

Long-term performance is driven by the Board-approved strategic asset allocation policy and is determined by an asset/liability study conducted every three to five years. The latest asset/liability study was completed in 2024 and resulted in modest changes to the strategic asset allocation policy that were effective on January 1, 2025. These adjustments were designed to balance return objectives with evolving liquidity needs, capital market expectations, and funded-status sensitivity.

Total Portfolio

Stock and bond indices continued their multi-year run of positive returns with global equity markets reaching all-time highs in 2025. In a reversal from prior years, international equity (MSCI ACWI ex U.S. IMI +32.0%) significantly outperformed domestic equity (MSCI USA IMI +16.8%), with fixed income (Bloomberg U.S. Agg +7.3%) also adding to PERA's total performance.

PERA manages a significant amount of public assets internally. This low-cost approach, coupled with the Board's strategic asset allocation policy, has led to long-term relative outperformance. The Global Equity portfolio's exposure to high quality U.S. large cap securities has served PERA well over the long term, even though the markets in 2025 favored value investing. The fixed income portfolio has been aided by historically low interest rates and accommodative monetary policy, although these trends have begun to reverse in more recent periods. Private asset performance was impacted by similar market themes.

For the year ended December 31, 2025, PERA's total fund returned 14.1% (time weighted, net of external investment management and custody fees), compared to the policy benchmark's return of 16.3%. PERA's policy benchmark is a passive representation of the asset allocation policy adopted by the Board. The total fund has outperformed the policy benchmark over the 10-year period (9.5% versus 9.1%) and trailed over the three- and five-year periods (12.7% versus 13.9% and 7.6% versus 7.7%, respectively).

The total fund return of 14.1% trailed a hypothetical portfolio consisting of 60% global equities (MSCI ACWI IMI) and 40% fixed income (Bloomberg U.S. Agg), which returned 16.2% in 2025. The total fund has performed better than this hypothetical portfolio over the five- and 10-year periods (7.6% versus 6.5% and 9.5% versus 8.0%, respectively) and trailed over the three-year period (12.7% versus 13.9%). The total fund return of 14.1% outperformed the BNY Mellon Performance & Risk Analytics in conjunction with Investment Metrics Median Public Fund Universe return of 13.5%. As of December 31, 2025, this universe was comprised of 190 public pension funds over $1 billion with aggregate assets of approximately $2.9 trillion. The total fund has performed better than this universe over the three-, five-, and 10-year periods.

Combined Investment Fund

Global Equity

Global equities posted strong returns, albeit with some volatility. Policy decisions drove stocks lower during the first half of the year while a strong rebound in earnings, artificial intelligence (AI)-driven capital expenditures, and easing financial conditions, drove stocks higher during the second half of the year. Non-U.S. stocks, particularly in developed countries, provided a tailwind for global equities and in the U.S., large cap holdings outperformed their smaller counterparts, with value outperforming quality growth stocks. Longer term, U.S. large cap has been a major contributor to performance while non-U.S. and U.S. small cap has trailed, albeit with still respectable positive performance. Easy monetary conditions lifted equity valuations, especially technology names (e.g., Magnificent 7), and resulted in much more concentrated indexes.

PERA's Global Equity portfolio returned 19.8%, compared to its custom benchmark's return of 22.4%. The Global Equity portfolio has outperformed its custom benchmark over the 10-year period and trailed over the three- and five-year periods.

Fixed Income

The Federal Reserve's (Fed) dual mandate of balancing inflation and unemployment resulted in the Fed cutting rates 75 bps, as softening labor conditions outweighed an inflation rate above the Fed's target of 2%. Fixed income returns were driven by declining interest rates and tighter credit spreads even as volatility persisted, with the 10-year Treasury rate moving in a range between 4.2% and 4.8%. Post-pandemic, the unwinding of accommodative monetary policy and growing fiscal deficits resulted in sharply higher rates and contributed to rising bond yields, putting downward pressure on fixed income returns.

PERA's Fixed Income portfolio returned 7.6%, compared to its custom benchmark's return of 7.3%. The Fixed Income portfolio has outperformed its custom benchmark over the three-, five-, and 10-year periods.

Private Equity

Private equity (PE) deal volume stabilized in 2025 as managers adjusted to higher interest rates and there was more reliance on operational value creation rather than aggressive leverage. Traditional initial public offering (IPO) and strategic exit markets remained uneven, and managers increasingly utilized continuation funds and secondaries to generate liquidity and extend holding periods, allowing limited partners greater flexibility to rebalance portfolios. Over the last decade, PE firms grew in size, raised larger flagship funds, and expanded into private credit, infrastructure, secondaries, and insurance solutions. Capital increasingly became concentrated among top-tier managers, while limited partners became more selective, emphasizing proven track records.

PERA's Private Equity portfolio returned 9.1%, compared with its custom benchmark's return of 24.4%. The Private Equity portfolio has trailed its custom benchmark over the three-, five-, and 10-year periods. The ultimate goal of private equity is to outperform public equities over the long term, and over the past 10 years, the Private Equity portfolio has outperformed the Global Equity custom benchmark. The portfolio's 30-year internal rate of return as of December 31, 2025, was 8.4% compared to its custom benchmark's since inception internal rate of return of 7.5%. Internal rates of return are the industry standard performance measure for private equity because they account for the timing and size of capital calls and distributions, providing a more accurate measure of investor returns when cash flows are irregular and controlled by the manager.

Real Estate

After years of turbulence marked by repricing and interest rate fluctuations, global commercial real estate appears to have found stable footing with the rise of AI, and data centers powering this technology, expected to support renewed growth. Sectors driven by demographic shifts, particularly housing, industrial and alternative sectors, are well positioned, and fundamentals are largely healthy with demand outpacing absorption and limited supply in most markets. Over a longer five- to 10-year period, an overweight to industrial and underweight to office property holdings provided a boost to performance. Well-leased, income producing assets, supplemented by moderate appreciation over market cycles, led to strong long-term performance.

In 2025, PERA's Real Estate portfolio returned 2.2%, compared with its custom benchmark's return of 3.4%. The Real Estate portfolio has outperformed its custom benchmark over the three-, five-, and 10-year periods.

Combined Investment Fund

Alternatives

In 2025, the Risk Mitigation and Real Assets strategies produced excess returns, while the Opportunistic strategy trailed its benchmark. The Alternatives team launched a dedicated Private Credit strategy in 2025, which modestly trailed its benchmark while in the implementation phase. All strategies contributed to healthy positive returns, with global macro and multi-strategy hedge funds leading the way. Longer term, the strategies have generated current income and capital appreciation while providing downside protection. The balanced approach has allowed the Opportunistic and Risk Mitigation strategies to take advantage of periodic market dislocations and extreme market moves while the Real Assets strategy has been able to invest in tangible assets such as agriculture and timber to provide a more stable income stream.

For the year, PERA's Alternatives portfolio returned 9.1%, compared with its custom benchmark's return of 7.9%. The Alternatives portfolio has outperformed its custom benchmark over the five- and 10-year periods and trailed over the three-year period.

It is a privilege to serve our members and we are dedicated to providing secure retirement income for generations of Coloradans.

Sincerely,

Amy C. McGarrity
Chief Investment Officer/Chief Operating Officer

Combined Investment Fund

REPORT ON INVESTMENT ACTIVITY

(The Report on Investment Activity was prepared by internal staff.)

The Division Trust Funds, the Health Care Trust Funds, the Life Insurance Reserve, and the Direct Distribution Reserve are included in the information discussed in this subsection on Colorado PERA's Combined Investment Fund (CIF).

State Law

State law gives complete responsibility for the investment of PERA's funds to the Board, with some stipulations including:

- The aggregate amount of moneys invested in corporate stocks or corporate bonds, notes, or debentures, which are convertible into corporate stock or in investment trust shares cannot exceed 65% of the then book value of the fund.
- No investment of the fund in common or preferred stock, or both, of any single corporation can exceed 5% of the then book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stock or bonds of any single corporation.
- The origination of mortgages or deeds of trust on real residential property is prohibited.

Additionally, Colorado Revised Statutes (C.R.S.) § 24-54.8-201 *et seq.* imposes targeted divestment from companies that have economic prohibitions against Israel.

PERA Board's Statutory Fiduciary Responsibility

By State law, the management of PERA's retirement fund is vested in the Board who is held to the standard of conduct of fiduciaries in discharging their responsibilities. According to C.R.S. § 24-51-207(2), the Board, as fiduciaries, must carry out their functions solely in the interest of PERA members and benefit recipients and for the exclusive purpose of providing benefits.

Objective

The function of PERA is to provide present and future retirement or survivor benefits for its members. The investment function is managed in a manner to promote long-term financial security for our membership while maintaining the stability of the fund.

Overview of Investment Policy

PERA's investment policy outlines the investment philosophy and guidelines within which the fund's investments will be managed, and includes the following:

- Strategic asset allocation is the most significant factor influencing long-term investment performance and asset volatility.
- The fund's liabilities are long term and the investment strategy will therefore be long term in nature.
- The asset allocation policy will be periodically re-examined to ensure its appropriateness to the then-prevailing liability considerations.
- As a long-term investor, PERA will invest across a wide spectrum of investments in a prudent manner.
- Active management may be expected to add value over passive investment alternatives under appropriate conditions.

The Board determines the strategic asset allocation for the fund. This strategic asset allocation contains a policy benchmark weight and specific ranges within which each asset class may operate. The asset allocation policy benchmark weight and ranges in effect for 2025 are listed as follows:

Asset Allocation Targets and Ranges[1]

	Policy Benchmark Weight	Target Range
Global Equity	51.0%	45.0% – 57.0%
Fixed Income	23.0%	18.0% – 28.0%
Private Equity	10.0%	5.0% – 15.0%
Real Estate	10.0%	5.0% – 15.0%
Alternatives	6.0%	1.0% – 11.0%
Cash and Cash Equivalents	0.0%	0.0% – 3.0%

[1] See Note 5 of the Notes to the Financial Statements in the Financial Section for detailed disclosures about each asset class.

The asset allocation policy is determined by an intensive asset/liability study which considers expected investment returns, risks, and correlations of returns. The characteristics of the fund's liabilities are analyzed in conjunction with expected investment risks and returns. The targeted strategic asset allocation is designed to provide appropriate diversification and to balance the expected total rate of return with the volatility of expected returns, while ensuring an appropriate level of risk is incurred. The current strategic asset allocation was determined by an asset/liability study completed in 2024, which was prepared by Aon Investments USA Inc. (Aon). The objective of the study was to determine the optimal strategic asset allocation that will ultimately allow PERA to meet its financial obligations, while also ensuring that PERA incurs appropriate levels of risk and liquidity. As a result of this study, the Board slightly modified the asset allocation ranges and targets effective January 1, 2025, while reaffirming the investment return assumption of 7.25%.

The asset allocation targets are adhered to through the implementation of portfolio rebalancing. Investments are managed and monitored in a manner which seeks to balance return and risk within the asset/liability

Combined Investment Fund

framework. The Chief Investment Officer is authorized to execute investment transactions on behalf of the Board. Assets are managed both internally and externally. In making investment decisions, the Board and staff utilize external experts in various fields.

Basis of Presentation

Aon, the Board's CIF investment consultant, provides the investment returns for the fund based on data made available by the fund's custodian, The Northern Trust Company (Northern Trust). Investment performance is reported using time-weighted rates of return and is calculated net of external investment management and custody fees, unless otherwise indicated. Returns do not include internal investment management costs or PERA administrative expenses. Returns for periods greater than one year are annualized.

Investment Stewardship

It is the fiduciary duty of the Board and Investment staff to manage plan assets with prudence and care in pursuit of long-term financial sustainability for the benefit of members and plan participants. PERA staff demonstrate stewardship of plan assets by: protecting members' interests through cost-conscious investments; integrating financially material factors into investment decisions; advocating for robust market practices that support long-term value; and evaluating portfolio exposures and performance on an ongoing basis.

Investment staff initiatives and philosophy supporting the pursuit of financial sustainability through stewardship are discussed in greater detail in PERA's *Investment Stewardship Report*, which is updated annually, and can be found on PERA's website at copera.org/investments.

Proxy Voting

As part of investment stewardship, PERA promotes corporate governance and other business practices expected to contribute to financial sustainability through proxy voting. The Board views the right to vote as an asset of the plans to be managed under fiduciary duty, and has charged the Investment Committee with oversight in fulfilling that responsibility.

The Board and the Investment Committee have delegated to staff the authority to review and vote on proxy proposals in compliance with PERA's *Proxy Voting Policy (Policy)*. Accordingly, staff vote proxies for domestic and international equity shares held in separately managed public market portfolios.

The *Policy* sets forth guidance on a broad range of issues that may present risks and opportunities for the public companies in which PERA invests. The Board regularly updates the *Policy* in seeking alignment of corporate management interests with the interests of long-term shareholders, as relevant to PERA's investment thesis. The *Policy* was reviewed and approved in 2024. The *Policy* and a link to disclosure of votes cast can be viewed on PERA's website at copera.org/investments.

Combined Investment Fund

Aon provides the investment returns for the fund based on data made available by Northern Trust. The annualized one-, three-, five-, and 10-year time-weighted, net of external investment management and custody fees, rates of return for each asset class and their respective benchmarks are as follows:

Schedule of Investment Results
As of December 31, 2025

	2025	3–Year	5–Year	10–Year
PERA Total Portfolio	**14.1%**	12.7%	7.6%	9.5%
Total Fund Policy Benchmark[1]	**16.3%**	13.9%	7.7%	9.1%
Median Plan (BNY Mellon Performance & Risk Analytics in conjunction with Investment Metrics Median Public Fund Universe)	**13.5%**	11.3%	7.3%	8.3%
Global Equity	**19.8%**	20.2%	10.3%	12.3%
Global Equity Custom Benchmark[2]	**22.4%**	20.3%	11.0%	11.7%
Fixed Income	**7.6%**	5.1%	0.0%	2.5%
Fixed Income Custom Benchmark[3]	**7.3%**	4.7%	(0.4%)	2.2%
Private Equity	**9.1%**	6.7%	9.6%	11.9%
Private Equity Custom Benchmark[4]	**24.4%**	22.0%	12.6%	14.5%
Real Estate	**2.2%**	(2.9%)	5.3%	7.2%
Real Estate Custom Benchmark[5]	**3.4%**	(3.8%)	3.0%	4.4%
Alternatives	**9.1%**	8.3%	8.3%	8.0%
Alternatives Custom Benchmark[6]	**7.9%**	8.6%	7.0%	7.4%
Cash and Cash Equivalents	**4.4%**	5.0%	3.3%	2.3%
ICE BofAML U.S. 3-Month Treasury Bill Index	**4.2%**	4.8%	3.2%	2.2%

Note: Investment performance is reported using time-weighted rates of return and is calculated net of external investment management and custody fees, unless otherwise indicated.

1 The PERA Board adopted benchmarks beginning April 1, 2004, for each of the various asset classes. The adopted benchmarks have changed over time and, accordingly, the benchmark returns presented represent a blend, as follows:

- The Total Fund Policy Benchmark— A combination of 51.0% of the Global Equity Custom Benchmark, 23.0% of the Fixed Income Custom Benchmark, 10.0% of the Private Equity Custom Benchmark, 10.0% of the Real Estate Custom Benchmark, and 6.0% of the Alternatives Custom Benchmark. Prior to January 2025, a combination of 54.0% of the Global Equity Custom Benchmark, 23.0% of the Fixed Income Custom Benchmark, 8.5% of the Private Equity Custom Benchmark, 8.5% of the Real Estate Custom Benchmark, and 6.0% of the Alternatives Custom Benchmark. Prior to January 2023, 55.0% of the Global Equity Custom Benchmark, 23.5% of the Fixed Income Custom Benchmark, 8.5% of the Private Equity Custom Benchmark, 8.5% of the Real Estate Custom Benchmark, and 4.5% of the Alternatives Custom Benchmark. Prior to January 2022, 55.5% of the Global Equity Custom Benchmark, 23.5% of the Fixed Income Custom Benchmark, 8.5% of the Private Equity Custom Benchmark, 8.5% of the Real Estate Custom Benchmark, and 4.0% of the Alternatives Custom Benchmark. Prior to January 2021, 56.0% of the Global Equity Custom Benchmark, 23.5% of the Fixed Income Custom Benchmark, 8.5% of the Private Equity Custom Benchmark, 8.5% of the Real Estate Custom Benchmark, and 3.5% of the Alternatives Custom Benchmark. Prior to January 2020, 53.5% of the Global Equity Custom Benchmark, 23.5% of the Fixed Income Custom Benchmark, 8.5% of the Private Equity Custom Benchmark, 8.5% of the Real Estate Custom Benchmark, 5.0% of the Alternatives Custom Benchmark, and 1.0% of the ICE BofAML U.S. 3-Month Treasury Bill Index. Prior to July 2016, 55.0% of the Global Equity Custom Benchmark, 24.0% of the Fixed Income Custom Benchmark, 7.5% of the Real Estate Custom Benchmark, 7.5% of the Private Equity Custom Benchmark, 5.0% of the Alternatives Custom Benchmark, and 1.0% of the ICE BofAML U.S. 3-Month Treasury Bill Index.

2 MSCI ACWI IMI (Net) with USA Gross. Prior to July 2018, MSCI ACWI IMI.

3 Bloomberg U.S. Aggregate Bond Index. Prior to August 2018, Bloomberg U.S. Universal Bond Index.

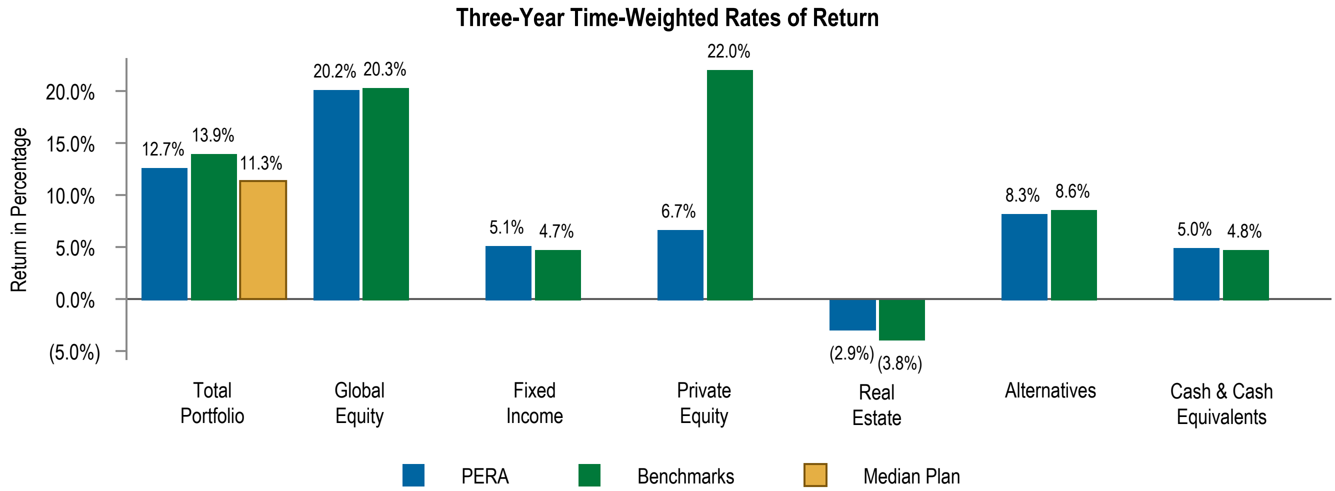
4 MSCI ACWI IMI (Net) with USA Gross plus 200 basis points. Prior to January 2025, MSCI ACWI IMI (Net) with USA Gross plus 150 basis points. Prior to January 2019, Burgiss Time Weighted Rate of Return Benchmark.

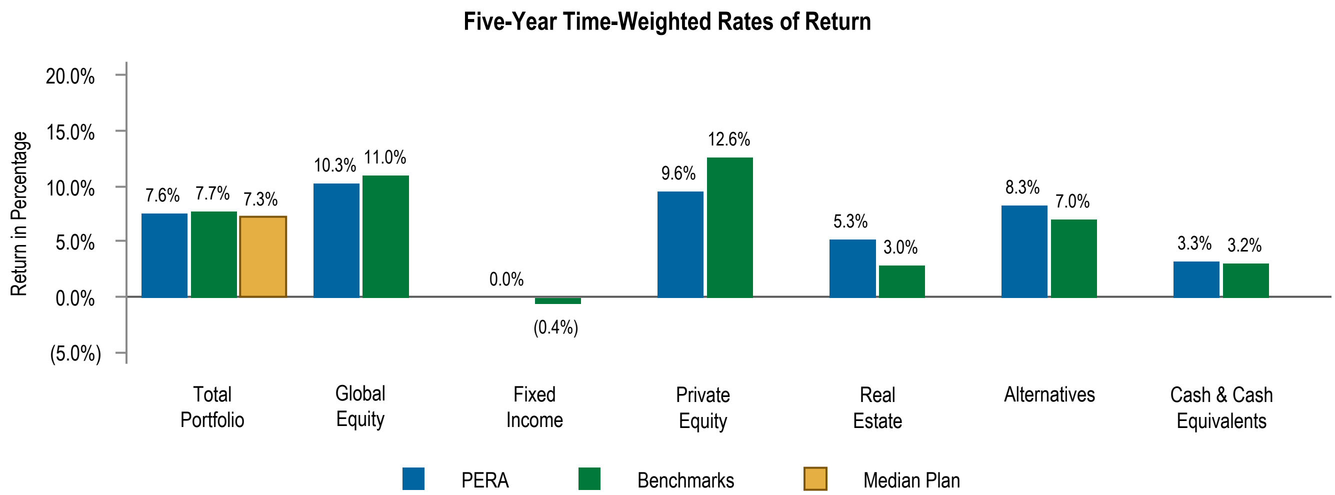
5 NCREIF Open End Diversified Core Equity Index (NFI-ODCE) plus 50 basis points annually.

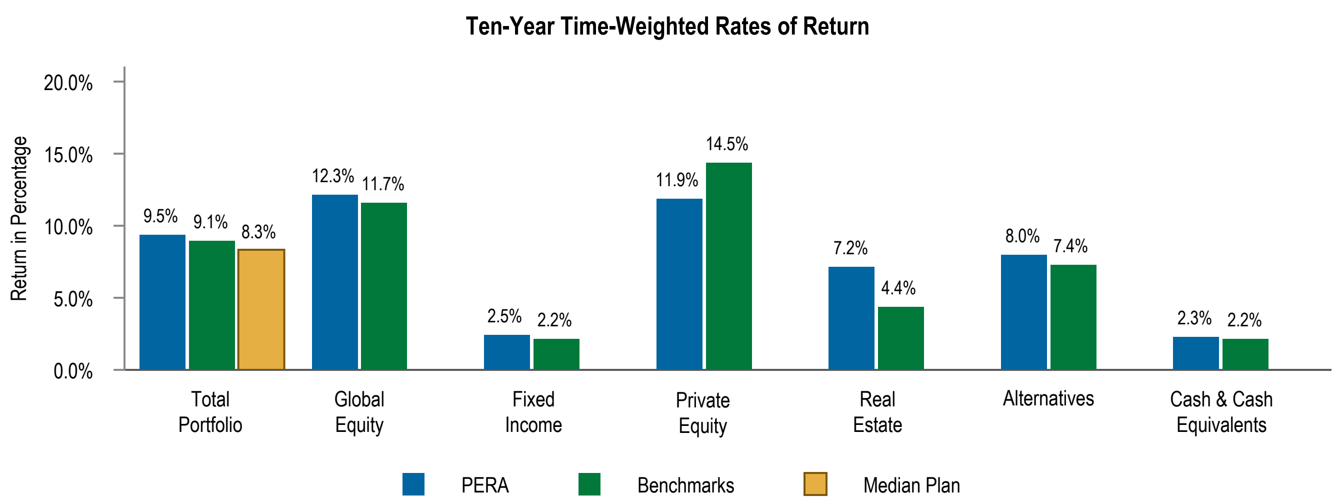
6 Weighted average of each of the objectives (Risk Mitigation: HFRI FOF Market Defensive Index, Real Assets: CPI plus 400 basis points, Opportunistic: PERA Public Markets plus 150 basis points, Private Credit: Morningstar LSTA Leveraged Loan Index plus 150 basis points). Prior to January 2019, weighted aggregate of the benchmarks of the individual strategies included in Alternatives.

Combined Investment Fund

The three-, five-, and 10-year time-weighted, net of external investment management and custody fees, rates of return for the total fund and each asset class and their respective benchmarks are as follows:







Combined Investment Fund

(Dollars in Thousands)

Investment Summary

	Fair Value per Financial Statement December 31, 2025	Reallocation of Investment Amounts[1]	Non-Investment Amounts[2]	Fair Value per Investment Portfolio December 31, 2025	2025 Policy Benchmark Weight[3]	Actual Asset Allocation (% of Fair Value) 12/31/25	12/31/24	12/31/23
Global Equity	$41,497,033	$359,434	$—	$41,856,467	51.0%	**55.7%**	55.5%	55.0%
Fixed Income	15,352,480	406,811	—	15,759,291	23.0%	**21.0%**	19.7%	18.9%
Private Equity	5,602,279	—	—	5,602,279	10.0%	**7.5%**	7.7%	8.7%
Real Estate	6,790,595	(2,411)	—	6,788,184	10.0%	**9.0%**	9.2%	10.1%
Alternatives	4,326,093	222,672	—	4,548,765	6.0%	**6.0%**	7.2%	6.9%
Cash and Cash Equivalents								
Operating Cash	11,867	—	(11,867)	—				
Cash and Cash Equivalents	1,659,537	(1,081,117)	—	578,420	0.0%	**0.8%**	0.7%	0.4%
Net securities lending collateral and obligations	114,665	(114,665)	—	—				
Net investment settlements and income and other liabilities[4]	(331,226)	209,276	121,950	—				
Benefit, interfund, and other receivables, and capital assets[5]	258,172	—	(258,172)	—				
Deferred inflows of resources	(1,915)	—	1,915	—				
Total	**$75,279,580**	**$—**	**($146,174)**	**$75,133,406**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

1 Investment receivables, payables, accruals, securities lending collateral, securities lending obligations, and cash and cash equivalents are allocated back to the investment portfolios that hold them.

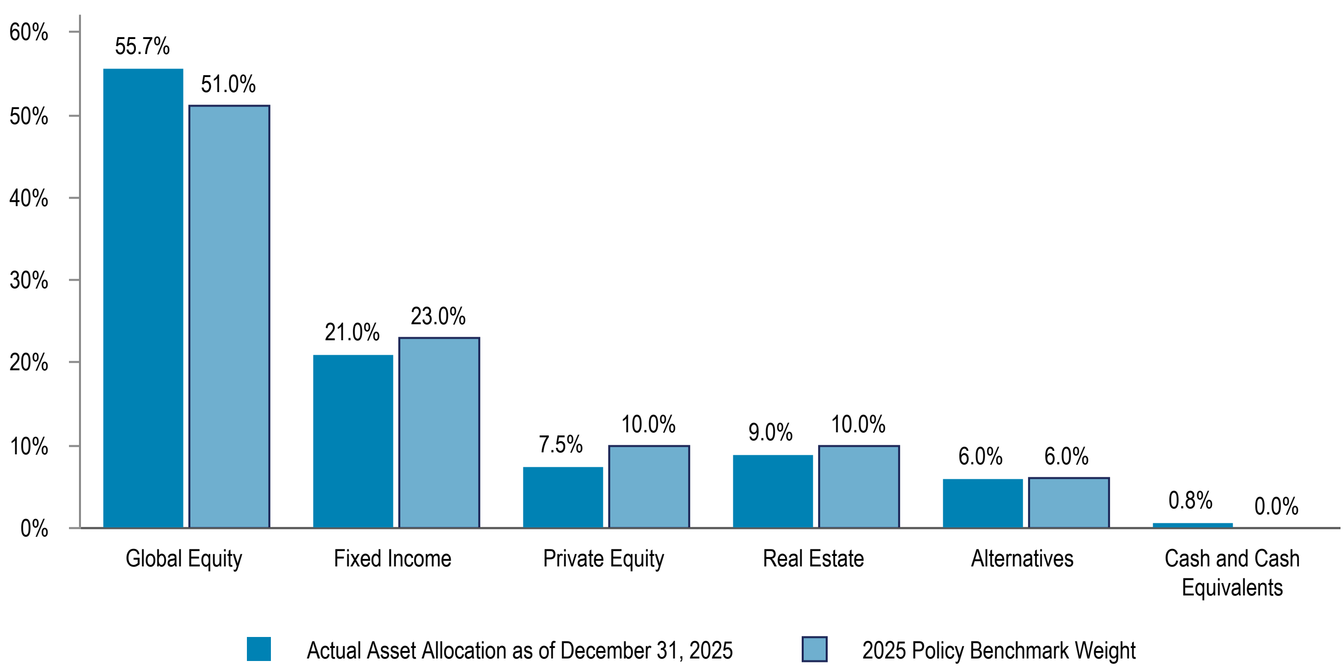
2 Non-investment amounts are not included in the determination of actual investment asset allocation.

3 See page 124 for more information about the strategic asset allocation of the fund.

4 Includes non-investment payables of $121,950.

5 Includes benefit receivables of $238,224, interfund receivables of $530, other receivables of $5,586, and capital assets of $13,832.

Actual Asset Allocation versus Policy Benchmark Weight



Combined Investment Fund

(Dollars in Thousands)

(In actual dollars for this paragraph only)
Total investment expenses for internal and external asset management of PERA's $75.1 billion investment portfolio were $248.5 million representing about 33.1 bps. PERA strives to manage the investment assets in a cost efficient manner. The driving factor in the low overall cost is the use of internal management. PERA staff manages 62.0% of total fund assets in-house at a calculated cost for internal asset management of $23.6 million (5.1 bps); outsourcing such management would cost an estimated $124.0 million (26.6 bps). The remaining portion of the $35.7 million internal manager expenses shown in the following table is for PERA staff oversight of externally-managed assets.

Schedule of Investment Expenses[1]
For the Year Ended December 31, 2025

	Amount
External manager expenses	
Global Equity	$32,947
Fixed Income	—
Private Equity	75,991
Real Estate	40,048
Alternatives	60,553
Cash and Cash Equivalents	453
Total external manager expenses	**209,992**
Internal manager expenses	**35,701**
Investment service expenses and custody fees	**1,800**
Other investment expenses	**1,030**
Total investment expenses	**$248,523**

[1] See the Investment Summary on page 128 for information about fair value of investments.

The following table breaks out both the dollar amount and percentage of each asset class managed internally. It is important to note that all accounts, both internal and external, are held to the same high performance standards.

Schedule of Internal and External Asset Management
As of December 31, 2025

	Internal		External		
Asset Class	Amount	Percent	Amount	Percent	Total Amount
Global Equity	$30,802,298	73.6%	$11,053,378	26.4%	**$41,855,676**
Fixed Income	15,759,291	100.0%	—	—	**15,759,291**
Private Equity	—	—	5,602,279	100.0%	**5,602,279**
Real Estate	—	—	6,788,184	100.0%	**6,788,184**
Alternatives	—	—	4,548,765	100.0%	**4,548,765**
Cash and Cash Equivalents	—	—	578,420	100.0%	**578,420**
Total	**$46,561,589**	**62.0%**	**$28,571,026**	**38.0%**	**$75,132,615**

Combined Investment Fund

(Dollars in Thousands)

Schedule of Investment Income and Expenses by Asset Class
As of December 31, 2025

Asset Class	Net Appreciation/ (Depreciation) in Fair Value[1]	Interest and Dividends	Net Operating Income/(Loss)[2]	Investment Expenses[3]	Net Income from Securities Lending	Net Investment Income
Global Equity	$6,490,734	$629,656	$—	($51,632)	$52,052	$7,120,810
Fixed Income	428,075	584,237	—	(8,539)	21,333	1,025,106
Private Equity	554,972	5	(13,640)	(81,634)	—	459,703
Real Estate	(47,073)	—	222,768	(43,097)	—	132,598
Alternatives	281,740	31	185,706	(63,105)	—	404,372
Cash and Cash Equivalents	127,177	21,518	—	(516)	—	148,179
Total	**$7,835,625**	**$1,235,447**	**$394,834**	**($248,523)**	**$73,385**	**$9,290,768**

1 Global Equity and Fixed Income include realized gain/(loss) recognized on securities sold during 2025, current year unrealized gain/(loss) and unrealized translation gain/(loss), and class action revenue. Private Equity, Real Estate, and Alternatives include current year realized and unrealized gain/(loss), paid carried interest, and adjustments to accrued carried interest as reported by the General Partners.

2 Private Equity, Real Estate, and Alternatives include investment income and expenses as reported by the General Partners.

3 Includes external and internal investment management, custody, and other investment expenses.

Schedule of Private Market Investment Contributions, Distributions, and Paid Carried Interest
As of December 31, 2025

Asset Class	Contributions[1]	Distributions[2]	Paid Carried Interest[3]
Private Equity	$676,951	$659,981	$62,394
Real Estate	1,055,177	574,102	70,092
Alternatives	388,046	1,040,068	56,152
Total	**$2,120,174**	**$2,274,151**	**$188,638**

1 Represents money sent to external entities for the purpose of funding private market investments and/or fees during the current fiscal year.

2 Represents money or shares of companies received from external entities during the current fiscal year, generally due to PERA receiving its proportionate share of an investment's exited value.

3 Represents the share of profits paid to external entities due to investment returns surpassing agreed-upon thresholds. Amounts will vary, potentially significantly, from year to year depending on the timing of sales of the underlying investments and the magnitude of the gains. Amounts are based on best available information provided by external entities. Actual results could differ from those amounts.

Combined Investment Fund

(Dollars in Thousands)

Profile of Investments in Colorado
As of December 31, 2025

	Fair Value
Public Equity[1]	**$45,918**
Fixed Income[1]	**6,965**
Private Equity	
Portfolio investments[2]	118,021
Future commitments to Colorado-based general partnerships or funds	20,200
Total Private Equity	**138,221**
Real Estate	
Portfolio investments[2]	103,669
Future commitments to Colorado-based general partnerships or funds	87,713
Total Real Estate	**191,382**
Alternatives	
Portfolio investments[2]	192,600
Future commitments to Colorado-based general partnerships or funds	67,384
Total Alternatives	**259,984**
Total	**$642,470**

1 Companies headquartered in Colorado.

2 Portfolio investments domiciled in Colorado.

Combined Investment Fund

(Dollars in Thousands)

Largest Equity Holdings by Fair Value[1]
As of December 31, 2025

	Shares	Fair Value
NVIDIA Corporation	11,793,444	$2,199,477
Apple Inc.	6,591,049	1,791,843
Microsoft Corporation	3,309,143	1,600,368
Alphabet Inc.	4,877,790	1,526,748
Amazon.com, Inc.	4,672,967	1,078,614
Meta Platforms, Inc.	1,290,242	851,676
Broadcom Inc.	1,927,919	667,253
JPMorgan Chase & Co.	1,867,264	601,670
Visa Inc.	1,268,515	444,881
Walmart Inc.	3,782,385	421,395

[1] Includes the allocated portion of the unitized PERA Large Cap and Small Cap Pools. Does not include other commingled funds.

Note: A complete list of holdings is available on copera.org/investments.

Largest Fixed Income Holdings by Fair Value[1]
As of December 31, 2025

	Par Value	Income Rate	Maturity Date	Fair Value
US Treasury Notes	$434,027	3.500%	12/15/28	$433,688
US Treasury Notes	277,431	3.375%	11/30/27	276,933
FNMA TBA	271,267	2.000%	1/14/56	219,588
FHLMC	191,366	4.530%	10/25/35	191,723
US Treasury Notes	167,692	4.125%	11/30/31	170,430
US Treasury Notes	152,896	3.625%	10/31/30	152,394
FNMA TBA	138,099	5.000%	1/14/56	137,868
US Treasury Notes	138,099	3.500%	10/31/27	138,148
US Treasury Notes	138,099	3.750%	11/30/32	136,718
US Treasury Notes	133,167	3.625%	8/31/30	132,808

[1] Based on the allocated portion of the unitized PERA Fixed Income Pool.

Note: A complete list of holdings is available on copera.org/investments.

Combined Investment Fund

(Dollars in Thousands)

Investment Brokers/Advisers (Internally Managed Assets)

Barclays Capital Inc.
BMO Capital Markets Corp.
BNP Paribas Securities Corp.
BofA Securities, Inc.
Brean Capital, LLC
Cantor Fitzgerald & Co.
CIBC World Markets Corp.
Citadel Securities LLC
Citigroup Global Markets Inc.
Credit Agricole (USA) Inc.
Deutsche Bank Securities Inc.
Federal National Mortgage Association (Fannie Mae)
Goldman Sachs & Co. LLC
HSBC Securities (USA) Inc.
J.P. Morgan Securities, Inc.
Jefferies Group LLC
Liquidnet, Inc.
MarketAxess Corp.
Mizuho Securities USA LLC
Morgan Stanley & Co. LLC
MUFG Securities Americas Inc.
NatWest Markets Securities Inc.
Nomura Securities International, Inc.
PNC Capital Market LLC
RBC Capital Markets, LLC
Santander US Capital Markets LLC
SG Securities Americas, LLC
Stifel, Nicolaus & Company Incorporated
Sumitomo Mitsui Banking Corp
TD Securities (USA) LLC
The Northern Trust Company
Tradeweb Markets Inc.
Truist Securities, Inc.
U.S. Bancorp
UBS Securities, LLC
Wells Fargo Securities, LLC

Note: A list of investment managers is available upon request.

Schedule of Commissions[1]
As of December 31, 2025

	Internally Managed Investments	Externally Managed Investments	
Security Type	Commissions	Commissions	Total Commissions
Global Equity[2]	$878	$1,761	**$2,639**
Fixed Income[3]	7,587	—	**7,587**
Futures	380	—	**380**
Total commissions	**$8,845**	**$1,761**	**$10,606**

1 Does not include commissions from Private Equity, Real Estate, or Alternatives.

2 Includes the allocated portion of the unitized PERA Large Cap and Small Cap Pools. Excludes commissions from other commingled funds.

3 Includes the allocated portion of the unitized PERA Fixed Income Pool. Commissions are estimated, with the exception of commissions on exchange-traded funds.

Capital Accumulation Plans

REPORT ON INVESTMENT ACTIVITY

(The Report on Investment Activity was prepared by internal staff.)

Plan Summary

Colorado PERA administers three defined contribution plans: the Voluntary Investment Program (PERAPlus 401(k) Plan), the Deferred Compensation Plan (PERAPlus 457 Plan), and the Defined Contribution Retirement Plan (DC Plan), collectively known as the Capital Accumulation Plans (CAPs). All three plans are governed by the Board.

The CAPs' participants are expected to have different retirement objectives, time horizons, and investment risk tolerances. To meet these varying needs, participants are able to direct their contributions and account balances among a range of investment options, including a self-directed brokerage account, to construct diversified portfolios that can reasonably align with their financial goals and risk tolerances. Investment options in the CAPs are identical. Participants alone bear the risk of investment results.

For additional information on the CAPs, please refer to Note 8 starting on page 76.

Basis of Presentation

Callan, LLC (Callan), the Board's CAP investment consultant, provides the investment returns based on data made available by Empower. Performance calculations were prepared using time-weighted rates of return and are net of internal and external investment management fees (and net of administrative fees prior to 12/03/2021) unless otherwise indicated. Returns for periods longer than one year are annualized.

Investment Objective and Overview of Investment Policy

The Board recognizes the range of investment needs represented by the CAPs' participants and their individual retirement objectives. As a result, a broad range of investment options are provided.

Investment options offered under each plan shall:

- Provide a wide range of investment opportunities in various asset classes so as to cover a wide risk/return spectrum.
- Achieve returns within a reasonable and prudent level of risk.
- Control administrative and investment management costs to the plan and participants.

Year End Statistics

(Dollars in Thousands)	2025	2024	% Chg
Fiduciary Net Position			
PERAPlus 401(k) Plan	**$5,411,134**	$4,859,071	11.36%
DC Plan	**622,226**	509,167	22.20%
PERAPlus 457 Plan	**1,640,191**	1,442,122	13.73%
Number of Accounts			
PERAPlus 401(k) Plan	**63,957**	63,930	0.04%
DC Plan	**8,106**	7,647	6.00%
PERAPlus 457 Plan	**20,908**	20,265	3.17%

The CAPs' participants pay investment management fees, as shown in the following table:

Fund	Fee
PERAdvantage Capital Preservation Fund	**0.21%**
PERAdvantage Fixed Income Fund	**0.13%**
PERAdvantage Real Return Fund	**0.17%**
PERAdvantage Socially Responsible Investment Fund	**0.18%**
PERAdvantage U.S. Large Cap Stock Fund	**0.05%**
PERAdvantage U.S. Small and Mid Cap Stock Fund	**0.15%**
PERAdvantage International Stock Fund	**0.26%**
PERAdvantage Target Retirement Date Funds	**0.06%**

Note: Fees shown are investment management fees. Participants who have a self-directed brokerage account pay an annual $50 (actual dollars) self-directed brokerage fee.

Investment Stewardship

The CAPs adhere to the same principles of investment stewardship as the CIF. For more information, please refer to the Investment Stewardship section on page 125.

2025 Changes

The PERAdvantage Target Retirement date funds had a fee reduction from 0.07% to 0.06% in 2025.

Capital Accumulation Plans

PERAdvantage Investment Options

The PERAdvantage funds provide diversification within each of the seven primary funds and 10 target retirement date funds. The white label structure of the PERAdvantage funds simplifies choices, increases diversification, and helps participants identify investments based on how the fund invests the money rather than name familiarity. In addition, the CAPs provide a self-directed brokerage account for participants to select their own investments.

Participants invest assets in one or more of the following investments:

PERAdvantage Capital Preservation Fund

The fund seeks to provide consistent investment income with a stable net asset value primarily by investing in a portfolio of high-quality, low volatility fixed income securities. The portfolio is paired with an insurance contract, which allows participants to withdraw or transfer their funds, subject to plan rules, without fair value risk or other penalty. The fund is managed by Empower Capital Management (100%).

PERAdvantage Fixed Income Fund

The fund seeks to generate income, preserve capital, and provide long-term capital appreciation by investing in a diversified portfolio of fixed income instruments. This fund primarily invests in government, asset backed (mortgage, commercial, and consumer) and corporate bonds of U.S. and non-U.S. issuers. The fund may invest a portion of assets in high yield bonds. The fund is managed by PERA (50% unitized Fixed Income) and BlackRock (50% Core Alpha).

PERAdvantage Real Return Fund

The fund seeks to provide broad exposure to real assets and U.S. inflation protected bonds and to produce a return over a full market cycle that exceeds the rate of inflation. This fund invests in U.S. inflation protected bonds, real estate investment trusts (REITs), commodities, and global natural resources and infrastructure stocks. The fund is managed by State Street Investment Management (70% Real Asset Strategy and 30% U.S. Inflation Protected Index).

PERAdvantage Socially Responsible Investment (SRI) Fund

The fund seeks to produce a return above the index by investing in a portfolio of global equities and investment grade fixed income securities. The equity portion seeks to replicate the return of the MSCI ACWI ESG Focus Index. The fixed income portion invests in U.S. dollar denominated securities that demonstrate environmental, social, and governance (ESG) leadership and direct and measurable environmental and social impact. The fund is managed by BlackRock (60% ACWI ESG Focus Index) and Nuveen (40% Core Impact Bond).

PERAdvantage U.S. Large Cap Stock Fund

The fund seeks to provide long-term capital appreciation and dividend income primarily by investing in the common stock of companies listed in the United States with large market capitalizations. This fund invests in a wide array of U.S. stocks with market capitalizations similar to those found in the MSCI USA Large Cap Index. The fund is managed by PERA (60% Large Cap Index and 40% unitized Large Cap Core).

PERAdvantage U.S. Small and Mid Cap Stock Fund

The fund seeks to provide long-term capital appreciation and dividend income primarily by investing in the common stock of companies listed in the United States with small and mid-market capitalizations. This fund invests in a wide array of U.S. stocks with market capitalizations similar to those found in the MSCI USA SMID Cap Index. The fund is managed by PERA (50% unitized Small Cap Core) and Dimensional Fund Advisors (50% Mid Cap Core).

PERAdvantage International Stock Fund

The fund seeks to provide long-term capital appreciation and dividend income primarily by investing in the common stock of companies outside the United States. This fund invests in a wide array of international stocks similar to those found in the MSCI All County World Index (ACWI) ex USA. The fund is managed by Schroder Investment Management (60% International Alpha) and PERA (40% International Multi-Factor).

PERAdvantage Target Retirement Date Funds

There are 10 funds with varying asset mixes and risk levels based on expected retirement date. Each fund is comprised of the corresponding BlackRock LifePath Index Target Retirement Date Fund. These funds seek a combination of capital appreciation and income and will automatically adjust the underlying asset allocation to become more conservative as they reach their target retirement date, at which time the fund will be blended into the PERAdvantage Income Fund. The funds are managed by BlackRock (100%).

Schwab Self-Directed Brokerage Account

This account allows selection from numerous mutual funds and other types of securities, such as stocks and bonds, for an additional fee. Investment in the self-directed brokerage account is offered through Schwab.

Capital Accumulation Plans

Callan provides the investment returns for the CAPs based on data made available by Empower. The annualized one-, three-, five-, and 10-year net-of-fees time-weighted rates of return for each PERAdvantage fund and their respective benchmarks are as follows:

Schedule of Investment Results
As of December 31, 2025

Fund/Benchmark	2025	3-Year	5-Year	10-Year
PERAdvantage Capital Preservation Fund	**2.9%**	2.5%	2.1%	2.1%
ICE BofAML U.S. 3-Month Treasury Bill Index[1]	**4.2%**	4.8%	3.2%	2.5%
PERAdvantage Fixed Income Fund	**7.2%**	5.0%	(0.3%)	2.2%
Bloomberg U.S. Aggregate Bond Index	**7.3%**	4.7%	(0.4%)	2.0%
PERAdvantage Real Return Fund	**15.8%**	7.0%	7.0%	6.5%
Real Return Custom Index[2]	**15.3%**	6.0%	7.6%	6.2%
PERAdvantage Socially Responsible Investment Fund	**16.3%**	14.3%	6.4%	8.0%
SRI Custom Index[3]	**15.9%**	13.9%	6.2%	7.8%
PERAdvantage U.S. Large Cap Stock Fund	**18.6%**	24.9%	14.4%	15.2%
MSCI USA Large Cap Index[4]	**18.6%**	24.3%	14.2%	14.9%
PERAdvantage U.S. Small and Mid Cap Stock Fund	**4.6%**	10.3%	7.8%	9.7%
MSCI USA SMID Cap Index[5]	**9.9%**	13.7%	7.7%	10.6%
PERAdvantage International Stock Fund	**30.4%**	18.6%	8.9%	10.0%
MSCI ACWI ex USA Index	**32.4%**	17.3%	7.9%	8.4%
PERAdvantage Income Fund	**12.4%**	10.2%	4.1%	5.9%
BlackRock LifePath® Retirement Index	**12.5%**	10.2%	4.1%	6.0%
PERAdvantage 2030 Fund	**14.2%**	12.5%	5.9%	7.9%
BlackRock LifePath® 2030 Index	**14.2%**	12.5%	5.9%	7.9%
PERAdvantage 2035 Fund	**16.0%**	14.4%	7.2%	8.9%
BlackRock LifePath® 2035 Index	**16.0%**	14.4%	7.2%	8.9%
PERAdvantage 2040 Fund	**17.6%**	16.2%	8.5%	9.9%
BlackRock LifePath® 2040 Index	**17.5%**	16.1%	8.5%	9.8%
PERAdvantage 2045 Fund	**19.2%**	17.9%	9.6%	10.7%
BlackRock LifePath® 2045 Index	**19.1%**	17.8%	9.6%	10.6%
PERAdvantage 2050 Fund	**20.9%**	19.2%	10.5%	11.2%
BlackRock LifePath® 2050 Index	**20.7%**	19.2%	10.4%	11.1%
PERAdvantage 2055 Fund	**21.7%**	19.8%	10.8%	11.4%
BlackRock LifePath® 2055 Index	**21.6%**	19.8%	10.8%	11.3%
PERAdvantage 2060 Fund	**21.9%**	19.9%	10.8%	11.4%
BlackRock LifePath® 2060 Index	**21.7%**	19.9%	10.8%	11.3%
PERAdvantage 2065 Fund	**21.9%**	19.9%	10.8%	N/A
BlackRock LifePath® 2065 Index	**21.7%**	19.9%	10.8%	N/A
PERAdvantage 2070 Fund	**21.9%**	N/A	N/A	N/A
BlackRock LifePath® 2070 Index	**21.7%**	N/A	N/A	N/A

Note: Performance is net of internal and external investment management fees (and net of administrative fees prior to 12/03/2021) and calculated using time-weighted net asset values.

Returns for periods greater than one year are annualized.

1 ICE BofAML U.S. 3-Month Treasury Bill Index represents the Hueler Index through December 2019 and the ICE BofAML U.S. 3-Month Treasury Bill Index from January 2020 forward.

2 70% State Street Real Asset Strategy DC Index/30% Bloomberg U.S. TIPS Index.

3 60% MSCI World ESG Leaders/40% Bloomberg U.S. Gov't Bond through September 2019, 60% MSCI ACWI ESG Focus/40% Bloomberg U.S. Gov't Bond through December 2019, and 60% MSCI ACWI ESG Focus/40% Bloomberg U.S. Aggregate from January 2020 forward.

4 MSCI USA Large Cap Index represents the Russell 1000 Index through December 2018 and the MSCI USA Large Cap Index from January 2019 forward.

5 MSCI USA SMID Cap Index represents the Russell 2500 Index through December 2018 and the MSCI USA SMID Cap Index from January 2019 forward.

Capital Accumulation Plans

(Dollars in Thousands)

Investment Summary

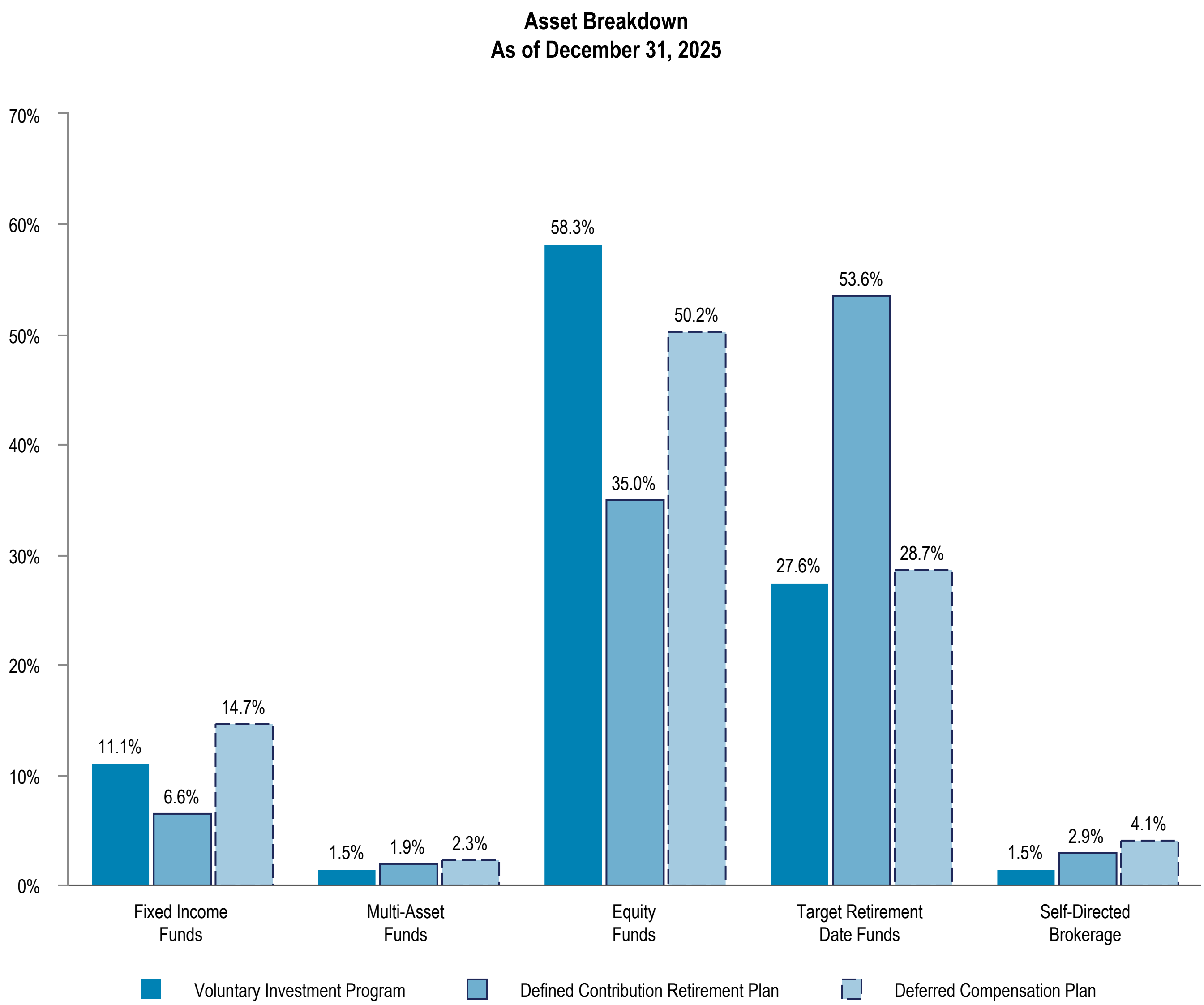
	Fair Value as of December 31, 2025		
Fund	**Voluntary Investment Program**	**Defined Contribution Retirement Plan**	**Deferred Compensation Plan**
PERAdvantage Capital Preservation Fund[1]	$283,301	$17,686	$133,748
PERAdvantage Fixed Income Fund	310,392	22,262	104,246
Fixed Income Funds	**593,693**	**39,948**	**237,994**
PERAdvantage Real Return Fund	31,576	3,258	15,831
PERAdvantage Socially Responsible Investment Fund	46,063	8,536	21,723
Multi-Asset Funds	**77,639**	**11,794**	**37,554**
PERAdvantage U.S. Large Cap Stock Fund	2,455,215	123,637	502,951
PERAdvantage U.S. Small and Mid Cap Stock Fund	239,859	39,846	145,807
PERAdvantage International Stock Fund	421,448	49,517	163,186
Equity Funds	**3,116,522**	**213,000**	**811,944**
PERAdvantage Income Fund	368,239	27,481	88,593
PERAdvantage 2030 Fund	221,740	23,229	62,305
PERAdvantage 2035 Fund	243,607	30,457	74,688
PERAdvantage 2040 Fund	204,139	38,330	74,018
PERAdvantage 2045 Fund	166,999	60,965	61,723
PERAdvantage 2050 Fund	130,781	59,039	46,329
PERAdvantage 2055 Fund	85,039	49,913	27,092
PERAdvantage 2060 Fund	39,242	25,053	18,002
PERAdvantage 2065 Fund	17,575	11,453	9,897
PERAdvantage 2070 Fund	1,897	524	1,882
Target Retirement Date Funds	**1,479,258**	**326,444**	**464,529**
Schwab Self-Directed Brokerage Account	78,881	17,897	67,122
Self-Directed Brokerage	**78,881**	**17,897**	**67,122**
Total Investment Portfolio[2]	**$5,345,993**	**$609,083**	**$1,619,143**
Reconciliation to investments, at fair value per financial statements[3]			
Adjustments:			
Cash and cash equivalents	(25,762)	(4,382)	(11,687)
Net securities lending collateral and obligations	(6,618)	(397)	(1,665)
Net investment settlements and income and other liabilities	2,095	(40)	524
Investments, at fair value per financial statements	**$5,315,708**	**$604,264**	**$1,606,315**

1 The Stable Value Fund in the PERAdvantage Capital Preservation Fund is reported at contract value.

2 The total investment portfolio managed by PERA for the CAPs is $7,574,219.

3 Investment receivables, payables, accruals, securities lending collateral, securities lending obligations, and cash and cash equivalents are excluded from investments in the financial statements.

Capital Accumulation Plans



Actuarial Section

COLORADO PERA®

Actuary's Certification Letter

Segal

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June 2, 2026

Board of Trustees
Public Employees' Retirement Association of Colorado
1301 Pennsylvania Street
Denver, CO 80203-2386

Re: Actuarial Certification of PERA Division and Health Care Trust Funds

Dear Members of the Board:

Per the "Colorado PERA Defined Benefit Pension Plan Funding Policy", adopted by the Board of Trustees on March 20, 2015, and most recently revised on January 19, 2024, and the "Colorado PERA OPEB Plan Funding Policy", adopted by the Board of Trustees on January 19, 2018, and most recently revised on January 19, 2024, the main funding objectives of the Public Employees' Retirement Association of Colorado (Colorado PERA) are:

- Preservation of the defined benefit plan structure;
- Demonstration of transparency and accountability;
- Achievement of a funded ratio greater than or equal to 110%;
- Balance of contribution rate stability and intergenerational equity;
- Reduction of Unfunded Actuarial Accrued Liabilities; and
- Recognition of beneficial elements of pooled risk.

With these goals in mind, an annual actuarial valuation is performed as a measure of the progress towards meeting them. The most recent valuations are based on the plan provisions and actuarial assumptions and methods in effect on December 31, 2025. In completing the valuation of the five defined benefit pension plans, referred to as the Division Trust Funds, and the two defined benefit Other Post-employment Benefit (OPEB) plans, referred to as the Health Care Trust Funds (HCTFs), Segal relied on membership and financial data provided by Colorado PERA. We have reviewed the membership data for reasonableness and consistency. We have not audited the membership data, but we have reconciled it with the data used in the prior year's valuation.

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To the extent possible, this actuarial valuation reflects the following changes resulting from legislation enacted in 2024, 2025, and 2026:

- Senate Bill (SB) 24-169, enacted May 24, 2024, and effective July 1, 2025, modified the definition of "State Trooper" to include a duly sworn employee of the Division of Fire Prevention and Control in the Department of Public Safety. The bill applies the "State Trooper" member and employer contribution rates and benefit structure to eligible employees whose duties include structural or wildfire management, wildfire response, live-fire training, or wildfire leadership, as determined by the Executive Director of the Department of Public Safety.
- SB 24-186, enacted June 5, 2024, and effective January 1, 2025, modified the definition of "State Trooper" to include employees of a Local Government Division employer classified as a coroner or deputy coroner who were elected, reelected, or appointed on or after January 1, 2021, which includes the Boulder County Coroner. The bill applies the "State Trooper" member and employer contribution rates and benefit structure to eligible employees meeting these criteria.
- SB 25-310, enacted June 2, 2025, and effective immediately, allowed PERA to accept a series of warrants from the State Treasurer totaling $500 million on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado to be proportioned over time to replace reductions to future Direct Distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate division trust fund(s) within PERA.
- House Bill (HB) 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduced the base employer contribution rate for the Denver Public Schools (DPS) Division by 3.0% of salary, from 10.4% to 7.4%, and reduced the allocated employer contribution to the DPS Health Care Trust Fund by 0.82% of salary, from 1.02% to 0.20%. In addition, prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the Direct Distribution and excludes DPS contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.
- HB 26-1026, enacted June 1, 2026, and effective January 1, 2027, modifies requirements related to purchasing PERA service credit to allow for limited purchases of non-qualified service credit for periods of unemployment ("air time").
- HB 26-1027, enacted March 12, 2026, and effective immediately, adds Executive Directors of Boards of Cooperative Services (BOCES) to the list of approved positions to which service retirees are permitted to return to work after retirement without a reduction in retirement benefits, further expanding current "Working After Retirement" provisions for employers within a rural or small rural school district.
- HB 26-1146, enacted April 2, 2026, allows approved facility schools to participate in Colorado PERA through affiliation with the Local Government Division.
- HB 26-1400, enacted June 1, 2026, and effective July 1, 2026, requires PERA to allocate the direct distribution to eligible division trust funds in an actuarial manner that limits, to the extent possible, future contribution increases and annual increase (AI) cap decreases, required by the Automatic Adjustment Provision (AAP). The bill also reduces the allocated

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Actuary's Certification Letter

employer contribution to the Health Care Trust Fund by 0.50% of salary (from 1.02% to 0.52% of salary), reallocating the 0.50% of salary to the applicable Division Trust Funds.

- SB 26-023, enacted May 28, 2026, and effective immediately, adds "assistant superintendent", "vice principal", and "assistant principal" to the list of approved positions to which service retirees are permitted to return to work after retirement without a reduction in retirement benefits, further expanding current "Working After Retirement" provisions for employers within a rural or small rural school district.
- SB 26-151, enacted May 28, 2026, affiliates certain Denver School of Science and Technology charter schools (DSST Schools) with PERA within the DPS Division, effective July 1, 2026. The bill also grants voting rights to the DPS Division representative on the PERA Board of Trustees, effective June 1, 2026.

Note that the 2024, 2025, and 2026 PERA-related legislation listed above had limited impact on the results of the funding actuarial valuation as of December 31, 2025. The 2025 valuation results most directly affected by this legislation relate to the amortization and projected funding periods and expected future contributions and AAP assessment results for all Division Trust Funds and the Health Care Trust Fund, as applicable, reflecting division-specific funding increases or reductions enacted through HB 26-1400, as described above. As of December 31, 2025, the revised contribution provisions of HB 26-1400, are not expected to have an adverse effect on the long-term funding objectives of the Division Trust Funds and the Health Care Trust Funds and are anticipated to improve progress of the School Division toward its long-term funding objectives.

Other changes reflected in this actuarial valuation include:

- Annual assumption changes for the HCTFs were recognized, resulting from updates to retiree health care cost and health care cost trend assumptions based upon a review of historical experience, Medicare plan option elections, health care cost trend survey data, and available retiree premium increases for 2026.
  - These changes increased the total actuarial accrued liability for the HCTFs by $6.5 million and increased the total normal cost by $0.0 million.

In our opinion, the assumptions are individually reasonable, taking into account the experience of the Division Trust Funds and the HCTFs and reasonable expectations, are internally consistent, and, in combination, offer our estimate of anticipated experience affecting the Division Trust Funds and the HCTFs. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Future actuarial results may differ significantly from the current results due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and
- Changes in plan provisions or applicable law.

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Additionally, retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations may lead to significant changes in actuarial measurements. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Segal provided the following information and/or schedules for the December 31, 2025, Annual Report:

Financial Section

- Prepared for the Division Trust Funds and HCTFs
  - Yearly Contribution Deficiency
  - Required Discount Rate Sensitivity Information providing the Net Pension Liability and the Net OPEB Liability at a discount rate that is one percentage point lower and one percentage point higher than the discount rate at Measurement Date
  - Membership Data
  - Notes to Required Supplementary Information
- Prepared for the Division Trust Funds Only
  - Average Monthly Benefit By Division for 2025, considering entire retired population and those retiring in 2025
  - Required Supplementary Information
    - Schedule of Changes in Net Pension Liability
    - Schedule of the Net Pension Liability
    - Schedule of Employer Contributions
- Prepared for the HCTFs Only
  - Required Health Care Cost Trend Rate Sensitivity Information at health care cost trend rates that are one percentage point lower and one percentage point higher than the health care cost trend rates applied at Measurement Date
  - Participation Data
  - Required Supplementary Information
    - Schedule of Changes in Net OPEB Liability
    - Schedule of the Net OPEB Liability
    - Schedule of Employer Contributions

Actuarial Section

- Prepared for the Division Trust Funds and HCTFs
  - Schedule of Retirees and Beneficiaries Added to and Removed from the Benefit Payroll
  - Schedule of Funded Liabilities by Type (formerly known as the Solvency Test)
  - Schedule of Funding Progress
  - Analysis of Financial Experience
  - Schedule of Gains and Losses in Accrued Liabilities and Reconciliation of Unfunded Actuarial Accrued Liabilities
  - Schedule of Computed Employer Contribution Rates for the 2027 Fiscal Year
  - Actuarial Statistics
  - Actuarially Determined Contributions (ADCs)
  - Alternative ADCs using 25-year, 20-year and 15-year amortization periods
  - Funded Ratios
  - Funded Ratio, Unfunded Actuarial Accrued Liability and Actuarially Determined Contributions using 6.25%, 7.25% and 8.25% investment return assumptions

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- Schedule of Active Member Actuarial Valuation Data
- Prepared for the Division Trust Funds Only
  - Member – Retiree Comparison

Statistical Section

- Prepared for the Division Trust Funds and HCTFs
  - Schedule of Average Benefit Payments
- Prepared for the Division Trust Funds Only
  - Member and Benefit Recipient Statistics
  - Breakdown of Membership by Tiers
  - PERA Benefit Payments
    - Benefit Payments by Benefit Range
    - Benefit Payments by Benefit Range including RBA amounts
    - Benefit Payments by Decile
  - Schedule of Average Retirement Benefits Payable by Year of Retirement
    - For all retirees
    - For members who retired during the year
  - Schedule of Retirees and Survivors by Types of Benefits

In aggregate, the Division Trust Funds have a funded ratio of 69.1% based on the Actuarial Value of Assets and 74.4% based on the Fair Value of Assets. For the HCTFs combined, the funded ratios are 76.9% on an Actuarial Value of Assets basis and 82.3% on a Fair Value of Assets basis.

The results indicate that for all Division Trust Funds, the combined employer and member contribution rates, including the Direct Distribution from the State, as appropriate, are sufficient to fund the normal cost for all members and each division's unfunded actuarial accrued liability (UAAL), with consideration of the amounts allocated to finance the Annual Increase Reserve (AIR) Funds, and provide additional contributions to help finance both Health Care Trust Funds. In addition, the employer contribution rate with anticipated service purchase transfers is sufficient to eventually finance benefits for the HCTFs.

The Board's funding policy, in accordance with Senate Bill 18-200, is targeted to fully fund the UAAL determined as of December 31, 2017, for each of the five pension Division Trust Funds over a closed 30-year period (22 years remaining as of December 31, 2025).

At the direction of PERA, Segal has prepared deterministic financial projections for all Division Trust Funds with the lower cost benefit structure for new members and considering the following information and assumptions:

- All actuarial assumptions, including the assumption that 7.25% investment returns are realized each year
- Projections are performed on an open-group basis with assumed active membership growth, as follows:
  - For State, Judicial, and Denver Public Schools – 0.25% each year
  - For Local Government – 0.50% each year
  - For School – 0.75% each year
- Recognition of all current sources of income from employer contributions, member contributions, and the Direct Distribution, as applicable, and any scheduled or anticipated

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future changes to the base employer contributions, member contributions, AED, SAED, and PCOP

- Possible changes to employer contributions, member contributions, and the annual increase rate, due to outcomes of future AAP assessments
- Anticipated impacts of legislative changes pursuant to HB 25-1105 and HB 26-1400

These projections[1] indicate that fully funding the actuarial accrued liability under the PERA revised benefit structure created by SB 18-200 is achievable within a projection period of 22 years. The projected funding periods until each trust fund is expected to be 100% funded is shown in the table below:

Trust Fund	December 31, 2025[2,3]
State Division	18 years (2044)
School Division	22 years (2048)
Local Government Division	4 years (2030)
Judicial Division	2 years (2028)
DPS Division	5 years (2031)
HCTF	6 years (2032)
DPS HCTF	N/A

The AAP assessment, performed as of December 31, 2025, resulted in a ratio of 103.73%. Since this ratio falls between 98% and 120%, no additional modifications to contribution rates, the AI cap, or the Direct Distribution payments are required as of July 1, 2027.

Actuarial computations presented in the December 31, 2025, actuarial valuation reports are for purposes of determining the actuarially determined contribution rates and evaluating the funding of the Division Trust Funds and HCTFs. Determinations for purposes other than meeting these requirements may be significantly different from the results shown in the December 31, 2025, actuarial valuation reports.

We also prepared actuarial computations as of December 31, 2025, for purposes of fulfilling financial accounting requirements for PERA under Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74. The actuarial assumptions used in the funding valuations also were used for GASB 67 and GASB 74 reporting except GASB 74 reporting reflects health care cost and trend assumptions effective as of December 31, 2024. In addition, the entry age actuarial cost method, which is required to be used under GASB 67 and GASB 74, also is used for purposes of the funding valuations. The actuarial assumptions and methods used in the funding and the GASB 67 and GASB 74 accounting valuations, as detailed in Segal's reports, meet the parameters set by the Actuarial Standards of Practice (ASOPs), as issued by the Actuarial Standards Board, and generally accepted accounting principles (GAAP) applicable in the United States of America as promulgated by the Governmental Accounting Standards Board.

[1] Calculations completed on a projected basis with an open, increasing population (i.e., active members expected to retire, terminate, or die are replaced by new members who will accrue pension benefits under a lower cost basis).

[2] Includes impact of legislative changes pursuant to HB 25-1105.

[3] Includes impact of legislative changes pursuant to HB 26-1400.

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Segal

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On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this information is complete and accurate and that the valuation was performed in accordance with standards of practice and by qualified actuaries as prescribed by the American Academy of Actuaries and the Actuarial Standards Board.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. All of the consultants listed below have experience in performing valuations for large statewide public retirement systems.

Sincerely yours,

Matthew A. Strom

Matthew Strom, FSA, MAAA, EA
Senior Vice President and Actuary

Brad Ramirez, FSA, MAAA, EA
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Division Trust Funds—Pension

Actuarial Topics

The standard promulgated by the Governmental Accounting Standards Board (GASB) Statement No. 67, results in the preparation of two actuarial valuations—one for funding purposes and one for accounting and financial reporting purposes. Unless otherwise noted, this Division Trust Funds subsection reports on the actuarial valuation performed for funding purposes, but also includes information on specific differences between the two actuarial valuations.

The plan provisions in effect on December 31, 2025, are summarized in Note 1 of the Notes to the Financial Statements in the Financial Section. Changes to plan provisions enacted into law after December 31, 2025, and included in the actuarial valuation are summarized under "Changes Since Last Actuarial Valuation" on page 156.

PERA Board Governance - Five Defined Benefit Pension Plans	
PERA Defined Benefit Pension Plans	The five defined benefit pension plans of the Public Employees' Retirement Association of Colorado (PERA), include the State Division, School Division, Local Government Division, Judicial Division, and Denver Public Schools (DPS) Division Trust Funds. All but the DPS Division Trust Fund are cost-sharing multiple-employer plans and the DPS Division Trust Fund is a single-employer plan.
PERA Board Pension Funding Policy	The PERA Board of Trustees (Board) is responsible for maintaining a pension funding policy applicable to these plans. The current pension funding policy initially was adopted by the Board on March 20, 2015, effective for the December 31, 2014, funding actuarial valuation and last amended on January 19, 2024. The pension funding policy requires the calculation of an actuarially determined contribution (ADC) for each of the five Division Trust Funds for the purpose of assessing the adequacy of the statutory contribution rates of each division. The ADC is determined in accordance with the pension plan provisions in effect as of the date of the actuary's Letter of Certification and is expressed as a level percentage of assumed future covered payroll.
Actuarial Service Provider	The Board retains an external actuary, and effective November 1, 2018, Segal was retained to perform annual actuarial valuations and sustainability projections as well as periodic experience studies to review the actuarial assumptions versus actual plan experience. The Board's initial contract agreement with Segal was extended effective January 1, 2024, for an additional five-year period ending December 31, 2028.
Actuarial Service Provider Funding Method Statement	Per their actuarial valuation report, "Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and a portion of the principal balance. The pension funding policy adopted by PERA...meets this standard."

Actuarial Methods	
Actuarial Methods	The Board is responsible for the actuarial methods and assumptions used in the actuarial valuations in accordance with Colorado Revised Statutes (C.R.S.) § 24-51-204(5). Through formal action, the Board updates, replaces, or adopts new actuarial methods and assumptions as deemed necessary.

Actuarial Methods	Type	Description / Source / Basis	Adoption / Effective Date
Asset Valuation Method	Smoothed Actuarial Value of Assets	In 1992, the Board adopted a method for valuing assets that determines a smoothed market value of assets to help mitigate volatile investment market experience. Note, the term "market value" used in the Board's pension funding policy regarding the description of the determination of the asset valuation method applied for funding purposes, is synonymous with the term "fair value" used consistently throughout the Actuarial Section and all other sections of this *Annual Comprehensive Financial Report (ACFR).* The smoothed fair value of assets recognizes the differences between actual and expected investment experience for each year in equal amounts over a four-year period. The smoothed fair value of assets excludes the Annual Increase Reserve (AIR).	Initially Adopted: 1992; Effective: Dec 31, 1992; Reinitialized to Fair Value as of: Dec 31, 2004; Effective: Dec 31, 2005

Division Trust Funds—Pension

Actuarial Methods	Type	Description / Source / Basis	Adoption / Effective Date
Actuarial Cost Method	Entry Age (EA) Actuarial Cost Method	The EA funding or cost method is designed to keep annual costs level as a percent of covered payroll and for this reason, was selected by the Board to be used in the actuarial valuations. Under the EA cost method, early and service retirement, termination (including the possibility of refunds), disability, and death benefits are projected for all active members. Cost factors, which are developed to produce level annual costs in each year from the age at hire (entry age) to the assumed retirement age, are applied to the projected benefits to determine the normal cost. The normal cost is the portion of the total plan cost allocated to the current year. Normal cost is determined only for active members currently accruing benefits. The actuarial accrued liability (AAL) for active members is the portion of the total plan cost allocated to prior years. The total AAL for the plan includes the AAL for active members and the present value of the expected benefit payments to members currently receiving benefits and inactive members entitled to future benefits. The excess of the total AAL over the actuarial value of plan assets is the unfunded actuarial accrued liability (UAAL). The effect of differences between the actuarial assumptions and the actual experience of the plan is determined within each annual actuarial valuation. These differences produce actuarial gains or losses that result in an adjustment of the UAAL.	State, School, and Local Government (Municipal) Divisions - Effective: Jun 30, 1968; Judicial Division - Effective: Dec 31, 1980 DPS Division - Initially Adopted: Jun 30, 1950; Last Revised: Merger, Jan 1, 2010
Amortization Method	Defined, Closed, and Layered Periods	The ADC is determined by adding the normal cost and the cost to amortize, over defined, closed periods, any existing UAAL or new UAAL, including the impact of any actuarial experience gains and losses, changes in actuarial methods and assumptions, and changes in plan provisions. Each amortized item is tracked over the closed period defined for that category. The closed 30-year period used to amortize the legacy UAAL (and any subsequent contribution deficiencies and surpluses) was initialized as of December 31, 2017. All gains, losses, and changes in actuarial methods and assumptions on and after January 1, 2018, are recognized each year and amortized separately over closed 30-year periods. The impact of any changes in plan provisions will be recognized over a closed period relating to the demographics of the group affected and/or the duration of the enhancement provided, not to exceed 25 years. If any future actuarial valuation indicates a division has a negative UAAL, the ADC shall be set equal to the normal cost until such time as the funded ratio equals or exceeds 120%. At that time, the ADC shall be equal to the normal cost less an amount equal to 15-year amortization of the portion of the negative UAAL above the 120% funded ratio.	Initially Adopted: Mar 20, 2015; Amended: Nov 16, 2018; Effective: Dec 31, 2018

Division Trust Funds—Pension

Actuarial Assumptions		
Actuarial Assumptions[1]	Unless otherwise noted, it can be assumed the economic and demographic actuarial assumptions applied to the actuarial valuation for funding purposes also were applied to the actuarial valuation for accounting and financial reporting purposes. Periodically, the Board participates in discussions related to actuarial assumptions to ensure understanding and to provide for the retention or adoption of all economic and non-economic assumptions under the guidance provided by Actuarial Standard of Practice (ASOP) No. 27, *Selection of Assumptions for Measuring Pension Obligations,* last amended and effective as of January 1, 2025, as prescribed by the Actuarial Standards Board. The discussions typically occur during asset/liability or experience analysis studies and include participation of the Board's actuarial service provider, their investment consultant, and other actuarial and investment experts who also may provide their market outlook.	
	Basis for Actuarial Assumptions Used	Unless otherwise noted, the basis of all selected economic and non-economic actuarial assumptions resulted from the 2024 experience analysis, related discussions, and Board adoption that took place during the January 17, 2025, Board meeting. As a result of the most recent asset/liability study, initiated in 2023 and concluded at the September 20, 2024, Board meeting, the Board reaffirmed the 7.25% assumed long-term rate of investment return effective as of January 1, 2025, which was supported by the analysis provided by Segal in the 2024 Experience Analysis report delivered and dated January 3, 2025.

[1] See Exhibits A through G for detailed assumption information.

Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Rate of Investment Return	7.25%	Long-term assumed rate of investment return represented as a percent per year, compounded annually, net of investment expenses. The 2024 experience analysis supported the existing assumption.	Assumed rate of investment return - Last Revised: Nov 18, 2016; Effective: Dec 31, 2016 Reaffirmed: Nov 15, 2019, Effective: Jan 1, 2020 Reaffirmed: Sept 20, 2024, Effective: Jan 1, 2025 All economic actuarial assumptions – Last Revised/ Reaffirmed: Jan 17, 2025; Effective: Dec 31, 2024
Real Rate of Investment Return	4.95%	Long-term assumed rate of real investment return (net of price inflation) represented as a percent per year, compounded annually, net of investment expenses. The 2024 experience analysis supported the existing assumption.	
Price Inflation	2.30%	Long-term assumed rate of price inflation represented as a percent per year, compounded annually. The 2024 experience analysis supported the existing assumption.	
Wage Inflation	3.00%	Long-term assumed rate of wage inflation composed of the plan's assumed price inflation and the assumed real wage growth, represented as a percent per year, compounded annually. The 2024 experience analysis supported the existing assumption.	
Pay Increases	Exhibit A	Age-based (service-based for Judicial Division) pay increase assumptions for individual members as developed and recommended by the Board's retained actuary. The 2024 experience analysis indicated much lower than expected non-inflationary salary increases in the first two years of the study period, and much greater than expected non-inflationary salary increases in the two most recent years of the study. The revised non-inflationary salary increases were developed based on weighting the existing assumptions by one-half and the 2020-2023 actual experience by one-half, except as noted, below: --School and DPS Divisions: The revised non-inflationary salary increases were developed weighting the existing assumptions by one-third and the 2020-2023 actual experience by two-thirds. --Judicial Division: The revised non-inflationary salary increases were developed weighting the existing assumptions by two-thirds and the 2020-2023 actual experience by one-third.	
Board Crediting Interest Rate	3.00%	Annually, the Board reviews the rate at which interest is credited to member accounts. On November 21, 2025, the Board voted to continue the annual interest rate at 3.00% for interest earned during 2026. Basis: Board Crediting Interest Rate Policy and Board annual discussion at the November 21, 2025, Board meeting.	Annual Review Policy initiated in 2006, slight revisions since. Last Adopted: Nov 21, 2025; Effective: Jan 1, 2026

Division Trust Funds—Pension

Non-Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Rates of Withdrawal	Select and Ultimate Withdrawal Rates - Exhibit B	Except for members of the Judicial Division and those classified under the DPS benefit structure, a select and ultimate approach is used in applying assumptions for withdrawal or termination to estimate the number of members who will leave service prior to retirement for reasons other than death or disability. For these members unisex, service-based select rates are applied for first five years of service and sex-distinct (unisex for Safety Officers), age-based ultimate rates are applied following the defined select period, as developed and recommended by the Board's retained actuary based on plan experience. For members of the Judicial Division and those classified under the DPS benefit structure, unisex, age-based rates are used as developed and recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis added a select-period for Safety Officers and indicated, in the aggregate, fewer active member terminations prior to retirement than expected. Termination experience was analyzed on a headcount-weighted basis separately for males and females resulting in a reduction in withdrawal rates across most groups/ages to better match actual experience.	First implemented select and ultimate withdrawal assumptions Effective: Dec 31, 1986; First implemented additional unreduced retirement rates during the first five years of eligibility Effective: Dec 31, 2020; All separation from active service assumptions - Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
Rates of Disability	Exhibit C	Unisex, age-based disability rates are used for all members as developed and recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis indicated, in the aggregate, fewer active members retired with disability benefits than expected. This resulted in a 19% to 22% reduction of disability rates across all groups, other than the Judicial Division.	
Rates of Retirement	Reduced Early Retirement Rates - Exhibit E	Sex-distinct (unisex for Judicial Division and Safety Officers), age-based reduced retirement rates are used for all members as developed and recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis indicated, in the aggregate, fewer reduced early retirements than expected, except for Safety Officers who experienced more reduced retirements than expected. Retirement experience was analyzed on a benefit-weighted basis separately for males and females, resulting in modifications to reduced early retirement rates at several ages across most divisions.	
	Unreduced Retirement Rates - Exhibit F	Sex-distinct (unisex for Judicial Division and Safety Officers), age-based unreduced retirement rates (with additional rates applied at first five years of eligibility for all except members of the Judicial Division and those classified under the DPS benefit structure) are used as developed and recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis indicated, in the aggregate, more unreduced retirements than expected. Retirement experience was analyzed on a benefit-weighted basis separately for males and females, resulting in modifications to unreduced retirement rates at several ages across most divisions.	

Division Trust Funds—Pension

Non-Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Rates of Mortality	Healthy Pre-Retirement Mortality - Exhibit D	Healthy pre-retirement mortality is based on the Pub-2010 mortality tables, by category, as associated with each group using applied generational projection updated to the 2024 adjusted scale MP-2021, based on the 2024 experience analysis: --State and Local Government Divisions (other than Safety Officers): PubG-2010 Employee Table; --State and Local Government Divisions (Safety Officers): PubS-2010 Employee Table; --School and DPS Divisions: PubT-2010 Employee Table; and --Judicial Division: PubG-2010(A) Above-Median Employee Table. The tables are benefit-weighted.	First implemented use of separate mortality tables for different groups / divisions Effective: Dec 31, 2016; First implemented generational mortality and use of a separate mortality table for beneficiaries Effective: Dec 31, 2020; Mortality - Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
	Healthy Post-Retirement Mortality - Exhibit G	The 2024 experience analysis employed a benefit-weighted approach and indicated, in the aggregate, slightly more deaths than expected for all groups of retirees, after adjusting for excess deaths related to COVID. As a result, the appropriate base Pub-2010 mortality tables were retained, with adjustments based on PERA-specific experience where credible data exists. To reflect future improvements in mortality, the applied mortality projection scale was updated to the 2024 adjusted scale MP-2021. Healthy post-retirement non-disability retiree mortality is based on the Pub-2010 mortality tables, by category, as associated with each group using applied generational projection: --State and Local Government Divisions (other than Safety Officers): PubG-2010 Healthy Retiree Table with credibility adjustments by gender and age. For males, the adjustments are 90% of the rates for all ages; for females, the adjustments are 85% of the rates prior to age 85 and 105% of the rates for ages 85 and older; --State and Local Government Divisions (Safety Officers): Unadjusted PubS-2010 Healthy Retiree Table for males and females; --School and DPS Divisions: PubT-2010 Healthy Retiree Table with credibility adjustments by gender and age. For males, the adjustments are 106% of the rates for all ages; for females, the adjustments are 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older; and --Judicial Division: Unadjusted PubG-2010(A) Above-Median Healthy Retiree Table for males and females. The tables are benefit-weighted.	
	Beneficiary Post-Retirement Mortality - Exhibit G	The 2024 experience analysis employed a benefit-weighted approach and indicated fewer deaths than expected for beneficiaries. As a result, the appropriate post-retirement non-disabled beneficiary mortality of the Pub-2010 Contingent Survivor Table (benefit weighted) was retained and adjusted for credibility and gender using applied generational projection updated to the 2024 adjusted scale MP-2021. For males, the adjustments are 92% of the rates for all ages; for females, the adjustments are 100% of the rates for all ages.	
	Disabled Post-Retirement Mortality	The 2024 experience analysis employed a benefit-weighted approach and indicated fewer disabled retiree deaths than expected. Disabled post-retirement mortality was retained based on the Pub-2010 mortality tables using applied generational projection updated to the 2024 adjusted scale MP-2021: --All Divisions (other than Safety Officers): PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages; and --State and Local Government Divisions (Safety Officers): Unadjusted PubS-2010 Disabled Retiree Table for males and females. The tables are benefit-weighted.	

Division Trust Funds—Pension

Non-Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Rate of Vested Terminated Members to Refund Member Account	Non-Judicial - 35%	A flat rate is applied for all vested terminated members (except members of the Judicial Division) as recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis confirmed the current assumption that 35% of the vested members who terminate will elect to withdraw their accounts while the remaining 65% will elect to leave their accounts in the plan to be eligible for a benefit at retirement date.	Last Revised: 2009; Effective: Dec 31, 2009
	Judicial - 0%	A flat rate is applied for all vested terminated members of the Judicial Division as recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis confirmed the current assumption that none of the vested members who terminate will elect to withdraw their accounts while 100% will elect to leave their accounts in the plan to be eligible for a benefit at retirement date.	
Rate of Non-Vested Terminated Members to Refund Member Account	100%	A flat rate is applied for all non-vested terminated members as recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis confirmed the current assumption that 100% of the non-vested members who terminate will elect to withdraw their accounts.	Since inception of termination benefits, first mentioned in Dec 31, 2011 actuarial valuation report
Administrative Expense Load	0.45%	An administrative expense load (as a percentage of pay) is added to the normal cost rate (represented as a percentage of pay) for each division as recommended by the Board's retained actuary based on plan experience. The 2024 experience analysis indicated the need for a 0.05% increase for a total of 0.45% administrative expense load deemed appropriate for this purpose.	Initially adopted: Nov 5, 2012; Effective: Dec 31, 2012; Last Revised: Jan 17, 2025; Effective: Dec 31, 2024

Annual Increase (AI) Assumptions	Value(s)	Description / Source / Basis	Adoption / Effective Date
AI Rate Cap (Membership Prior to Jan 1, 2007 under the PERA Benefit Structure & Members under the DPS Benefit Structure)	1.00%	The AI cap that may be awarded by the Board is assumed to be 1.00% per year after payments begin and eligibility requirements for payment of the AI have been met. Basis: Adjusted pursuant to C.R.S. § 24-51-413, based on results of the 2018 and 2020 automatic adjustment provision (AAP) assessments.	Effective: Dec 31, 2021
AI Rate Cap (Membership After Dec 31, 2006 under the PERA Benefit Structure)	0.00%	An AIR was established for each Division Trust Fund to provide AIs, to the extent affordable, once benefits become payable for these members. Therefore, the AI actuarial assumption applied to these members is 0.00%, since members in this category receive AIs through the affiliated AIR only to the extent affordable in accordance with C.R.S. § 24-51-1009. Basis: AI provisions pursuant to Senate Bill (SB) 06-235, enacted May 25, 2006.	Enacted: May 25, 2006; Effective: Dec 31, 2006
AI Waiting Period	36 months	The 36-month waiting period to meet the eligibility for AI payments was enacted June 4, 2018, and first recognized in the December 31, 2017, actuarial valuations. Basis: Pursuant to SB 18-200, enacted June 4, 2018.	Enacted: Jun 4, 2018; Effective: Dec 31, 2017

Division Trust Funds—Pension

Actuarial Studies				
Governance Studies	Following their adopted governance procedures and practices, the Board performs periodic asset/liability modeling studies approximately every three to five years, and actuarial audits, and actuarial experience analyses every four years.			
Actuarial Studies	**Description / Result**	**Last Conducted By**	**Completed**	**Next Scheduled**
Asset Liability Modeling (ALM) Study	The Board commissioned an asset/liability study, prepared by Aon Investments USA, Inc. (Aon), which commenced in 2023 and was concluded September 20,2024. The objective of the study was to determine the optimal strategic asset allocation allowing PERA to meet its financial obligations, while also ensuring that PERA incurs appropriate levels of risk and cash liquidity. As a result of this study, the Board slightly modified the asset allocation ranges and targets effective January 1, 2025, while reaffirming the investment return assumption of 7.25%.	Aon	Sep, 20, 2024	2028 - 2029
Actuarial Audit	The primary focus of an actuarial audit is to ensure independence, accuracy, and conformity with the accepted ASOPs with regard to results of the annual actuarial valuation and the appropriateness of the actuarial assumptions used to calculate those results. The most recent actuarial audit was conducted in 2022 by Buck, an independent actuarial consulting firm with significant experience performing actuarial services within the public plan sector. Buck's October 14, 2022, actuarial audit report states: "Based on our review of the census data, experience study documents, liability replication, review of individual sample life calculations, and the actuarial valuation reports, we believe the December 31, 2021, actuarial valuations for Division Trust Funds and Health Care Trust Funds are reasonable, based on appropriate assumptions and methods, and the reports generally comply with the Actuarial Standards of Practice (ASOPs)", and, additionally, "Our review has indicated that the actuarial process followed by Colorado PERA is thorough, complete, and complies with applicable Actuarial Standards of Practice (ASOPs) and U.S. Qualification Standards (USQ) of the American Academy of Actuaries (AAA)."	Buck	Oct 14, 2022	2026
Experience Analysis	In late December of 2024, Segal completed an experience analysis covering plan experience for the four-year period from 2020 through 2023, to provide the Board an updated view of all economic and demographic assumptions. In addition to the recommendations regarding revised assumptions, the Board's 2024 decision to reaffirm the assumed long-term rate of investment return of 7.25% was supported by the analysis provided in the experience analysis report, delivered and dated January 3, 2025. Based on the results of the experience analysis, the presentation by Segal, and related discussion, the Board adopted the recommended revised economic and demographic assumptions, as proposed, during the January 17, 2025, Board meeting effective for the December 31, 2024, actuarial valuation and effective March 1, 2025, regarding PERA's actuarial administrative factors.	Segal	Reports Delivered: Jan 3, 2025; Revised Assumptions Adopted: Jan 17, 2025 Effective: For Valuation: Dec 31, 2024 For Actuarial Admin Factors: Mar 1, 2025	2028

Division Trust Funds—Pension

Changes Since Last Actuarial Valuation

Changes in Actuarial Methods	There are no changes in actuarial methods incorporated in the December 31, 2025, actuarial valuation since the last actuarial valuation as of December 31, 2024.
Changes in Actuarial Assumptions	There are no changes in economic and demographic actuarial assumptions incorporated in the December 31, 2025, actuarial valuation, since the last actuarial valuation as of December 31, 2024.
Changes in Plan Provisions	Except for the items noted below, there are no changes to contribution and plan provisions incorporated in the December 31, 2025, actuarial valuation since the last actuarial valuation as of December 31, 2024. House Bill (HB) 26-1400, enacted June 1, 2026, and effective July 1, 2026, is reflected to the extent possible in the December 31, 2025, valuation. HB 26-1400 requires PERA to allocate the direct distribution to eligible Division Trust Funds in an actuarial manner that limits, to the extent possible, future contribution increases and AI cap decreases, required by the AAP. The bill also reduces the allocated employer contribution to the Health Care Trust Fund by 0.50% of salary (from 1.02% to 0.52%), reallocating the 0.50% of salary to the applicable Division Trust Funds. HB 25-1105, enacted May 23, 2025, and effective July 1, 2025, was reflected in the December 31, 2025, valuation. HB 25-1105 reduced the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%, and reduced the allocated employer contribution to the DPS HCTF by 0.82% of salary, from 1.02% to 0.20%. SB 25-310, enacted June 2, 2025, and effective immediately, allowed PERA to accept a series of warrants from the State Treasurer totaling $500 million on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA.

Significant Events

There were no significant events during 2025.

Differences in Actuarial Valuation Methods and Assumptions

- The actuarial valuation for funding purposes was performed as of December 31, 2025. The actuarial valuation for accounting and financial reporting purposes was performed as of December 31, 2024, and the total pension liability (TPL) was rolled forward to the measurement date as of December 31, 2025.
- Census data used for the actuarial valuation for funding purposes reflects membership data as of December 31, 2025, and the census data used for the actuarial valuation for accounting and financial reporting purposes reflects membership data as of December 31, 2024. All summaries and schedules shown in the Actuarial Section represent actuarial valuation results for funding purposes, and therefore, reflect census data as of December 31, 2025.
- The actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed fair value of assets for purposes of determining the UAAL. The actuarial valuation for accounting and financial reporting purposes applies the fair value of assets to determine the net pension liability.
- The actuarial valuation for funding purposes does not apply an AI assumption for members under the PERA benefit structure hired on or after January 1, 2007, in the determination of the AAL and therefore, the ADC established by the funding valuation does not consider future increases for this member group. The assets attributable to the AIR are not included in the actuarial value of assets. A separate annual actuarial valuation is performed on the AIR to determine the applicable AI payable to eligible members after benefit commencement. The AIR plan provisions are deemed substantively automatic, ad hoc cost-of-living adjustments, and since liabilities associated with the AIR statutorily can never exceed available assets, the actuarial valuation for accounting and financial reporting purposes includes the balance of the AIR both in the plan assets, at fair value, and in the TPL of the applicable division.

Actuarial Assumptions: Exhibits A–G

Exhibit A: Individual Pay Increase Assumptions—All Divisions and Benefit Structures

Age-Based Pay Increase Assumptions for an Individual Member—
State Division, School Division, Local Government Division, Safety Officers, and DPS Division

	Merit, Seniority, and Productivity					Inflation	Total Increase (Next Year)				
Sample Ages	State[1]	School[2]	Local Government[1]	Safety Officers[3]	DPS[2]	All Divisions/ Groups	State[1]	School[2]	Local Government[1]	Safety Officers[3]	DPS[2]
20	11.00%	11.10%	10.70%	14.00%	14.50%	2.30%	13.30%	13.40%	13.00%	16.30%	16.80%
25	6.40%	7.90%	8.30%	6.30%	9.70%	2.30%	8.70%	10.20%	10.60%	8.60%	12.00%
30	4.60%	5.20%	5.70%	4.20%	6.20%	2.30%	6.90%	7.50%	8.00%	6.50%	8.50%
35	3.60%	4.70%	4.50%	3.40%	4.90%	2.30%	5.90%	7.00%	6.80%	5.70%	7.20%
40	2.90%	4.30%	3.80%	2.90%	4.50%	2.30%	5.20%	6.60%	6.10%	5.20%	6.80%
45	2.20%	3.50%	3.10%	2.30%	4.10%	2.30%	4.50%	5.80%	5.40%	4.60%	6.40%
50	1.70%	2.90%	2.70%	2.00%	3.60%	2.30%	4.00%	5.20%	5.00%	4.30%	5.90%
55	1.30%	2.50%	2.30%	1.80%	3.00%	2.30%	3.60%	4.80%	4.60%	4.10%	5.30%
60	0.90%	2.10%	1.90%	1.30%	2.40%	2.30%	3.20%	4.40%	4.20%	3.60%	4.70%
65	0.50%	1.80%	1.40%	0.90%	1.80%	2.30%	2.80%	4.10%	3.70%	3.20%	4.10%
70	0.40%	1.70%	1.10%	0.90%	1.60%	2.30%	2.70%	4.00%	3.40%	3.20%	3.90%

[1] Rates shown do not apply to Safety Officers.

[2] Rates shown apply to the division indicated regardless of benefit structure.

[3] Rates shown apply to Safety Officers in the State or Local Government Divisions.

Service-Based Pay Increase Assumptions for an Individual Member—Judicial Division

Sample Years of Service	Merit, Seniority, and Productivity	Inflation	Total Increase (Next Year)
0	2.40%	2.30%	4.70%
5	2.30%	2.30%	4.60%
10	1.60%	2.30%	3.90%
15	1.00%	2.30%	3.30%
20	0.80%	2.30%	3.10%
25	0.60%	2.30%	2.90%
30	0.38%	2.30%	2.68%
35	0.10%	2.30%	2.40%
40	0.00%	2.30%	2.30%

Division Trust Funds—Pension

Exhibit B: Withdrawal Assumptions—All Divisions and Benefit Structures

Select Rates of Withdrawal—Percent of Members With Less Than Five Years of Service Withdrawing From Employment Within the Next Year

Completed Years of Service	State Division[1] Unisex	School Division[2] Unisex	Local Government Division[1] Unisex	Safety Officers[3] Unisex	DPS Division[4] Unisex
0	30.00%	27.00%	30.00%	25.00%	25.00%
1	20.00%	17.00%	20.00%	20.00%	19.00%
2	16.00%	13.50%	16.00%	12.00%	14.00%
3	12.00%	11.00%	12.00%	8.00%	12.00%
4	10.00%	10.00%	10.00%	6.00%	11.00%

Ultimate Rates of Withdrawal—Percent of Members With Five Or More Years of Service Withdrawing From Employment Within the Next Year

	State Division[1]		School Division[2]		Local Government Division[1]		Safety Officers[3]
Sample Ages	Male	Female	Male	Female	Male	Female	Unisex
20	20.70%	21.90%	18.00%	17.00%	20.70%	21.90%	7.30%
25	11.30%	15.10%	10.40%	11.60%	11.30%	15.10%	5.60%
30	8.70%	10.20%	6.70%	7.50%	8.70%	10.20%	4.40%
35	6.80%	7.70%	4.70%	5.30%	6.80%	7.70%	3.50%
40	5.40%	5.90%	3.60%	4.00%	5.40%	5.90%	3.10%
45	4.40%	4.90%	3.20%	3.70%	4.40%	4.90%	2.90%
50	3.90%	4.60%	3.10%	3.70%	3.90%	4.60%	2.80%
55	3.60%	4.50%	3.10%	3.70%	3.60%	4.50%	2.70%
60	3.50%	4.50%	3.10%	3.70%	3.50%	4.50%	2.70%
65	3.50%	4.50%	3.10%	3.70%	3.50%	4.50%	2.70%
70	3.50%	4.50%	3.10%	3.70%	3.50%	4.50%	2.70%

	Judicial Division	DPS Division[4]		DPS Benefit Structure[5]
Sample Ages	Unisex	Male	Female	Unisex
20	1.50%	16.20%	12.80%	10.00%
25	1.50%	12.60%	11.10%	8.80%
30	1.50%	9.70%	10.20%	6.20%
35	1.50%	7.10%	8.40%	4.70%
40	1.50%	6.30%	6.60%	3.90%
45	1.50%	6.10%	5.80%	3.20%
50	1.50%	5.90%	5.60%	2.70%
55	1.50%	5.60%	5.30%	2.50%
60	1.50%	5.50%	5.10%	2.50%
65	1.50%	5.50%	5.10%	2.50%
70	1.50%	5.50%	5.10%	2.50%

1 Rates shown do not apply to Safety Officers.

2 Rates shown apply to PERA benefit structure members in the School Division.

3 Rates shown apply to Safety Officers in the State or Local Government Divisions.

4 Rates shown apply to PERA benefit structure members in the DPS Division.

5 Rates shown apply to DPS benefit structure members in any division.

Division Trust Funds—Pension

Exhibit C: Disability Assumptions—All Divisions and Benefit Structures

Rates of Disability—Percent of Members Disabling from Employment Within the Next Year

	State Division[1]	School and DPS Divisions[2]	Local Government Division[1]	Safety Officers[3]	Judicial Division	DPS Benefit Structure[4]
Sample Ages	Unisex	Unisex	Unisex	Unisex	Unisex	Unisex
20	0.004%	0.004%	0.004%	0.008%	0.004%	0.004%
25	0.004%	0.005%	0.004%	0.012%	0.005%	0.005%
30	0.006%	0.007%	0.006%	0.020%	0.007%	0.007%
35	0.018%	0.013%	0.018%	0.033%	0.013%	0.013%
40	0.037%	0.027%	0.037%	0.116%	0.027%	0.027%
45	0.072%	0.050%	0.072%	0.167%	0.050%	0.050%
50	0.128%	0.074%	0.128%	0.167%	0.074%	0.074%
55	0.163%	0.093%	0.163%	0.244%	0.093%	0.093%
60	0.169%	0.115%	0.169%	0.991%	0.115%	0.115%
65	0.169%	0.125%	0.169%	1.455%	0.125%	0.125%
70	0.169%	0.125%	0.169%	1.455%	0.125%	0.125%

1 Rates shown do not apply to Safety Officers.

2 Rates shown apply to PERA benefit structure members in the School or DPS Divisions.

3 Rates shown apply to Safety Officers in the State or Local Government Divisions.

4 Rates shown apply to DPS benefit structure members in any division.

Exhibit D: Pre-Retirement Mortality Assumptions—All Divisions and Benefit Structures

2025 Rates of Pre-Retirement Mortality[1]—Percent of Active Members Deceasing Within the Next Year

	State and Local Government Divisions[2]		School and DPS Divisions[3]		Safety Officers[4]		Judicial Division	
Sample Ages	Male	Female	Male	Female	Male	Female	Male	Female
20	0.038%	0.014%	0.035%	0.014%	0.042%	0.017%	0.037%	0.013%
25	0.033%	0.011%	0.019%	0.011%	0.044%	0.025%	0.028%	0.010%
30	0.051%	0.021%	0.031%	0.020%	0.058%	0.038%	0.044%	0.018%
35	0.073%	0.033%	0.046%	0.029%	0.073%	0.051%	0.063%	0.030%
40	0.092%	0.044%	0.058%	0.038%	0.082%	0.059%	0.079%	0.040%
45	0.109%	0.055%	0.074%	0.047%	0.091%	0.065%	0.094%	0.050%
50	0.141%	0.077%	0.105%	0.068%	0.113%	0.084%	0.122%	0.070%
55	0.211%	0.124%	0.166%	0.108%	0.169%	0.124%	0.183%	0.113%
60	0.329%	0.193%	0.272%	0.167%	0.272%	0.175%	0.285%	0.176%
65	0.469%	0.281%	0.436%	0.257%	0.411%	0.217%	0.406%	0.257%
70	0.652%	0.433%	0.657%	0.430%	0.710%	0.402%	0.564%	0.394%

1 Assumptions shown are used for pension plans, developed on a benefit-weighted basis, whereas those used for OPEB plans are headcount-weighted, using the same underlying mortality tables. For more detail, please see the mortality descriptions in the Pension and OPEB introduction subsections.

2 Rates shown do not apply to Safety Officers.

3 Rates shown apply to all members in the School and DPS Divisions, regardless of benefit structure.

4 Rates shown apply to Safety Officers in the State or Local Government Divisions.

Division Trust Funds—Pension

Exhibit E: Reduced Retirement Assumptions—All Divisions and Benefit Structures

Rates of Reduced Retirement—Percent of Members Eligible for Reduced Retirement Benefits Retiring Within the Next Year

Retirement	State Division[1]		School and DPS Divisions[2]		Local Government Division[1]		Safety Officers[3]	Judicial Division	DPS Benefit Structure[4]	
Ages	Male	Female	Male	Female	Male	Female	Unisex	Unisex	Male	Female
50	8.5%	8.0%	7.0%	7.0%	8.5%	8.0%	11.0%	15.0%	6.0%	6.0%
51	8.5%	8.0%	7.0%	7.0%	8.5%	8.0%	11.0%	15.0%	6.0%	6.0%
52	9.0%	8.0%	7.0%	7.0%	9.0%	8.0%	11.0%	15.0%	6.0%	6.0%
53	9.0%	8.0%	7.0%	8.0%	9.0%	8.0%	11.0%	15.0%	6.0%	6.0%
54	9.0%	9.0%	9.0%	10.0%	9.0%	9.0%	11.0%	15.0%	6.0%	10.0%
55	10.0%	9.0%	9.0%	10.5%	10.0%	9.0%	11.0%	11.0%	11.0%	10.0%
56	9.0%	9.0%	9.0%	10.5%	9.0%	9.0%	11.0%	11.0%	8.0%	10.0%
57	9.0%	9.0%	9.0%	10.5%	9.0%	9.0%	11.0%	11.0%	8.0%	9.0%
58	9.0%	9.0%	9.0%	10.5%	9.0%	9.0%	11.0%	11.0%	8.0%	9.0%
59	9.0%	9.0%	9.0%	10.5%	9.0%	9.0%	11.0%	11.0%	8.0%	12.0%
60	9.0%	9.0%	10.0%	12.0%	9.0%	9.0%	12.0%	12.0%	12.0%	12.0%
61	8.0%	8.0%	9.5%	10.0%	8.0%	8.0%	12.0%	12.0%	12.0%	12.0%
62	8.0%	8.0%	9.5%	10.0%	8.0%	8.0%	12.0%	12.0%	12.0%	12.0%
63	8.0%	9.0%	9.5%	10.0%	8.0%	9.0%	12.0%	12.0%	12.0%	12.0%
64	8.0%	9.0%	9.5%	10.0%	8.0%	9.0%	12.0%	12.0%	12.0%	12.0%
65 and over	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1 Rates shown do not apply to Safety Officers.

2 Rates shown apply to PERA benefit structure members in the School or DPS Divisions.

3 Rates shown apply to Safety Officers in the State or Local Government Divisions.

4 Rates shown apply to DPS benefit structure members in any division.

Division Trust Funds—Pension

Exhibit F: Unreduced Retirement Assumptions—All Divisions and Benefit Structures

Additional Increase in Rates During the First Five Years of Unreduced Retirement Eligibility for Ages 55 Through 64

First Five Years of Unreduced Retirement Eligibility	State Division[1]		School and DPS Divisions[2]		Local Government Division[1]		Safety Officers[3]
	Male	Female	Male	Female	Male	Female	Unisex
1	30%	20%	28%	28%	30%	20%	20%
2	13%	9%	4%	10%	13%	9%	0%
3	13%	9%	4%	10%	13%	9%	0%
4	13%	9%	4%	10%	13%	9%	0%
5	13%	9%	4%	10%	13%	9%	0%

Rates of Unreduced Retirement—Percent of Members Eligible for Unreduced Retirement Benefits Retiring Within the Next Year

Retirement Ages	State Division[1]		School and DPS Divisions[2]		Local Government Division[1]		Safety Officers[3]	Judicial Division	DPS Benefit Structure[4]	
	Male	Female	Male	Female	Male	Female	Unisex	Unisex	Male	Female
50	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	15.0%	60.0%	40.0%
51	57.0%	30.0%	45.0%	43.0%	57.0%	30.0%	38.0%	15.0%	33.0%	40.0%
52	47.0%	33.0%	38.0%	43.0%	47.0%	33.0%	32.0%	15.0%	38.0%	30.0%
53	36.0%	31.0%	42.0%	41.0%	36.0%	31.0%	32.0%	15.0%	30.0%	30.0%
54	33.0%	33.0%	38.0%	36.0%	33.0%	33.0%	32.0%	15.0%	25.0%	30.0%
55	41.0%	37.0%	41.0%	41.0%	41.0%	37.0%	28.0%	11.0%	30.0%	41.0%
56	21.0%	21.0%	25.0%	25.0%	21.0%	21.0%	28.0%	11.0%	27.0%	24.0%
57	20.0%	19.0%	23.0%	25.0%	20.0%	19.0%	28.0%	11.0%	27.0%	25.0%
58	20.0%	19.0%	21.0%	23.0%	20.0%	19.0%	28.0%	11.0%	36.0%	21.0%
59	21.0%	19.0%	23.0%	23.0%	21.0%	19.0%	28.0%	11.0%	36.0%	25.0%
60	20.0%	21.0%	24.0%	25.0%	20.0%	21.0%	30.0%	12.0%	33.0%	23.0%
61	20.0%	20.0%	24.0%	24.0%	20.0%	20.0%	30.0%	12.0%	26.0%	31.0%
62	20.0%	20.0%	23.0%	25.0%	20.0%	20.0%	30.0%	12.0%	32.0%	31.0%
63	22.0%	18.0%	22.0%	24.0%	22.0%	18.0%	30.0%	12.0%	34.0%	31.0%
64	22.0%	20.0%	26.0%	24.0%	22.0%	20.0%	30.0%	12.0%	26.0%	31.0%
65	29.0%	32.0%	33.0%	36.0%	29.0%	32.0%	100.0%	20.0%	40.0%	45.0%
66	27.0%	27.0%	31.0%	31.0%	27.0%	27.0%	100.0%	20.0%	28.0%	35.0%
67	28.0%	25.0%	29.0%	28.0%	28.0%	25.0%	100.0%	20.0%	28.0%	35.0%
68	25.0%	26.0%	23.0%	28.0%	25.0%	26.0%	100.0%	20.0%	28.0%	35.0%
69	24.5%	24.0%	27.0%	26.0%	24.5%	24.0%	100.0%	20.0%	28.0%	35.0%
70	24.5%	24.0%	24.0%	27.0%	24.5%	24.0%	100.0%	45.0%	46.0%	30.0%
71	24.5%	24.0%	24.0%	25.0%	24.5%	24.0%	100.0%	45.0%	40.0%	30.0%
72	24.5%	24.0%	24.0%	25.0%	24.5%	24.0%	100.0%	45.0%	40.0%	30.0%
73	24.5%	24.0%	24.0%	25.0%	24.5%	24.0%	100.0%	45.0%	40.0%	30.0%
74	24.5%	24.0%	24.0%	25.0%	24.5%	24.0%	100.0%	45.0%	40.0%	30.0%
75 and over	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Rates shown do not apply to Safety Officers.

[2] Rates shown apply to PERA benefit structure members in the School or DPS Divisions.

[3] Rates shown apply to Safety Officers in the State or Local Government Divisions.

[4] Rates shown apply to DPS benefit structure members in any division.

Division Trust Funds—Pension

Exhibit G: Post-Retirement Mortality Assumptions and Single Life Retirement Values— All Divisions and Benefit Structures

2025 Rates of Post-Retirement Mortality[1,2] and Single Life Retirement Values

(In Actual Dollars)

Sample Attained Ages	Percent of Retirees Deceasing Within the Next Year Male	Percent of Retirees Deceasing Within the Next Year Female	Present Value of $1 Monthly for Life Male	Present Value of $1 Monthly for Life Female	Present Value of $1 Monthly Increasing 1.00% Annually Male	Present Value of $1 Monthly Increasing 1.00% Annually Female	Future Life Expectancy in Years Male	Future Life Expectancy in Years Female
State and Local Government Divisions								
50	0.254%	0.175%	$151.82	$155.79	$169.43	$174.54	36.17	38.73
55	0.374%	0.245%	145.38	150.36	160.98	167.19	31.35	33.81
60	0.571%	0.339%	137.23	143.17	150.61	157.80	26.68	28.97
65	0.824%	0.495%	126.99	133.62	138.00	145.81	22.19	24.23
70	1.273%	0.801%	114.09	121.21	122.64	130.80	17.89	19.64
75	2.158%	1.432%	98.60	105.74	104.79	112.74	13.89	15.30
80	3.893%	2.644%	81.30	87.43	85.42	92.06	10.35	11.32
85	7.147%	6.171%	63.95	66.67	66.47	69.37	7.43	7.80
Safety Officers								
45	0.135%	0.085%	$156.92	$158.77	$176.11	$178.65	40.26	42.35
50	0.182%	0.138%	151.56	153.77	168.87	171.84	35.23	37.23
55	0.295%	0.260%	144.34	147.17	159.49	163.19	30.27	32.22
60	0.524%	0.464%	135.09	138.90	147.87	152.65	25.47	27.40
65	0.884%	0.732%	123.71	128.64	134.02	139.99	20.94	22.81
70	1.453%	1.178%	109.89	115.88	117.73	124.76	16.68	18.45
75	2.536%	2.053%	93.67	100.69	99.19	107.19	12.78	14.41
80	4.623%	3.667%	75.98	83.91	79.54	88.32	9.37	10.84
85	8.444%	6.480%	58.62	66.82	60.72	69.56	6.61	7.86
School and DPS Divisions								
55	0.228%	0.167%	$147.82	$152.45	$163.85	$169.78	32.03	34.76
60	0.390%	0.257%	139.47	145.56	153.18	160.68	27.17	29.84
65	0.629%	0.364%	128.84	136.35	140.05	149.00	22.48	25.01
70	1.051%	0.587%	115.38	124.02	124.01	133.99	18.01	20.27
75	1.932%	1.124%	99.10	108.24	105.24	115.49	13.84	15.74
80	3.693%	2.243%	80.87	89.24	84.85	94.00	10.16	11.57
85	7.090%	5.866%	62.27	67.32	64.59	70.03	7.10	7.86
Judicial Division								
50	0.252%	0.196%	$151.69	$154.95	$169.23	$173.49	35.94	38.36
55	0.373%	0.277%	145.19	149.35	160.71	165.96	31.11	33.46
60	0.569%	0.386%	136.95	141.99	150.23	156.42	26.44	28.67
65	0.822%	0.565%	126.57	132.32	137.46	144.33	21.95	23.98
70	1.280%	0.915%	113.47	119.89	121.89	129.36	17.65	19.46
75	2.187%	1.635%	97.75	104.69	103.78	111.66	13.65	15.22
80	3.978%	3.018%	80.18	87.32	84.15	92.04	10.10	11.41
85	7.363%	5.701%	62.54	69.00	64.92	71.90	7.18	8.18

Please see next page for footnote references.

Division Trust Funds—Pension

2025 Rates of Post-Retirement Mortality[1,2] and Single Life Retirement Values (continued)

(In Actual Dollars)

Sample Attained Ages	Percent of Beneficiaries Deceasing Within the Next Year		Present Value of $1 Monthly for Life		Present Value of $1 Monthly Increasing 1.00% Annually		Future Life Expectancy in Years	
	Male	Female	Male	Female	Male	Female	Male	Female
Beneficiaries (All Divisions)								
45	0.560%	0.256%	$150.38	$156.31	$168.29	$175.75	37.89	41.60
50	0.610%	0.297%	145.75	151.71	162.06	169.49	33.53	36.78
55	0.732%	0.449%	139.52	145.68	153.97	161.55	29.18	32.05
60	0.960%	0.647%	131.56	138.34	143.97	152.13	24.93	27.51
65	1.277%	0.854%	121.71	129.15	131.94	140.68	20.84	23.13
70	1.815%	1.199%	109.56	117.33	117.56	126.47	16.93	18.88
75	2.793%	1.925%	95.33	102.76	101.19	109.52	13.31	14.85
80	4.467%	3.307%	79.61	86.03	83.59	90.63	10.08	11.21
85	7.436%	5.982%	63.41	68.30	65.89	71.15	7.34	8.08

1 Rates are shown for healthy benefit recipients. Separate disability mortality tables are used for disabled retirees.

2 Assumptions shown are used for pension plans, developed on a benefit-weighted basis, whereas those used for OPEB plans are headcount-weighted, using the same underlying mortality tables. For more detail, please see the mortality descriptions in the Pension and OPEB introduction subsections.

Summary of Funding Progress

The PERA funding objective is to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of covered payroll earned by PERA members. The following schedules presented in this section provide an overview of funding progress:

- The Schedule of Funded Liabilities by Type shows the degree to which existing liabilities are funded, including prior history.
- The Schedule of Funding Progress shows the UAAL as a percentage of annual covered payroll, including prior history.
- Schedules detailing actuarial gains and losses, by source, including prior history and a reconciliation of UAAL considering the total of all five Division Trust Funds, over the past five years.
- The scheduled contribution requirements based on the December 31, 2025, actuarial valuation for the period ending December 31, 2027.

Schedule of Funded Liabilities by Type

The Schedule of Funded Liabilities by Type, formerly known as the "solvency test," compares the plan's actuarial value of assets with: (A) member contributions (with interest) on deposit, (B) the liabilities for future benefits to persons who have retired, died or become disabled, and to those who have terminated service with the right to a future benefit, and (C) the liabilities for service already rendered by active members.

The actuarial valuation of December 31, 2025, shows plan assets fully cover liability A. In addition, the remainder of plan assets covers 100% of the liabilities for future benefits to persons who have retired or terminated service with the right to a future benefit (liability B) regarding the Local Government, Judicial, and DPS Division Trust Funds and a significant portion of these liabilities for the State and School Division Trust Funds. Generally, if the system follows the discipline of level contribution rate financing, the funded portion of liability B and C is expected to increase over time.

Division Trust Funds—Pension

Schedule of Funded Liabilities by Type

(Dollars in Thousands)

	Aggregate Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Valuation Assets		
Valuation Date	Active Member Contributions (A)[1]	Retirees, Beneficiaries, and Inactive Members (B)	Employer-Financed Portion of Active Members (C)	Actuarial Value of Plan Assets	Liability (A)	Liability (B)	Liability (C)
State Division							
12/31/2016	$2,678,312	$17,933,227	$5,058,377	$14,026,332	100.0%	63.3%	0.0%
12/31/2017	2,668,406	17,395,423	4,718,256	14,256,410	100.0%	66.6%	0.0%
12/31/2018	2,682,956	18,095,951	4,730,945	14,303,726	100.0%	64.2%	0.0%
12/31/2019	2,737,022	18,157,929	4,822,697	14,922,050	100.0%	67.1%	0.0%
12/31/2020	2,820,780	18,876,016	5,420,009	16,039,287	100.0%	70.0%	0.0%
12/31/2021	2,881,533	19,079,270	5,199,043	17,379,516	100.0%	76.0%	0.0%
12/31/2022	2,909,654	19,514,493	5,223,224	18,371,697	100.0%	79.2%	0.0%
12/31/2023	3,146,892	19,746,746	5,567,177	18,851,972	100.0%	79.5%	0.0%
12/31/2024	3,429,965	19,911,725	5,874,863	19,358,507	100.0%	80.0%	0.0%
12/31/2025	**3,677,497**	**20,277,989**	**6,133,976**	**19,940,826**	**100.0%**	**80.2%**	**0.0%**
School Division							
12/31/2016	$4,108,961	$27,922,423	$9,321,584	$23,263,344	100.0%	68.6%	0.0%
12/31/2017	4,212,088	26,937,539	8,896,588	23,780,045	100.0%	72.6%	0.0%
12/31/2018	4,344,574	27,922,414	9,331,412	24,094,442	100.0%	70.7%	0.0%
12/31/2019	4,551,132	28,014,055	9,859,874	25,412,014	100.0%	74.5%	0.0%
12/31/2020	4,748,885	29,376,412	11,406,778	27,581,088	100.0%	77.7%	0.0%
12/31/2021	5,019,414	29,763,775	11,553,599	30,253,176	100.0%	84.8%	0.0%
12/31/2022	5,273,925	30,576,351	12,476,471	32,393,722	100.0%	88.7%	0.0%
12/31/2023	5,671,239	31,352,518	13,307,694	33,565,369	100.0%	89.0%	0.0%
12/31/2024	6,143,427	31,678,820	14,826,731	34,788,986	100.0%	90.4%	0.0%
12/31/2025	**6,552,109**	**32,720,362**	**15,345,382**	**36,120,320**	**100.0%**	**90.4%**	**0.0%**
Local Government Division							
12/31/2016	$545,507	$3,573,344	$1,094,201	$3,879,197	100.0%	93.3%	0.0%
12/31/2017	544,525	3,482,526	1,018,881	4,009,413	100.0%	99.5%	0.0%
12/31/2018	549,499	3,679,915	1,011,471	4,070,679	100.0%	95.7%	0.0%
12/31/2019	565,273	3,713,892	1,037,268	4,288,325	100.0%	100.0%	0.9%
12/31/2020	579,211	3,895,852	1,183,840	4,663,031	100.0%	100.0%	15.9%
12/31/2021	597,770	3,978,148	1,169,092	5,090,566	100.0%	100.0%	44.0%
12/31/2022	591,991	4,112,331	1,209,122	5,379,487	100.0%	100.0%	55.8%
12/31/2023	630,121	4,211,744	1,306,293	5,576,371	100.0%	100.0%	56.2%
12/31/2024	671,506	4,337,709	1,406,886	5,722,150	100.0%	100.0%	50.7%
12/31/2025	**698,472**	**4,524,961**	**1,446,434**	**5,881,391**	**100.0%**	**100.0%**	**45.5%**

Please see next page for footnote references.

Division Trust Funds—Pension

Schedule of Funded Liabilities by Type (continued)

(Dollars in Thousands)

	Aggregate Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Valuation Assets		
Valuation Date	Active Member Contributions (A)[1]	Retirees, Beneficiaries, and Inactive Members (B)	Employer-Financed Portion of Active Members (C)	Actuarial Value of Plan Assets	Liability (A)	Liability (B)	Liability (C)
Judicial Division							
12/31/2016	$58,119	$273,416	$115,582	$297,888	100.0%	87.7%	0.0%
12/31/2017	54,973	277,542	95,593	310,085	100.0%	91.9%	0.0%
12/31/2018	57,922	286,045	103,790	315,970	100.0%	90.2%	0.0%
12/31/2019	57,145	304,173	100,720	342,071	100.0%	93.7%	0.0%
12/31/2020	58,779	318,647	100,779	376,437	100.0%	99.7%	0.0%
12/31/2021	61,353	331,715	94,970	419,256	100.0%	100.0%	27.6%
12/31/2022	61,421	360,922	88,859	452,509	100.0%	100.0%	33.9%
12/31/2023	64,824	373,298	90,276	471,111	100.0%	100.0%	36.5%
12/31/2024	68,711	381,018	89,241	488,377	100.0%	100.0%	43.3%
12/31/2025	**73,083**	**396,848**	**92,900**	**508,352**	**100.0%**	**100.0%**	**41.4%**
DPS Division							
12/31/2016	$402,849	$2,999,767	$843,814	$3,220,935	100.0%	93.9%	0.0%
12/31/2017	419,239	2,867,254	802,033	3,257,770	100.0%	99.0%	0.0%
12/31/2018	438,008	2,941,988	868,606	3,261,338	100.0%	96.0%	0.0%
12/31/2019	461,075	2,906,773	895,537	3,410,264	100.0%	100.0%	4.7%
12/31/2020	501,422	2,975,191	1,055,933	3,682,072	100.0%	100.0%	19.5%
12/31/2021	569,134	2,921,569	1,147,171	4,029,095	100.0%	100.0%	46.9%
12/31/2022	586,071	2,991,715	1,200,823	4,313,602	100.0%	100.0%	61.3%
12/31/2023	645,167	3,020,554	1,331,333	4,476,377	100.0%	100.0%	60.9%
12/31/2024	707,612	3,000,932	1,398,501	4,656,941	100.0%	100.0%	67.8%
12/31/2025	**783,428**	**3,029,209**	**1,593,062**	**4,829,467**	**100.0%**	**100.0%**	**63.8%**
All Division Trust Funds[2]							
12/31/2016	$7,793,748	$52,702,177	$16,433,558	$44,687,696	100.0%	70.0%	0.0%
12/31/2017	7,899,231	50,960,284	15,531,351	45,613,723	100.0%	74.0%	0.0%
12/31/2018	8,072,959	52,926,313	16,046,224	46,046,155	100.0%	71.7%	0.0%
12/31/2019	8,371,647	53,096,822	16,716,096	48,374,724	100.0%	75.3%	0.0%
12/31/2020	8,709,077	55,442,118	19,167,339	52,341,915	100.0%	78.7%	0.0%
12/31/2021	9,129,204	56,074,477	19,163,875	57,171,609	100.0%	85.7%	0.0%
12/31/2022	9,423,062	57,555,812	20,198,499	60,911,017	100.0%	89.5%	0.0%
12/31/2023	10,158,243	58,704,860	21,602,773	62,941,200	100.0%	89.9%	0.0%
12/31/2024	11,021,221	59,310,204	23,596,222	65,014,961	100.0%	91.0%	0.0%
12/31/2025	**11,784,589**	**60,949,369**	**24,611,754**	**67,280,356**	**100.0%**	**91.1%**	**0.0%**

[1] Includes accrued interest on member contributions.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Division Trust Funds—Pension

Unfunded Actuarial Accrued Liability

UAAL is the difference between actuarially calculated liability for service already rendered and the valuation assets of the retirement fund.

At the end of 2024, the ratio of PERA's valuation assets to accrued liabilities (the funded ratio) was 69.2% and decreased to 69.1% by the end of 2025.

Following are the most impactful factors resulting in higher than expected liabilities (or losses) to PERA during 2025:

- Lower than assumed investment return (based on the smoothed actuarial value of assets) for 2025.
- Member pay increases were greater than expected.
- New PERA members had some service resulting in accrued liabilities.
- Fewer terminations than expected.

Following are the most impactful factors resulting in lower than expected liabilities (or gains) during 2025:

- Actual payroll contributions were greater than the determined ADC.
- Retirees experienced shorter lifespans than expected.
- Fewer retirements than expected.

In 2017, PERA's funded status improved due to a decrease in plan liabilities reflecting the adoption of SB 18-200 pension reforms along with better than expected investment performance.

PERA's funded status was negatively impacted in 2018, reflecting unfavorable demographic experience and lower than expected investment performance.

In 2019 and 2021, PERA's funded status was positively impacted by better than expected investment performance and reductions in the AI cap resulting from the 2018 and 2020 AAP assessments, respectively.

In 2020, PERA's funded status was positively impacted by better than expected investment performance and a small mortality gain and negatively impacted by the adoption of generally more conservative actuarial assumptions, including the application of generational mortality.

In 2022, PERA's funded status increased. The funded status is determined based on an actuarial or "smoothed" value of assets, recognizing only a portion of each year's investment gain or loss over a four-year period. Therefore, even though the 2022 investment return was lower than the 7.25% expected rate of investment return, the favorable investment performance for 2019, 2020, and 2021 helped mitigate the adverse effect of the 2022 investment performance as well as other demographic actuarial losses.

In 2023, 2024, and 2025, PERA's funded status, based on the actuarial value of assets, was negatively impacted by lower-than-expected investment return even though the rate of return on the fair value of assets, each year, was greater than the expected 7.25%. The funded status also was negatively impacted by net unfavorable demographic experience during 2023 and 2024.

The net unfavorable demographic experience during 2024, was slightly offset by a small decrease in liability resulting from the revised actuarial assumptions as adopted by the Board based on the 2024 Experience Analysis. The main assumption updates included salary scale adjustments and changes in rates of expected termination, retirement, and disability across most divisions.

In addition to the lower-than-expected investment return for 2025, the funded status was negatively impacted by the net demographic actuarial experience during 2025.

Since inflation decreases the dollar's value, it is important to examine more than basic actuarial metrics and data when assessing the plan's financial status. The ratio of UAAL dollars divided by member covered payroll, as shown in the following table, can provide a meaningful index. Opposite of the desired trend of a funded status ratio increasing toward 100%, a downward trend in the ratio of UAAL to covered payroll is the more desired outcome, indicating the positive impact additional contributions can have in funding the system.

Division Trust Funds—Pension

Schedule of Funding Progress

(Dollars in Thousands)

(A) Valuation Date	(B) Actuarial Value of Plan Assets	(C) Actuarial Accrued Liabilities	(D) Unfunded Actuarial Accrued Liabilities (UAAL) (C) – (B)	(E) Funded Ratio (B) / (C)	(F) Annual Covered Payroll	(G) UAAL As a Percentage of Covered Payroll (D) / (F)
State Division						
12/31/2016	$14,026,332	$25,669,916	$11,643,584	54.6%	$2,710,651	429.5%
12/31/2017	14,256,410	24,782,085	10,525,675	57.5%	2,774,207	379.4%
12/31/2018	14,303,726	25,509,852	11,206,126	56.1%	2,898,827	386.6%
12/31/2019	14,922,050	25,717,648	10,795,598	58.0%	2,995,453	360.4%
12/31/2020	16,039,287	27,116,805	11,077,518	59.1%	3,089,161	358.6%
12/31/2021	17,379,516	27,159,846	9,780,330	64.0%	3,092,509	316.3%
12/31/2022	18,371,697	27,647,371	9,275,674	66.5%	3,183,955	291.3%
12/31/2023	18,851,972	28,460,815	9,608,843	66.2%	3,576,201	268.7%
12/31/2024	19,358,507	29,216,553	9,858,046	66.3%	3,884,095	253.8%
12/31/2025	**19,940,826**	**30,089,462**	**10,148,636**	**66.3%**	**4,070,851**	**249.3%**
School Division						
12/31/2016	$23,263,344	$41,352,968	$18,089,624	56.3%	$4,349,320	415.9%
12/31/2017	23,780,045	40,046,215	16,266,170	59.4%	4,471,357	363.8%
12/31/2018	24,094,442	41,598,400	17,503,958	57.9%	4,789,503	365.5%
12/31/2019	25,412,014	42,425,061	17,013,047	59.9%	5,104,431	333.3%
12/31/2020	27,581,088	45,532,075	17,950,987	60.6%	5,146,118	348.8%
12/31/2021	30,253,176	46,336,788	16,083,612	65.3%	5,465,866	294.3%
12/31/2022	32,393,722	48,326,747	15,933,025	67.0%	5,670,280	281.0%
12/31/2023	33,565,369	50,331,451	16,766,082	66.7%	6,176,713	271.4%
12/31/2024	34,788,986	52,648,978	17,859,992	66.1%	6,743,067	264.9%
12/31/2025	**36,120,320**	**54,617,853**	**18,497,533**	**66.1%**	**7,019,522**	**263.5%**
Local Government Division						
12/31/2016	$3,879,197	$5,213,052	$1,333,855	74.4%	$608,223	219.3%
12/31/2017	4,009,413	5,045,932	1,036,519	79.5%	632,768	163.8%
12/31/2018	4,070,679	5,240,885	1,170,206	77.7%	660,998	177.0%
12/31/2019	4,288,325	5,316,433	1,028,108	80.7%	681,093	150.9%
12/31/2020	4,663,031	5,658,903	995,872	82.4%	698,060	142.7%
12/31/2021	5,090,566	5,745,010	654,444	88.6%	723,744	90.4%
12/31/2022	5,379,487	5,913,444	533,957	91.0%	760,262	70.2%
12/31/2023	5,576,371	6,148,158	571,787	90.7%	843,453	67.8%
12/31/2024	5,722,150	6,416,101	693,951	89.2%	922,767	75.2%
12/31/2025	**5,881,391**	**6,669,867**	**788,476**	**88.2%**	**963,905**	**81.8%**
Judicial Division						
12/31/2016	$297,888	$447,117	$149,229	66.6%	$48,700	306.4%
12/31/2017	310,085	428,108	118,023	72.4%	48,948	241.1%
12/31/2018	315,970	447,757	131,787	70.6%	50,506	260.9%
12/31/2019	342,071	462,038	119,967	74.0%	53,427	224.5%
12/31/2020	376,437	478,205	101,768	78.7%	54,780	185.8%
12/31/2021	419,256	488,038	68,782	85.9%	55,780	123.3%
12/31/2022	452,509	511,202	58,693	88.5%	56,565	103.8%
12/31/2023	471,111	528,398	57,287	89.2%	60,606	94.5%
12/31/2024	488,377	538,970	50,593	90.6%	63,470	79.7%
12/31/2025	**508,352**	**562,831**	**54,479**	**90.3%**	**66,507**	**81.9%**

Division Trust Funds—Pension

Schedule of Funding Progress (continued)

(Dollars in Thousands)

(A) Valuation Date	(B) Actuarial Value of Plan Assets	(C) Actuarial Accrued Liabilities	(D) Unfunded Actuarial Accrued Liabilities (UAAL) (C) – (B)	(E) Funded Ratio (B) / (C)	(F) Annual Covered Payroll	(G) UAAL As a Percentage of Covered Payroll (D) / (F)
DPS Division						
12/31/2016	$3,220,935	$4,246,430	$1,025,495	75.9%	$642,177	159.7%
12/31/2017	3,257,770	4,088,526	830,756	79.7%	658,198	126.2%
12/31/2018	3,261,338	4,248,602	987,264	76.8%	722,040	136.7%
12/31/2019	3,410,264	4,263,385	853,121	80.0%	736,264	115.9%
12/31/2020	3,682,072	4,532,546	850,474	81.2%	771,347	110.3%
12/31/2021	4,029,095	4,637,874	608,779	86.9%	823,396	73.9%
12/31/2022	4,313,602	4,778,609	465,007	90.3%	810,403	57.4%
12/31/2023	4,476,377	4,997,054	520,677	89.6%	894,245	58.2%
12/31/2024	4,656,941	5,107,045	450,104	91.2%	888,094	50.7%
12/31/2025	**4,829,467**	**5,405,699**	**576,232**	**89.3%**	**990,445**	**58.2%**
All Division Trust Funds[1]						
12/31/2016	$44,687,696	$76,929,483	$32,241,787	58.1%	$8,359,071	385.7%
12/31/2017	45,613,723	74,390,866	28,777,143	61.3%	8,585,478	335.2%
12/31/2018	46,046,155	77,045,496	30,999,341	59.8%	9,121,874	339.8%
12/31/2019	48,374,724	78,184,565	29,809,841	61.9%	9,570,668	311.5%
12/31/2020	52,341,915	83,318,534	30,976,619	62.8%	9,759,466	317.4%
12/31/2021	57,171,609	84,367,556	27,195,947	67.8%	10,161,295	267.6%
12/31/2022	60,911,017	87,177,373	26,266,356	69.9%	10,481,465	250.6%
12/31/2023	62,941,200	90,465,876	27,524,676	69.6%	11,551,218	238.3%
12/31/2024	65,014,961	93,927,647	28,912,686	69.2%	12,501,493	231.3%
12/31/2025	**67,280,356**	**97,345,712**	**30,065,356**	**69.1%**	**13,111,230**	**229.3%**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Note: A history of contributions by Division Trust Fund, the ADC compared to the actual contributions paid, including the deficiency or (excess), for each of the last 10 years, is shown in the Schedule of Employer and Nonemployer Contributions, starting on page 98 in the Required Supplementary Information (RSI) in the Financial Section.

Division Trust Funds—Pension

Actuarial Gains and Losses

Analysis of Financial Experience

(Dollars in Millions)

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Amounts					
From differences between assumed and actual experience on liabilities					
Age and service retirements[1]	($19.0)	($32.6)	$1.8	$2.0	($1.2)
Disability retirements[2]	0.9	—	(0.6)	(0.1)	—
Deaths[3]	(49.8)	(74.0)	(0.6)	2.8	(12.0)
Withdrawals[4]	117.8	162.7	28.7	0.3	25.9
New members[5]	29.5	51.2	6.0	0.1	6.9
Pay increases[6]	123.0	57.4	16.8	(0.1)	107.3
Active transfers in and out[7]	49.0	3.7	6.9	7.8	(13.4)
Administrative expenses and other[8]	16.9	28.9	3.5	1.1	(1.2)
Subtotal	268.3	197.3	62.5	13.9	112.3
From differences between assumed and actual experience on assets	281.2	452.6	79.9	6.1	60.1
From changes in plan assumptions and methods	—	—	—	—	—
From changes in plan provisions	—	—	—	—	—
Total actuarial losses on 2025 activities	**$549.5**	**$649.9**	**$142.4**	**$20.0**	**$172.4**
Total actuarial losses on 2024 activities	**$496.9**	**$1,341.7**	**$189.5**	**$7.1**	**$1.2**

1 *Age and service retirements*: If members retire at older ages than assumed, there is a gain. If members retire at younger ages than assumed, there is a loss.

2 *Disability retirements*: If disability claims are lower than assumed, there is a gain. If disability claims are higher than assumed, there is a loss.

3 *Deaths*: If survivor claims are lower than assumed, there is a gain. If survivor claims are higher than assumed, there is a loss. If retirees die sooner than assumed, there is a gain. If retirees live longer than assumed, there is a loss.

4 *Withdrawal from employment*: If more members terminate and more liabilities are released by withdrawals than assumed, there is a gain. If fewer liabilities are released by terminations than assumed, there is a loss.

5 *New members*: If new members entering the plan have prior service, there is a loss.

6 *Pay increases*: If there are smaller salary increases than assumed, there is a gain. If greater salary increases occur than assumed, there is a loss.

7 *Active transfers in and out*: Net impact (gain or loss) resulting from active member transfers between divisions.

8 *Administrative expenses and other:* Includes miscellaneous gains and losses resulting from valuation software updates and refinements, data adjustments, timing of financial transactions, etc.

Division Trust Funds—Pension

The following table identifies the components that contributed to the change in the underfunded status of the Division Trust Funds for the period 2021 to 2025:

Schedule of Gains and Losses in Accrued Liabilities and Reconciliation of Unfunded Actuarial Accrued Liabilities

(Dollars in Millions)

	(Gain) or Loss for Years Ended December 31					
Type of Activity	**2021**	**2022**	**202**	**2024**	**2025**	**2021 - 2025**
UAAL beginning of year	$30,976.6	$27,195.9	$26,266.4	$27,524.7	**$28,912.7**	$30,976.6
Experience (gains) and losses						
Age and service retirements	44.9	56.6	(1.3)	(21.4)	**(49.0)**	29.8
Disability retirements	6.6	5.6	1.7	3.3	**0.2**	17.4
Deaths	(159.4)	(256.6)	(129.0)	(98.7)	**(133.6)**	(777.3)
Withdrawal from employment	114.1	(74.2)	39.3	198.7	**335.4**	613.3
New members	266.2	400.1	362.1	349.6	**93.7**	1,471.7
Pay increases	207.2	454.4	791.9	695.2	**304.4**	2,453.1
Investment (income) loss	(3,033.7)	(1,139.3)	469.4	927.2	**879.9**	(1,896.5)[1]
Active transfers in and out[2]					**54.0**	54.0
Other	47.7	197.0	119.2	52.9	**49.2**	466.0
Experience (gain) loss during year	(2,506.4)	(356.4)	1,653.3	2,106.8	**1,534.2**	2,431.5
Non-recurring items						
Change in plan assumptions and methods	—	—	—	(70.4)[3]	**—**	(70.4)
Change in plan provisions	(1,579.0)[4]	—	—	—	**—**	(1,579.0)
Non-recurring items	(1,579.0)	—	—	(70.4)	**—**	(1,649.4)
Contribution deficiency/(surplus)	(216.6)	(417.4)	(162.6)	(487.4)	**(555.8)**	(1,839.8)[5]
Expected change in UAAL	521.3	(155.7)	(232.4)	(161.0)	**174.3**	146.5[6]
Total (gain)/loss for year	**(3,780.7)**	**(929.5)**	**1,258.3**	**1,388.0**	**1,152.7**	**(911.2)**
UAAL end of year	**$27,195.9**	**$26,266.4**	**$27,524.7**	**$28,912.7**	**$30,065.4**	**$30,065.4**

This schedule shows where gains and losses occurred over the five-year period compared to what was expected or assumed. These include the following significant or notable gains and losses:

1 $1.9 billion cumulative gain resulting from favorable investment experience in 2021 and 2022.

2 Information is not available prior to 2025.

3 $0.1 billion gain in 2024, due to the recognition of revised actuarial assumptions, including adjustments to rates of assumed termination, retirement, and salary increases, adopted January 17, 2025, effective December 31, 2024.

4 $1.6 billion gain in 2021, due to the reduction in the AI cap from 1.25% to 1.00%, effective July 1, 2022, as required by the 2020 AAP assessment.

5 $1.8 billion cumulative gain resulting from contribution surplus; occurring when actual contributions flowing into the plans are greater than the determined ADC.

6 $0.1 billion cumulative loss indicating the five-year difference between each prior year's UAAL and the expected current year UAAL considering the normal cost, actuarially required employer contributions, and interest.

Division Trust Funds—Pension

Actuarial Valuation Results

Contribution rates for the year ending December 31, 2027, are derived from the results of the December 31, 2025, annual actuarial valuation and are determined in advance for purposes of budgeting, completing the required assessments related to the AAP and consideration of any necessary legislative action.

Schedule of Computed Employer Contribution and Direct Distribution Rates for the 2027 Fiscal Year

Expressed as a Percentage of Covered Payroll

	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Contributions					
Service retirement benefits	8.62%	12.38%	9.42%	14.01%	10.18%
Disability retirement benefits	0.29%	0.20%	0.28%	0.29%	0.18%
Survivor benefits	0.27%	0.23%	0.31%	0.43%	0.21%
Termination withdrawals	3.15%	3.00%	2.99%	1.04%	3.66%
Refunds	0.65%	0.46%	0.61%	0.06%	0.46%
Administrative expense load	0.45%	0.45%	0.45%	0.45%	0.45%
Total normal cost	13.43%	16.72%	14.06%	16.28%	15.14%
Less member contributions	(11.15%)[1]	(11.00%)	(9.04%)[1]	(11.00%)	(11.00%)
Employer normal cost	**2.28%**	**5.72%**	**5.02%**	**5.28%**	**4.14%**
Percentage available to amortize unfunded actuarial accrued liabilities	18.03%	14.47%	10.39%	18.40%	4.72%
Projected funding period[2]	18 Years	22 Years	4 Years	2 Years	5 Years
Total employer contribution rate for actuarially funded benefits	11.60%[1]	11.40%	11.03%[1]	14.91%	8.40%
Amortization equalization disbursement	5.00%	4.50%	3.20%[3]	5.00%	4.50%
Supplemental amortization equalization disbursement	5.00%	5.50%	2.50%[3]	5.00%	5.50%
Less Health Care Trust Fund	(0.52%)	(0.52%)	(0.52%)	(0.52%)	(0.20%)
Less Annual Increase Reserve	(0.77%)	(0.69%)	(0.80%)	(0.71%)	(0.78%)
Less PCOP credit[4]	N/A	N/A	N/A	N/A	(8.56%)
Employer contribution rate for defined benefit plan	**20.31%**	**20.19%**	**15.41%**	**23.68%**	**8.86%**
Direct distribution[5]	**0.00%**	**2.93%**	**N/A**	**0.00%**	**N/A**
Defined contribution supplement rate[6]	**0.30%**	**N/A**	**0.14%**	**N/A**	**N/A**

1 Weighted average of more than one statutory rate.

2 The projected funding periods were derived on the basis of open-group population projections and consider ongoing employer, member, AED, SAED, DC supplement contributions, and the direct distribution, where and when applicable, and any known future changes, including possible AAP adjustments.

3 Increased by 0.50%, effective January 1, 2027 due to the funded ratio of the Local Government Division decreasing from greater than 90%, as of December 31, 2023, to less than 90%, as of December 31, 2024, and remaining less than 90%, as of December 31, 2025, pursuant to C.R.S. § 24-51-411(9).

4 An offset to the DPS Division rate is provided for under C.R.S. § 24-51-412. See Note 4 of the Notes to the Financial Statements in the Financial Section.

5 Rates for the direct distribution have been estimated and are shown as a percentage of 2027 projected covered payroll.

6 The DC supplement will be paid to the State and Local Government Divisions on behalf of all employees of these divisions, calculated pursuant to employees hired on or after January 1, 2019, who chose to participate in the PERAChoice DC plan in lieu of participating in PERA's defined benefit plan. Designed to compensate for the employer contributions paid to the DC Plan participant accounts that otherwise would have been payment toward the UAAL, this supplement is determined separately for the State and Local Government Divisions as a rate of pay and is payable as of January 1, 2027, by all employers of the two divisions.

Note: The underlying calculations involve more precision than what is presented in the schedule and the rounded numbers shown may not add as a result.

Division Trust Funds—Pension

With the passage of SB 10-001, the amortization equalization disbursement (AED) and the supplemental amortization equalization disbursement (SAED) can be adjusted based on the year-end funded status within a particular Division Trust Fund. If a particular Division Trust Fund reaches a funded status of 103%, a decrease in the AED and SAED is mandated and if it subsequently falls below a funded status of 90%, an increase is mandated. For the Local Government and Judicial Divisions, if the funded ratio reaches 90% and subsequently falls below 90%, an increase in the AED and SAED is mandated. Increases cannot exceed the following maximum allowable limitations.

Future AED and SAED Rates

	2026 Rates		Future Annual Increases in Rates Prescribed by Colorado Revised Statutes		Maximum Allowable Limitations	
Trust Fund	AED	SAED	AED	SAED	AED	SAED
State Division	5.00%	5.00%	N/A	N/A	5.00%	5.00%
School Division	4.50%	5.50%	N/A	N/A	4.50%	5.50%
Local Government Division	2.70%	2.00%	Yes[1]	Yes[1]	5.00%	5.00%
Judicial Division	5.00%	5.00%	N/A	N/A	5.00%	5.00%
DPS Division[2]	4.50%	5.50%	N/A	N/A	4.50%	5.50%

[1] The AED and SAED rates will be increased by 0.50%, each, effective January 1, 2027, due to the funded ratio of the Local Government Division decreasing from greater than 90%, as of December 31, 2023, to less than 90%, as of December 31, 2024, and remaining less than 90%, as of December 31, 2025, pursuant to C.R.S. § 24-51-411 (9).

[2] DPS Division employers are permitted to reduce the AED and SAED by the PCOP offset, as specified in C.R.S. § 24-51-412 *et seq*.

Note: A history of contributions by Division Trust Fund, the ADC compared to the actual contributions paid, including the deficiency or (excess), for each of the last 10 years, is shown in the Schedule of Employer and Nonemployer Contributions, starting on page 98 in the RSI in the Financial Section.

Division Trust Funds—Pension

Annual Actuarial Valuation Statistics

As of December 31, 2025, the Funded Ratio, the UAAL, the ADC for 2027 as a percentage of covered payroll, and the projected funding period considering current funding and future increases prescribed by Colorado statute, for each division, are shown in the following table. The results in this table are based on the actuarial valuation for funding purposes. Except for the projected funding periods, the following actuarial metrics do not consider the impact of reduced benefits for those hired in the future as provided for in Colorado law.

Actuarial Statistics

(Dollars in Thousands)

Trust Fund	Funded Ratio	UAAL	ADC[1]	Projected Funding Period[2]
State Division	66.3%	$10,148,636	18.63%	18 Years
School Division	66.1%	18,497,533	22.58%	22 Years
Local Government Division	88.2%	788,476	10.16%	4 Years
Judicial Division	90.3%	54,479	10.77%	2 Years
DPS Division	89.3%	576,232	7.81%	5 Years
All Division Trust Funds[3]		**$30,065,356**		

[1] Determined considering the 30-year target amortization period defined in the pension funding policy for purposes of funding benchmarks and RSI reporting as shown in the Financial Section.

[2] The projected funding periods were derived on the basis of open-group population projections and consider ongoing employer, member, AED, SAED, DC supplement contributions, the direct distribution, where and when applicable, and any known future changes, including possible AAP adjustments.

[3] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Pursuant to the pension funding policy, for reporting purposes, alternative ADCs also are determined by applying the layered amortization methodology as previously described. Under the target and alternative calculations, the legacy UAAL as of December 31, 2017, was amortized using a 30-year period, but the alternative ADCs use a 25-year closed period, a 20-year closed period, and a 15-year closed period, in lieu of the 30-year period, for amortization of any "new" UAAL recognized on and after January 1, 2018. The 2027 target and alternative ADCs, by division, are displayed as follows:

	Target ADC	Alternative ADCs		
Trust Fund	30-Year[1]	25-Year[2]	20-Year[2]	15-Year[2]
State Division	18.63%	18.66%	18.72%	18.81%
School Division	22.58%	22.88%	23.35%	24.19%
Local Government Division	10.16%	10.15%	10.14%	10.09%
Judicial Division	10.77%	10.42%	9.85%	8.78%
DPS Division	7.81%	7.74%	7.63%	7.41%

[1] Refers to the amortization period used to amortize the legacy UAAL as of December 31, 2017, and any "new" UAAL recognized on and after January 1, 2018.

[2] Refers to the amortization period used to amortize any "new" UAAL recognized on and after January 1, 2018.

Division Trust Funds—Pension

Automatic Adjustment Provision

The primary intent of the AAP is to gauge the adequacy of the contributions coming into the pension trust fund against the amount required, and if determined necessary, to initiate automatic changes to member and employer contribution rates, the AI cap, and, under certain circumstances, the direct distribution from the State of Colorado, to better insure achievement of the targeted 30-year funding goal, as delineated in SB 18-200. Pursuant to C.R.S. § 24-51-413, this assessment commenced with the December 31, 2018, actuarial valuation and is performed annually thereafter.

The AAP assessment compares two blended rates, weighted across all participating Division Trust Funds, defined as: the "Blended Total Contribution Amount" (employer contribution rate + member contribution rate + direct distribution as a rate of pay) divided by the "Blended Total Required Contribution" (ADC Rate + member contribution rate), determining a resulting ratio. If the resulting ratio falls within an acceptable corridor (98% to 119%), no adjustments are made. If the resulting ratio does not achieve a minimum benchmark (is less than 98%) or exceeds a maximum benchmark (is 120% or greater), adjustments are applied in an equitable manner of impact.

The following table shows the results of the 2025 AAP assessment which was conducted to determine if adjustments are necessary as of July 1, 2027, based on the 2027 contribution rates:

Elements of Test Ratio[1] (Shown as a percentage of pay)	2027 Input Percentages	Resulting Ratio	Adjustments, if Necessary (Effective July 1, 2027)	Revised Resulting Ratio
2027 Blended Total Contribution Amount[2]	33.06%	(Equals) 103.73%	N/A	N/A
(Divided by):	*(Divided by):*			
2027 Blended Total Required Contribution[2]	31.87%			

[1] Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division employers, membership, and retirees remain subject to AAP adjustments, if triggered.

[2] The blended rates are based on the 2027 contribution rates shown on page 171, weighted based on the UAAL of each participating Division Trust Fund and are not appropriate for any other use.

A summary of the AAP guidelines, found in C.R.S. § 24-51-413, is as follows:

An automatic adjustment will occur under the following conditions:

- If the resulting ratio is less than 98%, there will be adjustments of equitable impact, increasing each of the employer and member contribution rates, decreasing the AI cap, and increasing the direct distribution (if permitted).
- If the resulting ratio is greater than or equal to 120%, there will be adjustments of equitable impact, decreasing each of the employer and member contribution rates, increasing the AI cap, and decreasing the direct distribution.

The AAP defines the limited amounts of total adjustment available in each category, and the increments of adjustments that can occur in any year. Multiple steps over multiple years are allowed for a required adjustment as necessary, but cannot exceed the ultimate limits as set forth in statute, detailed as follows:

- Adjustment (increase or decrease) to each of the employer and member contribution rates cannot exceed 0.50% in any one year, and
  - Cannot exceed 2.00% above the contribution rates reflecting SB 18-200 statutory reforms.
  - Cannot fall below the contribution rates in effect immediately prior to the passage of SB 18-200.
- Adjustment (increase or decrease) to the AI rate cannot exceed 0.25% in any one year, and
  - Cannot exceed a 2.00% AI cap maximum.
  - Cannot fall below a 0.50% AI cap minimum.
- Adjustment to the direct distribution cannot exceed $20 million in any one year, and
  - Cannot exceed the initial $225 million amount.
  - Can be reduced to $0.
- Adjustments required because:
  - Funding is below the 98% threshold, will be made to an extent that will bring the revised ratio to 103% following the corrective efforts, but in no event can the adjustments in one year be greater than the limit described above.
  - Funding has reached the 120% threshold, must not cause the ratio to fall below 103%.

Division Trust Funds—Pension

AAP Assessment History

Assessment	Information Based on Valuation Date	Compare Contribution Rates for Plan Year	Triggered Adjustments?	Adjustments to be Made	Effective Date for Adjustments
2018	December 31, 2018	2020	Yes	0.50% increase to member rate 0.50% increase to employer rate 0.25% decrease to AI cap No change to $225M direct distribution[1]	July 1, 2020
2019	December 31, 2019	2021	No	N/A	N/A
2020	December 31, 2020	2022	Yes	0.50% increase to member rate 0.50% increase to employer rate 0.25% decrease to AI cap No change to $225M direct distribution	July 1, 2022
2021	December 31, 2021	2023	No	N/A	N/A
2022	December 31, 2022	2024	No	N/A	N/A
2023	December 31, 2023	2025	No	N/A	N/A
2024	December 31, 2024	2026	No	N/A	N/A
2025	December 31, 2025	2027	No	N/A	N/A

[1] Pursuant to HB 20-1379, the direct distribution, payable July 1, 2020, was suspended.

Funded Ratio

(Dollars in Thousands)

The funded ratio for the plan is determined by dividing the actuarial value of assets by the AAL. The actuarial value of assets is not the current fair value but a market-related value, which recognizes the differences between actual and expected investment experience for each year in equal amounts over a four-year period. The actuarial value of the assets as of December 31, 2025, was $67,280,356 compared to a fair value of assets of $72,426,650, and to the AAL of $97,345,712. The funded ratio for each of the funds, based on the actuarial value of assets, at December 31 for each of the last five years is as follows:

Trust Fund	2021	2022	2023	2024	2025
State Division	64.0%	66.5%	66.2%	66.3%	**66.3%**
School Division	65.3%	67.0%	66.7%	66.1%	**66.1%**
Local Government Division	88.6%	91.0%	90.7%	89.2%	**88.2%**
Judicial Division	85.9%	88.5%	89.2%	90.6%	**90.3%**
DPS Division	86.9%	90.3%	89.6%	91.2%	**89.3%**
All Division Trust Funds[1]	**67.8%**	**69.9%**	**69.6%**	**69.2%**	**69.1%**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

The Board's pension funding policy states that the targeted actuarial funded ratio is greater than or equal to 110% on a combined Division Trust Fund basis. The funded ratios listed give an indication of progress made toward achieving the stated objective. A larger funded ratio indicates a plan is better funded. As an example, in actual dollars, for every $1.00 of the actuarially determined benefits earned for the School Division Trust Fund as of December 31, 2025, approximately $0.66 of assets are available for payment based on the actuarial value of assets.

Division Trust Funds—Pension

At December 31, 2024, and December 31, 2025, PERA had the following funded status for the Division Trust Funds:

Funded Status for the Division Trust Funds

(Dollars in Thousands)

	Fair Value of Assets		Actuarial Value of Assets[1]	
	12/31/2024	12/31/2025	12/31/2024	12/31/2025
State Division Trust Fund				
Actuarial accrued liability[2]	$29,216,553	**$30,089,462**	$29,216,553	**$30,089,462**
Assets held to pay those liabilities	19,324,195	**21,469,100**	19,358,507	**19,940,826**
Unfunded actuarial accrued liability	**$9,892,358**	**$8,620,362**	**$9,858,046**	**$10,148,636**
Funded ratio	66.1%	**71.4%**	66.3%	**66.3%**
School Division Trust Fund				
Actuarial accrued liability[2]	$52,648,978	**$54,617,853**	$52,648,978	**$54,617,853**
Assets held to pay those liabilities	34,766,716	**38,876,371**	34,788,986	**36,120,320**
Unfunded actuarial accrued liability	**$17,882,262**	**$15,741,482**	**$17,859,992**	**$18,497,533**
Funded ratio	66.0%	**71.2%**	66.1%	**66.1%**
Local Government Division Trust Fund				
Actuarial accrued liability[2]	$6,416,101	**$6,669,867**	$6,416,101	**$6,669,867**
Assets held to pay those liabilities	5,715,542	**6,336,368**	5,722,150	**5,881,391**
Unfunded actuarial accrued liability	**$700,559**	**$333,499**	**$693,951**	**$788,476**
Funded ratio	89.1%	**95.0%**	89.2%	**88.2%**
Judicial Division Trust Fund				
Actuarial accrued liability[2]	$538,970	**$562,831**	$538,970	**$562,831**
Assets held to pay those liabilities	488,287	**546,836**	488,377	**508,352**
Unfunded actuarial accrued liability	**$50,683**	**$15,995**	**$50,593**	**$54,479**
Funded ratio	90.6%	**97.2%**	90.6%	**90.3%**
DPS Division Trust Fund				
Actuarial accrued liability[2]	$5,107,045	**$5,405,699**	$5,107,045	**$5,405,699**
Assets held to pay those liabilities	4,653,923	**5,197,975**	4,656,941	**4,829,467**
Unfunded actuarial accrued liability	**$453,122**	**$207,724**	**$450,104**	**$576,232**
Funded ratio	91.1%	**96.2%**	91.2%	**89.3%**
All Division Trust Funds[3]				
Actuarial accrued liability[2]	$93,927,647	**$97,345,712**	$93,927,647	**$97,345,712**
Assets held to pay those liabilities[4]	64,948,663	**72,426,650**	65,014,961	**67,280,356**
Unfunded actuarial accrued liability	**$28,978,984**	**$24,919,062**	**$28,912,686**	**$30,065,356**
Funded ratio	69.1%	**74.4%**	69.2%	**69.1%**

1 The actuarial value of assets is calculated by spreading any market gains or losses above or below the assumed rate of return over four years.

2 Based upon an assumed rate of return on investments of 7.25% and an assumed rate of 7.25% to discount the liabilities to be paid in the future to a value as of December 31, 2024, and December 31, 2025.

3 The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

4 In aggregate, the fair value of the assets as of December 31, 2025, is $5,146,294 greater than the actuarial value of assets calculated by the actuaries, as they are recognizing the gains and losses in value over four years, rather than only in the year they occurred. The remaining gains to be smoothed for 2023 are $820,294, for 2024 are $1,072,904, and for 2025 are $3,253,096.

Division Trust Funds—Pension

Sensitivity of Actuarial Valuation to Changes in Assumed Investment Rate of Return and Discount Rate

The most important long-term driver of a pension plan is investment income. The investment return assumption and the discount rate for liabilities should be based on an estimated long-term investment yield for the plan, considering the nature and mix of current and expected plan investments and the basis used to determine the actuarial value of assets.

To understand the importance of the investment rate of return assumption, which is used to discount the actuarial liabilities of PERA, a 1% fluctuation in the assumed investment rate of return and discount rate would change the funded ratio, UAAL, and ADC (for contributions for the fiscal year ended December 31, 2027) as shown in the following tables:

Investment Return Assumption (Discount Rate) Equal to 6.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
State Division	59.8%	$13,381,716	24.47%	$11,853,443
School Division	59.3%	24,813,862	29.80%	22,057,811
Local Government Division	79.3%	1,536,460	16.98%	1,081,482
Judicial Division	82.1%	110,479	18.10%	71,996
DPS Division	79.5%	1,246,438	14.65%	877,929
All Division Trust Funds[1]		**$41,088,955**		**$35,942,661**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Current Investment Return Assumption (Discount Rate) Equal to 7.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
State Division	**66.3%**	**$10,148,636**	**18.63%**	**$8,620,362**
School Division	**66.1%**	**18,497,533**	**22.58%**	**15,741,482**
Local Government Division	**88.2%**	**788,476**	**10.16%**	**333,499**
Judicial Division	**90.3%**	**54,479**	**10.77%**	**15,995**
DPS Division	**89.3%**	**576,232**	**7.81%**	**207,724**
All Division Trust Funds[1]		**$30,065,356**		**$24,919,062**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Investment Return Assumption (Discount Rate) Equal to 8.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
State Division	72.9%	$7,416,234	13.42%	$5,887,961
School Division	73.3%	13,189,459	16.22%	10,433,408
Local Government Division	97.4%	158,159	3.97%	(296,818)
Judicial Division	98.7%	6,469	3.89%	(32,014)
DPS Division	99.6%	19,308	1.80%	(349,201)
All Division Trust Funds[1]		**$20,789,629**		**$15,643,336**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Note: The annualized, time-weighted, net of external investment management and custody fees, rate of return for the pooled investment assets was 7.6% for the past five years, 9.5% for the past 10 years, and 8.1% for the past 30 years.

Division Trust Funds—Pension

Plan Data

Schedule of Retirees, Beneficiaries, and Survivors Added to and Removed from the Benefit Payroll

(In Actual Dollars)

	Added to Payroll		Removed from Payroll		Payroll—End of Year			Increase
Valuation Date	No.[1]	Annual Benefits	No.[1]	Annual Benefits	No.[1]	Annual Benefits	Average Annual Benefits	(Decrease) in Average Benefits
State Division[2]								
12/31/2016					38,013	$1,509,295,752	$39,705	—
12/31/2017	2,029	$96,524,376	810	$23,794,584	39,232	1,582,025,544	40,325	1.6%
12/31/2018	1,948	64,439,160	865	29,030,196	40,315	1,617,434,508	40,120	(0.5%)
12/31/2019	1,805	60,004,122	939	33,418,682	41,181	1,644,019,948	39,922	(0.5%)
12/31/2020	1,939	63,669,828	1,252	20,885,946	41,868	1,686,803,830	40,289	0.9%
12/31/2021	2,049	74,357,738	980	16,651,788	42,937	1,744,509,780	40,630	0.8%
12/31/2022	2,098	73,553,004	1,281	28,133,745	43,754	1,789,929,039	40,909	0.7%
12/31/2023	1,707	58,197,922	1,046	20,345,040	44,415	1,827,781,921	41,152	0.6%
12/31/2024	1,539	52,673,866	1,059	22,570,978	44,895	1,857,884,809	41,383	0.6%
12/31/2025	**2,025**	**70,674,255**	**1,127**	**25,356,567**	**45,793**	**1,903,202,497**	**41,561**	**0.4%**
School Division[2]								
12/31/2016					61,940	$2,271,171,660	$36,667	—
12/31/2017	3,249	$130,564,260	1,026	$26,635,332	64,163	2,375,100,588	37,017	1.0%
12/31/2018	3,319	90,191,556	1,106	32,160,792	66,376	2,433,131,352	36,657	(1.0%)
12/31/2019	3,149	84,865,404	1,163	39,402,271	68,362	2,478,594,485	36,257	(1.1%)
12/31/2020	3,506	98,641,497	1,629	15,175,838	70,239	2,562,060,144	36,476	0.6%
12/31/2021	3,834	115,785,385	1,383	16,732,525	72,690	2,661,113,004	36,609	0.4%
12/31/2022	3,954	123,361,006	1,705	26,877,020	74,939	2,757,596,990	36,798	0.5%
12/31/2023	3,612	111,936,452	1,544	25,607,199	77,007	2,843,926,243	36,931	0.4%
12/31/2024	3,644	111,446,342	1,579	26,537,572	79,072	2,928,835,013	37,040	0.3%
12/31/2025	**4,438**	**141,664,509**	**1,692**	**31,389,300**	**81,818**	**3,039,110,222**	**37,145**	**0.3%**
Local Government Division[2]								
12/31/2016					7,045	$263,129,268	$37,350	—
12/31/2017	420	$18,329,400	114	$2,916,156	7,351	278,542,512	37,892	1.5%
12/31/2018	421	14,336,628	128	3,227,280	7,644	289,651,860	37,893	0.0%
12/31/2019	426	13,283,210	137	4,898,210	7,933	298,036,860	37,569	(0.9%)
12/31/2020	418	13,867,438	171	544,659	8,180	311,359,639	38,064	1.3%
12/31/2021	500	16,208,420	110	(64,326)	8,570	327,632,385	38,230	0.4%
12/31/2022	445	14,515,357	207	2,779,130	8,808	339,368,612	38,530	0.8%
12/31/2023	418	14,122,072	151	1,738,237	9,075	351,752,447	38,761	0.6%
12/31/2024	456	15,826,308	147	1,470,597	9,384	366,108,158	39,014	0.7%
12/31/2025	**545**	**17,576,020**	**171**	**2,011,410**	**9,758**	**381,672,768**	**39,114**	**0.3%**

Please see next page for footnote references.

Division Trust Funds—Pension

Schedule of Retirees, Beneficiaries, and Survivors Added to and Removed from the Benefit Payroll (continued)

(In Actual Dollars)

	Added to Payroll		Removed from Payroll		Payroll—End of Year			Increase (Decrease)
Valuation Date	No.[1]	Annual Benefits	No.[1]	Annual Benefits	No.[1]	Annual Benefits	Average Annual Benefits	in Average Benefits
Judicial Division[2]								
12/31/2016					360	$23,825,388	$66,182	—
12/31/2017	24	$2,554,728	9	$398,184	375	25,981,932	69,285	4.7%
12/31/2018	8	696,864	3	129,084	380	26,549,712	69,868	0.8%
12/31/2019	27	2,115,235	8	400,305	399	28,264,642	70,839	1.4%
12/31/2020	25	2,141,893	10	387,294	414	30,019,241	72,510	2.4%
12/31/2021	28	2,213,671	10	298,792	432	31,934,120	73,922	1.9%
12/31/2022	24	2,168,626	12	201,176	444	33,901,570	76,355	3.3%
12/31/2023	22	1,838,436	8	87,553	458	35,652,453	77,844	2.0%
12/31/2024	23	1,866,636	7	243,842	474	37,275,247	78,640	1.0%
12/31/2025	**22**	**2,024,250**	**10**	**223,563**	**486**	**39,075,934**	**80,403**	**2.2%**
DPS Division[2]								
12/31/2016					6,935	$267,677,112	$38,598	—
12/31/2017	283	$13,847,400	181	$6,388,008	7,037	275,136,504	39,099	1.3%
12/31/2018	297	9,717,816	184	6,345,060	7,150	278,509,260	38,952	(0.4%)
12/31/2019	234	6,854,297	241	9,248,121	7,143	276,115,436	38,655	(0.8%)
12/31/2020	256	7,957,106	271	5,910,106	7,128	278,162,436	39,024	1.0%
12/31/2021	281	8,318,920	230	5,665,898	7,179	280,815,458	39,116	0.2%
12/31/2022	314	10,103,383	245	6,432,639	7,248	284,486,202	39,250	0.3%
12/31/2023	288	8,687,254	229	6,191,380	7,307	286,982,076	39,275	0.1%
12/31/2024	249	7,971,026	235	6,855,794	7,321	288,097,308	39,352	0.2%
12/31/2025	**304**	**10,090,968**	**228**	**5,768,854**	**7,397**	**292,419,422**	**39,532**	**0.5%**
All Division Trust Funds[2]								
12/31/2016					114,293	$4,335,099,180	$37,930	—
12/31/2017	6,005	$261,820,164	2,140	$60,132,264	118,158	4,536,787,080	38,396	1.2%
12/31/2018	5,993	179,382,024	2,286	70,892,412	121,865	4,645,276,692	38,118	(0.7%)
12/31/2019	5,641	167,122,268	2,488	87,367,589	125,018	4,725,031,371	37,795	(0.8%)
12/31/2020	6,144	186,277,762	3,333	42,903,843	127,829	4,868,405,290	38,085	0.8%
12/31/2021	6,692	216,884,134	2,713	39,284,677	131,808	5,046,004,747	38,283	0.5%
12/31/2022	6,835	223,701,376	3,450	64,423,710	135,193	5,205,282,413	38,503	0.6%
12/31/2023	6,047	194,782,136	2,978	53,969,409	138,262	5,346,095,140	38,666	0.4%
12/31/2024	5,911	189,784,178	3,027	57,678,783	141,146	5,478,200,535	38,812	0.4%
12/31/2025	**7,334**	**242,030,002**	**3,228**	**64,749,694**	**145,252**	**5,655,480,843**	**38,936**	**0.3%**

[1] The number does not include deferred survivors.

[2] Amounts derived on an accrual basis.

Division Trust Funds—Pension

The number of retirees receiving monthly benefits has grown steadily in relation to membership since inception. As shown in the following table, this trend has substantially stabilized over the last few decades as PERA has reached a mature plan status. The retirement benefit disbursements shown in the right-hand column include cost-of-living increases paid in years since 1970. Prior to 1981, figures are for years ended June 30.

Member-Retiree Comparison–All Division Trust Funds[1]

(In Actual Dollars)

Year	Number of Retiree Accounts on 12/31	Number of Member Accounts on 12/31[2]	Retiree Accounts as a Percentage of Members on 12/31	Total Benefits Paid–Year Ended 12/31
1940	93	3,715	2.5%	$72,588
1945	171	5,585	3.1%	137,442
1950	280	11,853	2.4%	237,866
1955	747	21,185	3.5%	745,679
1960	1,775	33,068	5.4%	2,055,139
1965	3,631	49,701	7.3%	5,486,225
1970	6,308	65,586	9.6%	13,115,234
1975	11,650	84,781	13.7%	32,820,433
1980	17,301	96,473	17.9%	71,289,456
1985	24,842	101,409	24.5%	192,456,029
1990	32,955	115,350	28.6%	350,398,094
1995	41,909	203,102	20.6%	639,501,796
2000	53,015	248,104	21.4%	1,093,779,068
2005	69,416	306,139	22.7%	1,973,240,491
2010	91,412	378,264	24.2%	3,161,773,781
2015	108,426	436,465	24.8%	4,073,789,897
2020	125,363	502,972	24.9%	4,825,842,185
2025	**142,597**	**586,615**	**24.3%**	**5,601,824,265**

1 Amounts derived on a cash basis. Data prior to 2010 does not include the DPS Division.

2 Includes inactive member accounts.

Division Trust Funds—Pension

Schedule of Members in Actuarial Valuation
By Attained Age and Years of Service as of December 31, 2025
(In Actual Dollars)

State Division

For State Division members (excluding Safety Officers) the average age was 45.5 years, the average service was 9.3 years, and the average expected remaining service life was 9.6 years. For Safety Officers the average age was 35.2 years, the average service was 5.0 years, and the average expected remaining service life was 13.0 years.

	Years of Service to Valuation Date							Total	
Attained Age	0–4	5–9	10–14	15–19	20–24	25–29	30+	No.	Annual Valuation Payroll
Up to 20	262	—	—	—	—	—	—	262	$7,318,878
20-24	2,094	32	—	—	—	—	—	2,126	92,617,860
25-29	4,234	702	18	—	—	—	—	4,954	284,857,228
30-34	4,065	1,964	463	7	—	—	—	6,499	423,758,098
35-39	3,361	2,078	1,394	368	16	—	—	7,217	520,461,026
40-44	2,527	1,740	1,539	1,061	328	44	—	7,239	565,526,305
45-49	2,226	1,561	1,271	1,096	861	390	28	7,433	597,423,317
50-54	1,575	1,184	1,021	937	934	746	222	6,619	557,189,154
55-59	1,317	1,059	994	877	769	628	338	5,982	491,184,702
60	181	154	169	161	114	87	57	923	73,146,425
61	188	174	150	170	115	84	64	945	75,660,026
62	177	147	158	164	119	83	68	916	71,312,928
63	136	131	144	156	99	72	65	803	61,927,047
64	123	118	96	117	100	78	57	689	53,818,465
65+	590	452	507	458	342	228	238	2,815	194,649,404
Total	**23,056**	**11,496**	**7,924**	**5,572**	**3,797**	**2,440**	**1,137**	**55,422**	**$4,070,850,863**

School Division

For School Division members the average age was 44.5 years, the average service was 9.1 years, and the average expected remaining service life was 10.5 years.

	Years of Service to Valuation Date							Total	
Attained Age	0–4	5–9	10–14	15–19	20–24	25–29	30+	No.	Annual Valuation Payroll
Up to 20	1,788	—	—	—	—	—	—	1,788	$17,526,473
20-24	6,167	306	—	—	—	—	—	6,473	164,423,103
25-29	8,012	3,005	98	1	—	—	—	11,116	469,277,228
30-34	5,934	4,585	2,015	50	—	—	—	12,584	618,172,379
35-39	6,217	3,873	3,865	1,356	82	—	—	15,393	801,350,247
40-44	6,340	3,937	3,228	3,045	1,556	96	—	18,202	1,027,834,579
45-49	9,351	4,373	2,906	2,452	3,179	1,443	79	23,783	1,303,110,673
50-54	3,637	2,884	2,558	2,108	2,341	2,433	702	16,663	1,103,424,242
55-59	2,827	2,006	2,047	1,958	1,990	1,482	795	13,105	817,404,783
60	446	301	319	265	326	216	96	1,969	112,212,657
61	436	310	283	280	290	206	97	1,902	104,944,238
62	452	292	259	235	280	190	110	1,818	98,041,269
63	384	289	247	246	235	157	95	1,653	84,463,140
64	384	266	207	180	208	132	70	1,447	68,524,386
65+	2,174	1,259	821	616	617	404	253	6,144	228,812,805
Total	**54,549**	**27,686**	**18,853**	**12,792**	**11,104**	**6,759**	**2,297**	**134,040**	**$7,019,522,202**

Division Trust Funds—Pension

Schedule of Members in Actuarial Valuation (continued)
By Attained Age and Years of Service as of December 31, 2025
(In Actual Dollars)

Local Government Division

For Local Government Division members (excluding Safety Officers) the average age was 43.6 years, the average service was 7.8 years, and the average expected remaining service life was 9.6 years. For Safety Officers the average age was 35.7 years, the average service was 3.1 years, and the average expected remaining service life was 13.7 years.

	Years of Service to Valuation Date							Total	
Attained Age	0–4	5–9	10–14	15–19	20–24	25–29	30+	No.	Annual Valuation Payroll
Up to 20	587	—	—	—	—	—	—	587	$5,323,837
20-24	614	30	—	—	—	—	—	644	22,799,564
25-29	893	165	9	—	—	—	—	1,067	64,872,634
30-34	883	428	100	8	—	—	—	1,419	104,552,912
35-39	731	472	264	72	8	—	—	1,547	126,483,665
40-44	635	368	289	142	99	15	—	1,548	133,857,823
45-49	549	346	292	182	151	91	13	1,624	145,549,053
50-54	411	297	230	176	198	109	36	1,457	135,029,343
55-59	343	238	193	158	215	93	51	1,291	116,881,030
60	52	39	34	29	31	12	8	205	17,846,850
61	57	33	38	17	25	13	11	194	14,719,459
62	64	33	27	21	27	15	15	202	16,847,745
63	42	26	20	39	24	17	4	172	13,094,176
64	37	27	22	14	25	6	3	134	10,530,120
65+	260	150	84	75	49	37	26	681	35,516,923
Total	**6,158**	**2,652**	**1,602**	**933**	**852**	**408**	**167**	**12,772**	**$963,905,134**

Judicial Division

For Judicial Division members the average age was 52.9 years, the average service was 12.1 years, and the average expected remaining service life was 11.2 years.

	Years of Service to Valuation Date							Total	
Attained Age	0–4	5–9	10–14	15–19	20–24	25–29	30+	No.	Annual Valuation Payroll
Up to 20	—	—	—	—	—	—	—	—	$—
20-24	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—
30-34	3	2	—	—	—	—	—	5	774,820
35-39	9	1	2	—	—	—	—	12	2,251,302
40-44	16	10	12	11	1	—	—	50	8,950,870
45-49	11	29	13	13	6	—	—	72	13,573,787
50-54	9	19	13	8	11	2	—	62	11,671,232
55-59	8	20	12	20	12	2	3	77	15,019,688
60	2	2	4	2	5	1	—	16	3,003,313
61	—	1	—	5	—	1	—	7	1,165,011
62	1	1	2	1	2	1	1	9	1,761,749
63	2	—	1	4	2	1	2	12	2,170,050
64	2	1	2	3	2	—	1	11	2,187,064
65+	1	5	4	4	1	2	3	20	3,978,301
Total	**64**	**91**	**65**	**71**	**42**	**10**	**10**	**353**	**$66,507,187**

Division Trust Funds—Pension

Schedule of Members in Actuarial Valuation (continued)

By Attained Age and Years of Service as of December 31, 2025

(In Actual Dollars)

DPS Division

For DPS Division members the average age was 41.4 years, the average service was 8.1 years, and the average expected remaining service life was 9.8 years.

	Years of Service to Valuation Date							Total	
Attained Age	0–4	5–9	10–14	15–19	20–24	25–29	30+	No.	Annual Valuation Payroll
Up to 20	167	—	—	—	—	—	—	167	$2,844,332
20-24	1,015	63	—	—	—	—	—	1,078	30,815,446
25-29	1,444	406	16	—	—	—	—	1,866	86,686,566
30-34	1,107	841	304	7	—	—	—	2,259	133,069,766
35-39	806	647	667	196	8	—	—	2,324	153,485,730
40-44	839	580	583	461	91	8	—	2,562	174,402,999
45-49	491	363	364	369	212	66	6	1,871	139,457,036
50-54	349	259	264	286	193	165	36	1,552	116,068,667
55-59	259	160	186	243	119	128	50	1,145	81,928,714
60	35	30	28	31	20	18	12	174	11,518,428
61	29	23	27	38	24	9	5	155	9,876,021
62	52	31	30	27	12	12	7	171	10,241,191
63	25	31	28	34	22	8	6	154	10,436,563
64	36	20	9	25	11	10	11	122	6,995,088
65+	160	94	92	82	30	28	18	504	22,617,952
Total	**6,814**	**3,548**	**2,598**	**1,799**	**742**	**452**	**151**	**16,104**	**$990,444,499**

Division Trust Funds—Pension

Schedule of Active Member Actuarial Valuation Data

As of December 31

(In Actual Dollars)

Year	Number of Participating Employers[1]	Number of Active Members	Annual Payroll for Active Members	Average Annual Pay for Active Members	Percentage Increase (Decrease) in Average Annual Pay
State Division					
2016	32	55,725	$2,710,650,565	$48,643	—
2017	32	55,686	2,774,207,203	49,819	2.42%
2018	32	55,511	2,898,827,271	52,221	4.82%
2019	32	55,252	2,995,452,821	54,214	3.82%
2020	32	53,643	3,089,161,069	57,587	6.22%
2021	32	53,477	3,092,509,212	57,829	0.42%
2022	32	50,892	3,183,955,204	62,563	8.19%
2023	32	53,687	3,576,200,794	66,612	6.47%
2024	32	55,584	3,884,095,366	69,878	4.90%
2025	**33**	**55,422**	**4,070,850,863**	**73,452**	**5.11%**
School Division					
2016	229	121,945	$4,349,319,783	$35,666	—
2017	234	122,990	4,471,356,847	36,355	1.93%
2018	234	126,333	4,789,503,451	37,912	4.28%
2019	235	128,938	5,104,430,888	39,588	4.42%
2020	234	119,421	5,146,117,910	43,092	8.85%
2021	233	125,007	5,465,866,064	43,724	1.47%
2022	234	128,057	5,670,279,844	44,279	1.27%
2023	234	131,188	6,176,712,495	47,083	6.33%
2024	235	134,080	6,743,066,460	50,291	6.81%
2025	**236**	**134,040**	**7,019,522,202**	**52,369**	**4.13%**
Local Government Division					
2016	141	12,736	$608,222,609	$47,756	—
2017	140	12,770	632,768,337	49,551	3.76%
2018	141	13,260	660,998,127	49,849	0.60%
2019	141	13,086	681,093,520	52,047	4.41%
2020	141	12,757	698,059,659	54,720	5.14%
2021	141	12,745	723,744,103	56,787	3.78%
2022	141	12,103	760,261,752	62,816	10.62%
2023	141	12,700	843,453,258	66,414	5.73%
2024	142	12,982	922,767,148	71,081	7.03%
2025	**142**	**12,772**	**963,905,134**	**75,470**	**6.17%**
Judicial Division					
2016	2	335	$48,699,531	$145,372	—
2017	2	332	48,947,607	147,433	1.42%
2018	2	332	50,505,856	152,126	3.18%
2019	2	339	53,427,351	157,603	3.60%
2020	2	344	54,780,086	159,244	1.04%
2021	2	345	55,779,834	161,681	1.53%
2022	2	340	56,565,330	166,369	2.90%
2023	2	347	60,606,139	174,657	4.98%
2024	2	351	63,469,833	180,826	3.53%
2025	**2**	**353**	**66,507,187**	**188,406**	**4.19%**

Please see next page for footnote references.

Division Trust Funds—Pension

Schedule of Active Member Actuarial Valuation Data (continued)

As of December 31

(In Actual Dollars)

Year	Number of Participating Employers[1]	Number of Active Members	Annual Payroll for Active Members	Average Annual Pay for Active Members	Percentage Increase (Decrease) in Average Annual Pay
DPS Division					
2016	1	15,950	$642,177,158	$40,262	—
2017	1	15,991	658,198,306	41,161	2.23%
2018	1	16,148	722,040,073	44,714	8.63%
2019	1	15,679	736,263,798	46,959	5.02%
2020	1	14,693	771,347,604	52,498	11.80%
2021	1	15,695	823,395,477	52,462	(0.07%)
2022	1	15,254	810,402,643	53,127	1.27%
2023	1	15,626	894,245,013	57,228	7.72%
2024	1	16,207	888,094,403	54,797	(4.25%)
2025	**1**	**16,104**	**990,444,499**	**61,503**	**12.24%**
All Division Trust Funds					
2016	405	206,691	$8,359,069,646	$40,442	—
2017	409	207,769	8,585,478,300	41,322	2.18%
2018	410	211,584	9,121,874,778	43,112	4.33%
2019	411	213,294	9,570,668,378	44,871	4.08%
2020	410	200,858	9,759,466,328	48,589	8.29%
2021	409	207,269	10,161,294,690	49,025	0.90%
2022	410	206,646	10,481,464,773	50,722	3.46%
2023	410	213,548	11,551,217,699	54,092	6.64%
2024	412	219,204	12,501,493,210	57,031	5.43%
2025	**414**	**218,691**	**13,111,229,885**	**59,953**	**5.12%**

[1] The employer counts are presented for purposes of complying with GASB 67 only, which classifies a primary government and its component units as one employer. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

Health Care Trust Funds—OPEB

Actuarial Topics

The standard promulgated by the GASB Statement No. 74 results in the preparation of two actuarial valuations—one for funding purposes and one for accounting and financial reporting purposes. Unless otherwise noted, this Health Care Trust Funds subsection reports on the actuarial valuation performed for funding purposes, but also includes information on specific differences between the two actuarial valuations.

The other postemployment benefit (OPEB) plan provisions in effect on December 31, 2025, are summarized in Note 9 of the Notes to the Financial Statements in the Financial Section. Changes to plan provisions enacted into law after December 31, 2025, and included in the actuarial valuation are summarized under "Changes Since Last Actuarial Valuation" on page 191.

PERA Board Governance - Two Defined Benefit OPEB Plans	
PERA Defined Benefit OPEB Plans	PERA's two defined benefit OPEB plans include the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer plan, and the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer plan. The HCTF and the DPS HCTF provide a subsidy for PERACare, PERA's health benefits program. Participation in the HCTF and the DPS HCTF is voluntary pursuant to C.R.S. § 24-51-1201. Employer contributions and investment earnings on the assets of the plans primarily pay for the costs. The HCTF was established as of July 1, 1985, and the DPS HCTF was established January 1, 2010, with the asset transfer from the Denver Public Schools Retiree Health Benefit Trust held by the DPS Board of Education. The HCTF and the DPS HCTF provide a health care premium subsidy based upon the benefit structure under which a member retires and the member's years of service credit. There is an allocation of the premium subsidy between the trust funds for members who retire with service credit in the DPS Division and one or more of the other divisions, as set forth in C.R.S. § 24-51-1206.5. The basis for the allocation of the premium subsidy is the percentage of the member contribution balance from each division as it relates to the total member contribution account balance.
PERA Board OPEB Funding Policy	The PERA Board is responsible for maintaining an OPEB funding policy applicable to these plans. The current OPEB funding policy initially was adopted by the Board on January 19, 2018, effective for the December 31, 2017, funding actuarial valuation, and last amended on January 19, 2024. The OPEB funding policy requires the calculation of an ADC for each of the two Health Care Trust Funds for the purpose of assessing the adequacy of the statutory contribution rate of each fund. The ADC is determined in accordance with the OPEB plan provisions in effect as of the date of the actuary's Letter of Certification and is expressed as a level percentage of assumed future covered payroll.
Actuarial Service Provider & Other Responsibilities	The Board retains an external actuary, and effective November 1, 2018, Segal was retained to perform annual actuarial valuations and sustainability projections as well as periodic experience studies to review the actuarial assumptions versus actual plan experience. The Board's initial contract agreement with Segal was extended effective January 1, 2024, for an additional five-year period ending December 31, 2028. In addition, the Board has the authority to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program including the administration of the health care subsidies.
Actuarial Service Provider Funding Method Statement	Per their actuarial valuation report, "Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and a portion of the principal balance. The OPEB funding policy adopted by PERA meets this standard."

Actuarial Methods	
Actuarial Methods	The Board is responsible for the actuarial methods and assumptions used in the actuarial valuations in accordance with C.R.S. § 24-51-204(5). Through formal action, the Board updates, replaces, or adopts new actuarial methods and assumptions as deemed necessary. Initial valuations were performed on an "open group" basis approximately once every two years. Annual valuations commenced with the December 31, 1998, actuarial valuation.

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Actuarial Methods	Type	Description / Source / Basis	Adoption / Effective Date
Asset Valuation Method	Smoothed Actuarial Value of Assets	In 1992, the Board adopted a method for valuing assets that determines a smoothed fair value (synonymous with the term "market value," as is used in the Board's OPEB funding policy) of assets to help mitigate volatile investment market experience. The smoothed fair value of assets recognizes the differences between actual and expected investment experience for each year in equal amounts over a four-year period.	Initially Adopted: 1992; Effective: Jan 1, 1993; Reinitialized to Fair Value as of: Dec 31, 2004; Effective: Dec 31, 2005
Actuarial Cost Method	Entry Age (EA) Actuarial Cost Method	The EA funding or cost method is designed to keep annual costs level as a percent of covered payroll and for this reason, was selected by the Board to be used in the actuarial valuations. Beginning with the December 31, 2016, actuarial valuation, the basis by which to determine normal cost was changed from credited service to compensation. The effect of differences between the actuarial assumptions and the actual experience of the plan is determined within each annual actuarial valuation. These differences produce actuarial gains or losses that result in an adjustment of the UAAL.	EA Effective: Jan 1, 1991; Normal Cost basis changed from service to compensation Effective: Dec 31, 2016
Amortization Method	Defined, Closed, and Layered Periods	The ADC is determined by adding the normal cost and the cost to amortize, over defined, closed periods, any existing UAAL or new UAAL, including the impact of any actuarial experience gains and losses, changes in actuarial methods or assumptions, and changes in plan provisions. Each amortized item is tracked over the closed period defined for that category. The closed 30-year period used to amortize the legacy UAAL (and any subsequent contribution deficiencies and surpluses) was initialized as of December 31, 2017. All gains, losses, and changes in actuarial methods and assumptions on and after January 1, 2018, are recognized each year and amortized separately over closed 30-year periods. The impact of any changes in plan provisions will be recognized over a closed period relating to the demographics of the group affected and/or the duration of the enhancement provided, not to exceed 25 years. If any future actuarial valuation indicates a division has a negative UAAL, the ADC shall be set equal to the normal cost until such time as the funded ratio equals or exceeds 120%. At that time, the ADC shall be equal to the normal cost less an amount equal to 15-year amortization of the portion of the negative UAAL above the 120% funded ratio.	Initially Adopted: Jan 19, 2018; Effective: Dec 31, 2017

Health Care Trust Funds—OPEB

Actuarial Assumptions

Actuarial Assumptions[1]	Unless otherwise noted, it can be assumed the economic and demographic actuarial assumptions applied to the actuarial valuation for funding purposes also were applied to the actuarial valuation for accounting and financial reporting purposes. All actuarial methods and assumptions necessary to assess OPEB liabilities, in addition to those already previously, are described as follows. The actuary followed ASOP No. 6, *Measuring Retiree Group Benefit Obligations*, for purposes of recommending appropriate OPEB-specific assumptions.	
	Basis of Actuarial Assumptions Used	Unless otherwise noted, the basis of all selected economic and non-economic actuarial assumptions resulted from the 2024 experience analysis, related discussions, and Board adoption that took place during the January 17, 2025, Board meeting. As a result of the most recent asset/liability study, initiated in 2023 and concluded at the September 20, 2024, Board meeting, the Board reaffirmed the 7.25% assumed long-term rate of investment return effective as of January 1, 2025, which was supported by the analysis provided by Segal in the 2024 Experience Analysis report delivered and dated January 3, 2025.

[1] See Exhibits H through K for detailed assumption information.

Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Initial Per Capita Health Care Costs	Exhibit H	Exhibit H contains the assumptions used in determining the additional liability for PERACare enrollees under the PERA benefit structure (and in certain circumstances, the DPS benefit structure), who are age 65 or older and who are not eligible for premium-free Medicare Part A. Shown are the monthly costs/premiums assumed for 2026, subject to health care cost trend rates. Basis: Reviewed annually and updated, as appropriate, and age-related morbidity assumptions removed effective December 31, 2024.	Updated Effective: Dec 31, 2025
Health Care Cost Trend Rates	Exhibit H	Health care cost trends reflect the change in per capita costs over time and include such factors as unit cost, utilization of health care services, plan design, and technological improvements. These factors impact overall cost (and thus retiree share after the fixed subsidy) as well as the costs for Medicare beneficiaries not eligible for premium-free Medicare Part A under the PERA benefit structure (and in certain circumstances, the DPS benefit structure.) Basis: Reviewed annually and updated, as appropriate.	Updated Effective: Dec 31, 2025

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Non-Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Health Care Participation Rate Assumptions	Exhibit I	Current PERACare participants are assumed to maintain their current health care benefit elections in perpetuity. For active members retiring directly from covered employment, Exhibit I provides the assumed age-based participation rates. The 2024 experience analysis supported a reduction in anticipated participation for retiring active members at most ages for all divisions.	Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
Survivors of Retirees Choosing Joint & Survivor Payment Options	Portion of Male Retirees with Surviving Spouse: 60%; Portion of Female Retirees with Surviving Spouse: 35%	Survivors of retirees under the PERA benefit structure electing health care coverage are eligible to receive the subsidy. To anticipate future liabilities driven by these survivors, it is assumed a percent of the current members assumed to elect PERACare coverage will choose a joint and survivor optional payment and thus, their survivors will qualify for the subsidy. The 2024 experience analysis confirmed the current assumptions.	Last Revised: Nov 20, 2020; Effective: Dec 31, 2020
Age Differences	Male Retiree: Three Years Older than Female Spouse; Female Retiree: One Year Younger than Male Spouse	The assumed average number of years a covered male spouse is older than a covered female spouse is three years for a male retiree and one year for a female retiree. These assumptions initially were determined from actual census data and were revised from the previous non-gender specific assumptions used in prior actuarial valuations. The 2024 experience analysis confirmed the current assumptions.	Last Revised: Nov 18, 2016; Effective: Dec 31, 2016
Health Care Participation Election Assumption for Inactive Members	Inactive Members: 15%	It is assumed a certain percent of eligible inactive members will elect health care coverage upon commencement of their monthly benefit. The 2024 experience analysis supported a reduction in anticipated participation for inactive members.	Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
Health Care Participation Spousal Election Assumption	3%	It is assumed a certain percent of participating members, regardless of prior status, retirement benefit payment selection, or eligibility for premium-free Medicare Part A, will elect coverage for their spouses. The 2024 experience analysis supported a reduction in the resulting spousal election assumption.	Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
Commencement Age Assumed for Inactive Members	Age 60	For eligible inactive members, an average age at which health benefits are to begin must be assumed. Here, the assumed age of initial benefit receipt is determined using the same approach used for terminating active members who are assumed to leave their contributions in the plan in order to be eligible for a pension benefit at their retirement date. Previously, this assumption varied depending on benefit structure and years of service, however, the 2024 experience analysis supported a change to age 60 for the assumed initial benefit age for all inactive member groups.	Last Confirmed/ Revised: Jan 17, 2025; Effective: Dec 31, 2024
Medicare Health Care Plan Election Rate Assumptions	Exhibit J	Exhibit J shows the assumed plan elections for current and future Medicare-eligible retirees who are not eligible for premium-free Medicare Part A. Basis: Reviewed annually and updated, as appropriate, the revised Medicare Health Care Plan election rate assumptions were based on an experience analysis of recent data and supported by the 2024 experience analysis.	Updated Effective: Dec 31, 2023

Health Care Trust Funds—OPEB

Non-Economic Assumptions	Value(s) / Type	Description / Source / Basis	Adoption / Effective Date
Percent Qualifying for "No Part A" Subsidy Assumptions	Exhibit K	For those current PERACare enrollees who are age 65 and older, the premium-free Medicare Part A eligibility status is provided by PERA and is assumed to be maintained in perpetuity. For current PERACare enrollees not yet age 65, estimated to have been hired prior to April 1, 1986, and assumed ineligible for premium-free Medicare Part A coverage through their spouse, and for those active employees hired prior to April 1, 1986, Exhibit K lists the percentage, by estimated age at hire, of PERACare enrollees assumed to not qualify for premium-free Medicare Part A benefits, thus qualifying for the applicable "No Part A" subsidy. The 2024 experience analysis supported reductions in assumptions for healthy PERACare enrollees, at certain hire ages and the percentage of those assumed to cover a spouse, as follows: Of the PERACare enrollees under the PERA benefit structure assumed to qualify for the "No Part A" subsidy, 3% are assumed to cover a spouse. Of the disability retirees enrolled in PERACare 5% are assumed to qualify for the "No Part A" subsidy. Of the eligible inactive (or deferred vested) members enrolled in PERACare, 100% are assumed to obtain the 40 or more quarters of Medicare-covered employment required for premium-free Medicare Part A coverage as a result of their subsequent employment, therefore 0% are assumed to qualify for the "No Part A" subsidy.	Last Confirmed/Revised: Jan 17, 2025; Effective: Dec 31, 2024
Mortality	Exhibit D and Exhibit G	The revised pre- and post-retirement and disability retirement mortality assumptions described in the Division Trust Funds subsection of this Actuarial Section appropriately reflect PERA's recent and anticipated plan experience and are used to estimate the value of expected future subsidy payments. Exhibit D in the Division Trust Funds subsection of this Actuarial Section, lists the healthy pre-retirement mortality rates at sample ages and Exhibit G lists the healthy post-retirement mortality rates and values at sample ages. As a result of the 2024 experience analysis, the base mortality tables were maintained with small changes to credibility adjustments, where applicable, and applied mortality projection was updated to the 2024 adjusted scale MP-2021. All mortality tables for purpose of valuing the Health Care Trust Funds are headcount-weighted.	First implemented use of separate mortality tables for different groups / divisions Effective: Dec 31, 2016; First implemented generational mortality and use of a separate mortality table for beneficiaries Effective: Dec 31, 2020 Mortality - Last Revised: Jan 17, 2025; Effective: Dec 31, 2024
AI Rate	N/A	As the service-based premium subsidy does not increase over time, there is no need for an assumption regarding increasing benefit amounts. Basis: N/A	N/A

Actuarial Studies	
Governance Studies	All actuarial studies described in the Division Trust Funds subsection of this Actuarial Section titled, Actuarial Studies, incorporated a review and analysis of actuarial methods and assumptions pertaining to the HCTF and the DPS HCTF.

Health Care Trust Funds—OPEB

Changes Since Last Actuarial Valuation

Changes in Actuarial Methods	There are no changes in actuarial methods incorporated in the December 31, 2025, actuarial valuation, since the last actuarial valuation as of December 31, 2024.
Changes in Actuarial Assumptions	The actuarial assumption changes, specific to the HCTF and the DPS HCTF, incorporated into the December 31, 2025, actuarial valuation, since the last actuarial valuation as of December 31, 2024 are as follows: Revisions were made to the following assumptions based on annual analysis: • Per capita health care costs in effect as of the December 31, 2025, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2026 plan year. • The health care cost trend rates applicable to health plan premiums were revised to reflect the current expectation of future increases in those premiums. • Health care plan election rates for PERACare enrollees under the PERA benefit structure, who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits, have been updated to reflect recent changes in demographics.
Changes in Plan Provisions	Except for the items noted below, there are no changes in OPEB plan provisions incorporated in the December 31, 2025, actuarial valuation since the last actuarial valuation as of December 31, 2024. House Bill (HB) 26-1400, enacted June 1, 2026, and effective July 1, 2026, is reflected to the extent possible in the December 31, 2025, valuation. HB 26-1400 reduces the allocated employer contribution to the HCTF by 0.50% of salary, from 1.02% to 0.52%. HB 25-1105, enacted May 23, 2025, and effective July 1, 2025, was reflected in the December 31, 2025, valuation. HB 25-1105 reduced the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%, and reduced the allocated employer contribution to the DPS HCTF by 0.82% of salary, from 1.02% to 0.20%.

Significant Events

There were no significant events during 2025.

Differences in Actuarial Valuation Methods and Assumptions

- The actuarial valuation for funding purposes was performed as of December 31, 2025. The actuarial valuation for accounting and financial reporting purposes was performed as of December 31, 2024, and the total OPEB liability was rolled forward to the measurement date as of December 31, 2025.
- Census data used for the actuarial valuation for funding purposes reflects membership data as of December 31, 2025, and the census data used for the actuarial valuation for accounting and financial reporting purposes reflects membership data as of December 31, 2024. All summaries and schedules shown in the Actuarial Section represent actuarial valuation results for funding purposes, and therefore, reflect census data as of December 31, 2025.
- The actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed fair value of assets for purposes of determining the UAAL. The actuarial valuation for accounting and financial reporting purposes applies the fair value of assets to determine the net OPEB liability.
- The actuarial valuation for funding purposes reflects updated initial per capita health care costs and health care trend rates to 2026. In addition, the health care plan election rates for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect recent changes in demographics. The actuarial valuation for accounting and financial reporting purposes reflects updated initial per capita health care costs and health care trend rates to 2025.

Health Care Trust Funds—OPEB

Actuarial Assumptions: Exhibits H–K

The following exhibits (Exhibits H through L) show the actuarial assumptions employed to determine the actuarial valuation results. The basic economic and demographic actuarial assumptions as detailed in Exhibits A through G, in the Division Trust Funds subsection of the Actuarial Section, also were applied, as applicable, for purposes of determining OPEB liabilities.

Exhibit H: Initial Health Care Costs and Trend Rate Assumptions—PERA Benefit Structure

Per Capita Health Care Cost Development

Continuing from the prior year, the per capita health care costs are developed by plan option. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A.

MAPD PPO #1:
Based on January 1, 2026, premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1.

MAPD PPO #2:
Based on January 1, 2026, premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #2.

MAPD HMO:
Based on January 1, 2026, premium rates for the Kaiser Permanente Medicare Advantage Prescription Drug (MAPD) HMO plan.

Per Capita Health Care Costs Beginning January 1, 2026

(In Actual Dollars)

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$4,788	$9,564
MAPD PPO #2	2,340	5,880
MAPD HMO (Kaiser)	2,148	8,088

The 2026 Medicare Part A Premium is $565 per month.

Health Care Cost Trend Rate Assumptions[1]

Year	PERACare Medicare Plans	Medicare Part A Premiums
2026	8.00%	5.00%
2027	7.65%	4.75%
2028	7.30%	4.75%
2029	6.95%	4.75%
2030	6.60%	4.50%
2031	6.25%	4.50%
2032	5.90%	4.75%
2033	5.55%	4.75%
2034	5.20%	4.50%
2035	4.85%	4.50%
2036+	4.50%	4.50%

[1] Applies only to PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A. Where the actual premiums for the selected plan are less than the service-based premium subsidy, trend rate assumptions are applied accordingly.

Health Care Trust Funds—OPEB

Exhibit I: Health Care Participation Rate Assumptions

	Percent Electing Health Care Coverage	
Attained Age(s)	Other Divisions	DPS Division
15 – 49	20%	20%
50	30%	35%
51	30%	35%
52	30%	35%
53	30%	35%
54	30%	35%
55	30%	40%
56	30%	40%
57	30%	40%
58	35%	40%
59	35%	40%
60	35%	40%
61	35%	45%
62	35%	45%
63	35%	45%
64	40%	45%
65	40%	45%
66	40%	45%
67	40%	45%
68	40%	40%
69	40%	40%
70	30%	40%
71	30%	40%
72+	30%	40%

Exhibit J: Medicare Health Care Plan Election Rate Assumptions

	Percent of Future Medicare Benefit Recipients Electing Medicare Plan
Medicare Plans[1]	All Divisions
UnitedHealthcare MAPD PPO[2]	75%
Kaiser Permanente Medicare Advantage HMO	25%

1 These assumptions are applicable to members under the PERA benefit structure only.

2 Of the PERACare enrollees participating in the UnitedHealthcare MAPD PPO plans, it is assumed 65% elect MA #1 and 35% elect MA #2.

Exhibit K: Percent Qualifying for "No Part A" Subsidy Assumptions

Hire Age	HCTF[1,2]	DPS HCTF[2]
15 – 24	15%	15%
25 – 29	10%	10%
30+	4%	4%

1 Of the PERACare enrollees under the PERA benefit structure assumed to qualify for the "No Part A" subsidy, 3% are assumed to cover a spouse.

2 Of the PERACare enrollees receiving health care benefits as a result of disability retirement, 5% are assumed to qualify for the "No Part A" subsidy. Of the eligible inactive (or deferred vested) members enrolled in PERACare, 100% are assumed to obtain the 40 or more quarters of Medicare-covered employment required for premium-free Medicare Part A coverage as a result of their subsequent employment.

Health Care Trust Funds—OPEB

Summary of Funding Progress

The PERA funding objective is to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of covered payroll earned by PERA members. The following schedules presented in this section provide an overview of funding progress:

- The Schedule of Funded Liabilities by Type shows the degree to which existing liabilities are funded, including prior history.
- The Schedule of Funding Progress shows the UAAL as a percentage of annual covered payroll, including prior history.
- A schedule detailing actuarial gains and losses, by source, for the current year.
- The scheduled contribution requirements based on the December 31, 2025, actuarial valuation for the period ending December 31, 2027.

Schedule of Funded Liabilities by Type

The Schedule of Funded Liabilities by Type, formerly known as the "solvency test," compares the plan's actuarial value of assets with: (A) member contributions (with interest) on deposit, (B) the liabilities for future benefits to persons who have retired, died or become disabled, and to those who have terminated service with the right to a future benefit, and (C) the liabilities for service already rendered by active members. Since the HCTF and the DPS HCTF are funded only through employer contributions, there are no member contribution accounts (liability A).

The following table shows the funded level of the liabilities for future benefits to current retirees (liability B) and the funded or unfunded level, as applicable, of liabilities associated with service already rendered by active members (liability C):

Schedule of Funded Liabilities by Type

(Dollars in Thousands)

	Aggregate Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Valuation Assets		
Valuation Date	Active Member Contributions (A)	Retirees, Beneficiaries, and Inactive Members (B)	Employer-Financed Portion of Active Members (C)	Actuarial Value of Plan Assets	Liability (A)	Liability (B)	Liability (C)
HCTF							
12/31/2016	N/A	$1,153,015	$403,747	$270,150	N/A	23.4%	0.0%
12/31/2017	N/A	1,178,160	403,062	260,282	N/A	22.1%	0.0%
12/31/2018	N/A	1,084,313	393,801	288,323	N/A	26.6%	0.0%
12/31/2019	N/A	1,048,219	398,950	348,433	N/A	33.2%	0.0%
12/31/2020	N/A	1,041,551	376,340	430,256	N/A	41.3%	0.0%
12/31/2021	N/A	973,039	372,432	511,143	N/A	52.5%	0.0%
12/31/2022	N/A	965,100	352,056	571,710	N/A	59.2%	0.0%
12/31/2023	N/A	956,764	357,447	635,906	N/A	66.5%	0.0%
12/31/2024	N/A	849,060	279,391	708,113	N/A	83.4%	0.0%
12/31/2025	**N/A**	**818,428**	**279,553**	**800,330**	**N/A**	**97.8%**	**0.0%**
DPS HCTF							
12/31/2016	N/A	$51,357	$21,488	$18,945	N/A	36.9%	0.0%
12/31/2017	N/A	50,796	19,496	21,117	N/A	41.6%	0.0%
12/31/2018	N/A	48,268	21,184	25,018	N/A	51.8%	0.0%
12/31/2019	N/A	46,398	21,539	31,189	N/A	67.2%	0.0%
12/31/2020	N/A	45,306	20,252	39,853	N/A	88.0%	0.0%
12/31/2021	N/A	40,643	21,417	49,719	N/A	100.0%	42.4%
12/31/2022	N/A	39,157	20,524	58,134	N/A	100.0%	92.5%
12/31/2023	N/A	39,156	21,657	67,109	N/A	100.0%	100.0%
12/31/2024	N/A	36,037	17,098	77,320	N/A	100.0%	100.0%
12/31/2025	**N/A**	**34,986**	**17,745**	**84,799**	**N/A**	**100.0%**	**100.0%**

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Schedule of Funded Liabilities by Type (continued)

(Dollars in Thousands)

	Aggregate Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Valuation Assets		
Valuation Date	Active Member Contributions (A)	Retirees, Beneficiaries, and Inactive Members (B)	Employer-Financed Portion of Active Members (C)	Actuarial Value of Plan Assets	Liability (A)	Liability (B)	Liability (C)
Total of Health Care Trust Funds[1]							
12/31/2016	N/A	$1,204,372	$425,235	$289,095	N/A	24.0%	0.0%
12/31/2017	N/A	1,228,956	422,558	281,399	N/A	22.9%	0.0%
12/31/2018	N/A	1,132,581	414,985	313,341	N/A	27.7%	0.0%
12/31/2019	N/A	1,094,617	420,489	379,622	N/A	34.7%	0.0%
12/31/2020	N/A	1,086,857	396,592	470,109	N/A	43.3%	0.0%
12/31/2021	N/A	1,013,682	393,849	560,862	N/A	55.3%	0.0%
12/31/2022	N/A	1,004,257	372,580	629,844	N/A	62.7%	0.0%
12/31/2023	N/A	995,920	379,104	703,015	N/A	70.6%	0.0%
12/31/2024	N/A	885,097	296,489	785,433	N/A	88.7%	0.0%
12/31/2025	**N/A**	**853,414**	**297,298**	**885,129**	**N/A**	**100.0%**	**10.7%**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Unfunded Actuarial Accrued Liability

UAAL is the difference between actuarially calculated liability for service already rendered and the valuation assets of the fund.

The following factors resulted in higher than expected liabilities (or losses) during 2025:

- Lower than assumed investment return (based on the smoothed actuarial value of assets) for 2025.
- Of the members who terminated PERA-covered employment fewer withdrew their accounts than expected.
- New PERA members had some service resulting in accrued liabilities.
- Unfavorable benefit utilization and claims experience.

The following factors resulted in lower than expected liabilities (or gains) during 2025:

- Retirees experienced shorter lifespans than expected.
- Fewer members retired at earlier ages than expected.
- Fewer service and disability retirements than expected.
- Actual payroll contributions were greater than the determined ADC for the HCTF and the DPS HCTF.

Health Care Trust Funds—OPEB

Schedule of Funding Progress

(Dollars in Thousands)

(A) Valuation Date	(B) Actuarial Value of Plan Assets	(C) Actuarial Accrued Liabilities	(D) Unfunded Actuarial Accrued Liabilities (UAAL) (C) – (B)	(E) Funded Ratio (B) / (C)	(F) Annual Covered Payroll	(G) UAAL As a Percentage of Covered Payroll (D) / (F)
HCTF						
12/31/2016	$270,150	$1,556,762	$1,286,612	17.4%	$7,716,894	16.7%
12/31/2017	260,282	1,581,222	1,320,940	16.5%	7,927,280	16.7%
12/31/2018	288,323	1,478,114	1,189,791	19.5%	8,399,835	14.2%
12/31/2019	348,433	1,447,169	1,098,736	24.1%	8,834,404	12.4%
12/31/2020	430,256	1,417,891	987,635	30.3%	8,988,119	11.0%
12/31/2021	511,143	1,345,471	834,328	38.0%	9,337,899	8.9%
12/31/2022	571,710	1,317,156	745,446	43.4%	9,671,062	7.7%
12/31/2023	635,906	1,314,211	678,305	48.4%	10,656,973	6.4%
12/31/2024	708,113	1,128,451	420,338	62.8%	11,613,399	3.6%
12/31/2025	**800,330**	**1,097,981**	**297,651**	**72.9%**	**12,120,785**	**2.5%**
DPS HCTF						
12/31/2016	$18,945	$72,845	$53,900	26.0%	$642,177	8.4%
12/31/2017	21,117	70,292	49,175	30.0%	658,198	7.5%
12/31/2018	25,018	69,452	44,434	36.0%	722,040	6.2%
12/31/2019	31,189	67,937	36,748	45.9%	736,264	5.0%
12/31/2020	39,853	65,558	25,705	60.8%	771,347	3.3%
12/31/2021	49,719	62,060	12,341	80.1%	823,396	1.5%
12/31/2022	58,134	59,681	1,547	97.4%	810,403	0.2%
12/31/2023	67,109	60,813	(6,296)	110.4%	894,245	(0.7%)
12/31/2024	77,320	53,135	(24,185)	145.5%	888,094	(2.7%)
12/31/2025	**84,799**	**52,731**	**(32,068)**	**160.8%**	**990,445**	**(3.2%)**
Total of Health Care Trust Funds[1]						
12/31/2016	$289,095	$1,629,607	$1,340,512	17.7%	$8,359,071	16.0%
12/31/2017	281,399	1,651,514	1,370,115	17.0%	8,585,478	16.0%
12/31/2018	313,341	1,547,566	1,234,225	20.2%	9,121,875	13.5%
12/31/2019	379,622	1,515,106	1,135,484	25.1%	9,570,668	11.9%
12/31/2020	470,109	1,483,449	1,013,340	31.7%	9,759,466	10.4%
12/31/2021	560,862	1,407,531	846,669	39.8%	10,161,295	8.3%
12/31/2022	629,844	1,376,837	746,993	45.7%	10,481,465	7.1%
12/31/2023	703,015	1,375,024	672,009	51.1%	11,551,218	5.8%
12/31/2024	785,433	1,181,586	396,153	66.5%	12,501,493	3.2%
12/31/2025	**885,129**	**1,150,712**	**265,583**	**76.9%**	**13,111,230**	**2.0%**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Note: A history of contributions by Health Care Trust Fund, the ADC compared to the actual contributions paid, including the deficiency or (excess), for each of the last 10 years, is shown in the Schedule of Employer Contributions, found on page 111 in the RSI in the Financial Section.

Health Care Trust Funds—OPEB

Actuarial Gains and Losses

Analysis of Financial Experience

(Dollars in Millions)

	HCTF	DPS HCTF
Amounts		
From differences between assumed and actual experience on liabilities		
Age and service retirements[1]	($20.0)	($1.1)
Disability retirements[2]	(0.4)	—
Deaths[3]	(18.2)	0.4
Withdrawals[4]	2.3	0.1
New members[5]	1.8	0.1
Administrative expenses and other[6]	(1.3)	(0.1)
Subtotal	(35.8)	(0.6)
From differences between assumed and actual experience on assets	1.9	0.1
From changes in plan assumptions and methods	6.5	—
From changes in plan provisions	—	—
Total actuarial (gains) on 2025 activities	**($27.4)**	**($0.5)**
Total actuarial (gains) on 2024 activities	**($190.3)**	**($7.9)**

1 *Age and service retirements*: If members retire at older ages than assumed, there is a gain. If members retire at younger ages than assumed, there is a loss.

2 *Disability retirements*: If disability claims are lower than assumed, there is a gain. If disability claims are higher than assumed, there is a loss.

3 *Deaths*: If survivor claims are lower than assumed, there is a gain. If survivor claims are higher than assumed, there is a loss. If retirees die sooner than assumed, there is a gain. If retirees live longer than assumed, there is a loss.

4 *Withdrawal from employment*: If more members terminate and more liabilities are released by withdrawals than assumed, there is a gain. If fewer liabilities are released by terminations than assumed, there is a loss.

5 *New members*: If new members entering the plan have prior service, there is a loss.

6 *Administrative expenses and other*: Includes miscellaneous gains and losses resulting from purchased service transfers, claims experience, benefit utilization, software updates and refinements, data adjustments, timing of financial transactions, etc.

Actuarial Valuation Results

Contribution rates for the year ending December 31, 2027, are derived from the results of the December 31, 2025, annual actuarial valuation and are determined in advance for purposes of budgeting and consideration of any necessary legislative action.

Schedule of Computed Employer Contribution Rates for the 2027 Fiscal Year

	Expressed as a Percentage of Member Payroll	
	HCTF	DPS HCTF
Contributions		
Service retirement benefits	0.11%	0.09%
Disability retirement benefits	0.00%	0.00%
Survivor benefits	0.00%	0.00%
Separation benefits	0.01%	0.01%
Total normal cost	0.12%	0.10%
Less member contributions	(0.00%)	(0.00%)
Employer normal cost	**0.12%**	**0.10%**
Percentage available to amortize unfunded actuarial accrued liabilities	0.40%	0.10%
Projected funding period[1]	6 Years	N/A
Total employer contribution rate for actuarially funded benefits	**0.52%**	**0.20%**

1 The projected funding period for the HCTF was derived on the basis of an open-group population projection considering ongoing employer contributions and any known future changes.

Health Care Trust Funds—OPEB

Annual Actuarial Valuation Statistics

As of December 31, 2025, the Funded Ratio, the UAAL, the ADC for 2027 as a percentage of covered payroll, and the projected funding period are shown in the following table. The results in this table are based on the actuarial valuation for funding purposes.

Actuarial Statistics

(Dollars in Thousands)

Trust Fund	Funded Ratio	UAAL	ADC	Projected Funding Period
HCTF	72.9%	$297,651	0.33%[1]	6 Years
DPS HCTF	160.8%	(32,068)	(0.08%)[2]	N/A
Total of Health Care Trust Funds[3]		**$265,583**		

[1] Determined considering the 30-year target amortization period defined in the OPEB funding policy for purposes of funding benchmarks and RSI reporting as shown in the Financial Section.

[2] Since the funded status of the DPS HCTF is greater than 120%, the ADC is equal to the normal cost less an amount equal to a 15-year amortization of the portion of the negative UAAL above the 120% funded ratio, as dictated by the Board's OPEB Funding Policy.

[3] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Pursuant to the OPEB funding policy, for reporting purposes, alternative ADCs also are determined by applying the layered amortization methodology as previously described. Under the target and alternative calculations, the legacy UAAL as of December 31, 2017, was amortized using a 30-year period, but the alternative ADCs use a 25-year closed period, a 20-year closed period, and a 15-year closed period, in lieu of the 30-year period, for amortization of any "new" UAAL recognized on and after January 1, 2018. The 2027 target and alternative ADCs, by division, are displayed as follows:

	Target ADC	Alternative ADCs		
Trust Fund	30-Year	25-Year	20-Year	15-Year
HCTF	0.33%[1]	0.27%[2]	0.16%[2]	(0.05%)[2]
DPS HCTF[3]	(0.08%)	N/A	N/A	N/A

[1] Refers to the amortization period used to amortize the legacy UAAL as of December 31, 2017, and any "new" UAAL recognized on and after January 1, 2018.

[2] Refers to the amortization period used to amortize any "new" UAAL recognized on and after January 1, 2018.

[3] Since the funded status of the DPS HCTF is greater than 120%, the ADC is equal to the normal cost less an amount equal to a 15-year amortization of the portion of the negative UAAL above the 120% funded ratio, as dictated by the Board's OPEB Funding Policy. Given the full funded status of the DPS HCTF, the alternative ADCs do not apply.

Funded Ratio

(Dollars in Thousands)

The funded ratio for the plan is determined by dividing the actuarial value of assets by the AAL. The actuarial value of assets is not the current fair value but a market-related value, which recognizes the differences between actual and expected investment experience for each year in equal amounts over a four-year period. The actuarial value of the assets as of December 31, 2025, was $885,129 compared to a fair value of assets of $947,268, and to the AAL of $1,150,712. The funded ratio for each of the funds, based on the actuarial value of assets, at December 31 for each of the last five years is as follows:

Trust Fund	2021	2022	2023	2024	2025
HCTF	38.0%	43.4%	48.4%	62.8%	**72.9%**
DPS HCTF	80.1%	97.4%	110.4%	145.5%	**160.8%**
Total of Health Care Trust Funds[1]	**39.8%**	**45.7%**	**51.1%**	**66.5%**	**76.9%**

[1] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Health Care Trust Funds—OPEB

The Board's OPEB funding policy states that the targeted actuarial funded ratio is greater than or equal to 110% on a combined trust fund basis. The funded ratios listed give an indication of progress made toward achieving the stated objective. A larger funded ratio indicates a plan is better funded. As an example, in actual dollars, for every $1.00 of the actuarially determined benefits earned for the HCTF as of December 31, 2025, approximately $0.73 of assets are available for payment based on the actuarial value of assets. These benefits earned will be payable over a period dependent upon factors, such as, the life span of members after their retirement and participation in PERACare.

At December 31, 2024, and December 31, 2025, PERA had the following funded status for the Health Care Trust Funds:

Funded Status for the Health Care Trust Funds

(Dollars in Thousands)

	Fair Value of Assets		Actuarial Value of Assets[1]	
	12/31/2024	12/31/2025	12/31/2024	12/31/2025
Health Care Trust Fund				
Actuarial accrued liability[2]	$1,128,451	**$1,097,981**	$1,128,451	**$1,097,981**
Assets held to pay those liabilities	712,309	**856,364**	708,113	**800,330**
Unfunded actuarial accrued liability	**$416,142**	**$241,617**	**$420,338**	**$297,651**
Funded ratio	63.1%	**78.0%**	62.8%	**72.9%**
DPS Health Care Trust Fund				
Actuarial accrued liability[2]	$53,135	**$52,731**	$53,135	**$52,731**
Assets held to pay those liabilities	77,807	**90,904**	77,320	**84,799**
Unfunded actuarial accrued liability	**($24,672)**	**($38,173)**	**($24,185)**	**($32,068)**
Funded ratio	146.4%	**172.4%**	145.5%	**160.8%**
Total of Health Care Trust Funds[3]				
Actuarial accrued liability[2]	$1,181,586	**$1,150,712**	$1,181,586	**$1,150,712**
Assets held to pay those liabilities[4]	790,116	**947,268**	785,433	**885,129**
Unfunded actuarial accrued liability	**$391,470**	**$203,444**	**$396,153**	**$265,583**
Funded ratio	66.9%	**82.3%**	66.5%	**76.9%**

[1] The actuarial value of assets is calculated by spreading any market gains or losses above or below the assumed rate of return over four years.

[2] Based upon an assumed rate of return on investments of 7.25% and an assumed rate of 7.25% to discount the liabilities to be paid in the future to a value as of December 31, 2024, and December 31, 2025.

[3] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

[4] In aggregate, the fair value of the assets as of December 31, 2025, is $62,139 greater than the actuarial value of assets calculated by the actuaries, as they are recognizing the gains and losses in value over four years, rather than only in the year they occurred. The remaining gains to be smoothed for 2023 are $8,663, for 2024 are $12,139, and for 2025 are $41,337.

Health Care Trust Funds—OPEB

Sensitivity of Actuarial Valuation to Changes in Assumed Investment Rate of Return and Discount Rate

The most important long-term driver of an OPEB plan is investment income. The investment return assumption and the discount rate for liabilities should be based on an estimated long-term investment yield for the plan, considering the nature and mix of current and expected plan investments and the basis used to determine the actuarial value of assets.

To understand the importance of the investment rate of return, which is used to discount the actuarial liabilities, a 1% fluctuation in the investment rate of return and discount rate would change the funded ratio, UAAL, and ADC (for contributions for the fiscal year ended December 31, 2027) as shown in the following tables:

Investment Return Assumption (Discount Rate) Equal to 6.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
HCTF	66.8%	$397,145	0.37%	$341,111
DPS HCTF	147.0%	(27,107)	0.00%[1]	(33,212)
Total of Health Care Trust Funds[2]		**$370,038**		**$307,899**

[1] Since the funded status of the DPS HCTF is greater than 120%, the ADC is equal to the normal cost less an amount equal to a 15-year amortization of the portion of the negative UAAL above the 120% funded ratio, as dictated by the Board's OPEB Funding Policy.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Current Investment Return Assumption (Discount Rate) Equal to 7.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
HCTF	**72.9%**	**$297,651**	**0.33%**	**$241,617**
DPS HCTF	**160.8%**	**(32,068)**	**(0.08%)[1]**	**(38,173)**
Total of Health Care Trust Funds[2]		**$265,583**		**$203,444**

[1] Since the funded status of the DPS HCTF is greater than 120%, the ADC is equal to the normal cost less an amount equal to a 15-year amortization of the portion of the negative UAAL above the 120% funded ratio, as dictated by the Board's OPEB Funding Policy.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Investment Return Assumption (Discount Rate) Equal to 8.25%

(Dollars in Thousands)

	Actuarial Value of Assets			Fair Value of Assets
Trust Fund	Funded Ratio	UAAL	ADC	UAAL
HCTF	79.1%	$211,842	0.27%	$155,808
DPS HCTF	174.9%	(36,325)	(0.16%)[1]	(42,430)
Total of Health Care Trust Funds[2]		**$175,517**		**$113,378**

[1] Since the funded status of the DPS HCTF is greater than 120%, the ADC is equal to the normal cost less an amount equal to a 15-year amortization of the portion of the negative UAAL above the 120% funded ratio, as dictated by the Board's OPEB Funding Policy.

[2] The data in this table is aggregated for informational purposes. The assets of each trust fund are for the sole purpose of its members and cannot be used by another fund.

Note: The annualized, time-weighted, net of external investment management and custody fees, rate of return for the pooled investment assets was 7.6% for the past five years, 9.5% for the past 10 years, and 8.1% for the past 30 years.

Health Care Trust Funds—OPEB

Plan Data

Except for the "Inactive members not eligible for benefits," the PERA membership is potentially eligible for participation in OPEB benefits through receipt of a PERA-provided benefit and enrollment in PERACare. The following table represents all individuals included in the assessment of the AAL associated with the Health Care Trust Funds as of December 31, 2025:

Membership—Health Care Trust Funds
As of December 31, 2025

	HCTF	DPS HCTF	Total
Retirees and beneficiaries[1]	138,149	7,405	**145,554**
Inactive members eligible but not yet receiving benefits[2]	38,243	3,473	**41,716**
Inactive members not eligible for benefits	N/A	N/A	**N/A**
Active members[2]	202,587	16,104	**218,691**
Total	**378,979**	**26,982**	**405,961**

[1] Currently receiving or eligible for OPEB benefits.

[2] May be eligible for future OPEB benefits.

Participation in PERACare Health Plans for Eligible Retirees and Beneficiaries
As of December 31, 2025

	HCTF	DPS HCTF	Total
Enrolled in PERACare			
Under age 65	5,156	214	**5,370**
Age 65 and older	48,024	2,715	**50,739**
	53,180	2,929	**56,109**
Not enrolled in PERACare			
Under age 65	17,290	678	**17,968**
Age 65 and older	67,679	3,798	**71,477**
	84,969	4,476	**89,445**
Total eligible retirees and beneficiaries	**138,149**	**7,405**	**145,554**

Health Care Trust Funds—OPEB

Schedule of Retirees, Beneficiaries, and Survivors Added to and Removed from the Benefit Payroll

(In Actual Dollars)

	Added to Payroll		Removed from Payroll		Payroll—End of Year			
Valuation Date	No.	Annual Benefits	No.	Annual Benefits	No.[1,2]	Annual Benefits	Average Annual Benefits	Increase (Decrease) in Average Benefits
HCTF[3]								
12/31/2016					55,789	$91,567,554	$1,641	—
12/31/2017	3,352	$7,255,971	2,667	$7,153,713	56,474	91,669,812	1,623	(1.1%)
12/31/2018	3,337	7,068,843	3,169	5,498,610	56,642	89,984,901	1,589	(2.1%)
12/31/2019	3,265	6,495,867	3,455	6,074,346	56,452	89,033,598	1,577	(0.8%)
12/31/2020	2,743	5,640,819	2,922	6,801,192	56,273	87,873,225	1,562	(1.0%)
12/31/2021	2,969	5,509,620	3,064	5,562,987	56,178	80,751,402	1,437	(8.0%)
12/31/2022	2,985	5,212,041	2,705	4,463,307	56,458	79,917,060	1,416	(1.5%)
12/31/2023	2,573	4,251,594	2,779	4,630,527	56,252	78,067,185	1,388	(2.0%)
12/31/2024	2,031	3,537,147	4,023	6,160,629	54,260	78,684,012	1,450	4.5%
12/31/2025	**2,353**	**4,554,966**	**3,433**	**5,534,628**	**53,180**	**76,849,095**	**1,445**	**(0.3%)**
DPS HCTF[3]								
12/31/2016					3,885	$5,703,954	$1,468	—
12/31/2017	149	$325,128	218	$445,188	3,816	5,583,894	1,463	(0.3%)
12/31/2018	160	346,794	351	550,827	3,625	5,905,296	1,629	11.3%
12/31/2019	276	468,441	281	492,591	3,620	5,805,591	1,604	(1.5%)
12/31/2020	112	218,592	213	424,626	3,519	5,599,557	1,591	(0.8%)
12/31/2021	109	188,670	240	420,486	3,388	4,851,156	1,432	(10.0%)
12/31/2022	105	180,891	308	449,127	3,185	4,522,734	1,420	(0.8%)
12/31/2023	103	182,460	201	317,466	3,087	4,341,885	1,407	(0.9%)
12/31/2024	80	131,445	225	323,160	2,942	4,468,647	1,519	8.0%
12/31/2025	**182**	**302,910**	**197**	**307,671**	**2,927**	**4,424,418**	**1,512**	**(0.5%)**
Total of Health Care Trust Funds[3]								
12/31/2016					59,674	$97,271,508	$1,630	—
12/31/2017	3,501	$7,581,099	2,885	$7,598,901	60,290	97,253,706	1,613	(1.0%)
12/31/2018	3,497	7,415,637	3,520	6,049,437	60,267	95,890,197	1,591	(1.4%)
12/31/2019	3,541	6,964,308	3,736	6,566,937	60,072	94,839,189	1,579	(0.8%)
12/31/2020	2,855	5,859,411	3,135	7,225,818	59,792	93,472,782	1,563	(1.0%)
12/31/2021	3,078	5,698,290	3,304	5,983,473	59,566	85,602,558	1,437	(8.1%)
12/31/2022	3,090	5,392,932	3,013	4,912,434	59,643	84,439,794	1,416	(1.5%)
12/31/2023	2,676	4,434,054	2,980	4,947,993	59,339	82,409,070	1,389	(1.9%)
12/31/2024	2,111	3,668,592	4,248	6,483,789	57,202	83,152,659	1,454	4.7%
12/31/2025	**2,535**	**4,857,876**	**3,630**	**5,842,299**	**56,107**	**81,273,513**	**1,449**	**(0.3%)**

1 Enrolled in PERACare.

2 Excludes beneficiaries enrolled in PERACare who are not receiving a subsidy.

3 The annual benefit is based upon creditable service and varies by attained age.

Health Care Trust Funds—OPEB

Schedule of Active Member Actuarial Valuation Data
As of December 31
(In Actual Dollars)

Year	Number of Participating Employers[1,2]	Number of Active Members	Medicare Eligible Active Members[3]	Annual Payroll for Active Members	Average Annual Pay for Active Members	Percentage Increase (Decrease) in Average Annual Pay
HCTF						
2016	542	190,741		$7,716,892,488	$40,457	—
2017	408	191,778	8,284	7,927,279,994	41,336	2.17%
2018	409	195,436	8,826	8,399,834,705	42,980	3.98%
2019	410	197,615	9,035	8,834,404,580	44,705	4.01%
2020	409	186,165	7,881	8,988,118,724	48,280	8.00%
2021	408	191,574	8,595	9,337,899,213	48,743	0.96%
2022	409	191,392	8,655	9,671,062,130	50,530	3.67%
2023	409	197,922	9,269	10,656,972,686	53,844	6.56%
2024	411	202,997	9,675	11,613,398,807	57,210	6.25%
2025	**413**	**202,587**	**9,658**	**12,120,785,386**	**59,830**	**4.58%**
DPS HCTF						
2016	42	15,950		$642,177,158	$40,262	—
2017	1	15,991	498	658,198,306	41,161	2.23%
2018	1	16,148	510	722,040,073	44,714	8.63%
2019	1	15,679	518	736,263,798	46,959	5.02%
2020	1	14,693	410	771,347,604	52,498	11.80%
2021	1	15,695	472	823,395,477	52,462	(0.07%)
2022	1	15,254	467	810,402,643	53,127	1.27%
2023	1	15,626	514	894,245,013	57,228	7.72%
2024	1	16,207	555	888,094,403	54,797	(4.25%)
2025	**1**	**16,104**	**502**	**990,444,499**	**61,503**	**12.24%**
Total of Health Care Trust Funds						
2016	584	206,691		$8,359,069,646	$40,442	—
2017	409	207,769	8,782	8,585,478,300	41,322	2.18%
2018	410	211,584	9,336	9,121,874,778	43,112	4.33%
2019	411	213,294	9,553	9,570,668,378	44,871	4.08%
2020	410	200,858	8,291	9,759,466,328	48,589	8.29%
2021	409	207,269	9,067	10,161,294,690	49,025	0.90%
2022	410	206,646	9,122	10,481,464,773	50,722	3.46%
2023	410	213,548	9,783	11,551,217,699	54,092	6.64%
2024	412	219,204	10,230	12,501,493,210	57,031	5.43%
2025	**414**	**218,691**	**10,160**	**13,111,229,885**	**59,953**	**5.12%**

[1] Prior to 2017, employer counts were based on separate units of government. Effective in 2017, GASB 74 classifies a primary government and its component units as one employer. Employer counts for the years 2017 and beyond are presented for purposes of complying with GASB 74 only. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

[2] Participating employer counts prior to 2017 include charter schools operating within the School and DPS Divisions.

[3] Information prior to 2017 was not required.

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Statistical Section

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Overview

The Statistical Section presents detailed information to assist users in utilizing the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Information to better understand and assess PERA's overall economic condition.

Financial Trends

The following schedules include information about the trends of key sources of additions and deductions for the past 10 years to provide context on how PERA's financial position has changed over time:

- ***Changes in Fiduciary Net Position***
- ***Benefits and Refund Deductions from Fiduciary Net Position by Type***

Operating Information

The following schedules contain demographic, economic, operating, and trend information related to membership and the retirement and health benefits PERA provides:

- ***Member and Benefit Recipient Statistics***[1]
- ***Schedule of Average Retirement Benefits Payable***[1]
- ***Benefit Payments—All Division Trust Funds***[1]
- ***Schedule of Retirees and Survivors by Types of Benefits***[1]
- ***Schedule of Average Benefit Payments***[1]
- ***Schedule of Contribution Rate History***
- ***Principal Participating Employers***
- ***Schedule of Third-Party Service Providers***

[1] Data for schedules are provided by the consulting actuary, Segal.

Note: Schedules and information are derived from PERA internal sources unless otherwise noted.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

State Division Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$917,082**	$865,714	$790,373	$704,797	$664,304
Nonemployer contributions[1]	**81,746**	75,146	16,233	198,247	76,706
Member contributions[1]	**470,176**	445,303	407,449	360,523	329,652
Purchased service	**36,739**	32,473	30,910	35,699	39,514
Net investment income (loss)	**2,718,652**	1,954,077	2,187,360	(2,657,031)	2,806,442
Other	**9,837**	7,385	8,314	171	6,038
Total additions	**4,234,232**	3,380,098	3,440,639	(1,357,594)	3,922,656
Deductions					
Benefit payments	**1,892,850**	1,849,953	1,820,823	1,778,067	1,726,503
Refunds	**91,393**	84,185	77,229	82,321	74,520
Disability insurance premiums	**1,066**	1,137	994	849	1,013
Administrative expenses	**19,269**	15,698	13,979	13,312	12,051
Other	**2,595**	2,232	2,250	9,139	2,950
Total deductions	**2,007,173**	1,953,205	1,915,275	1,883,688	1,817,037
Change in net position	**2,227,059**	1,426,893	1,525,364	(3,241,282)	2,105,619
Net position					
Beginning of year	**19,696,541**	18,269,648	16,744,284	19,985,566	17,879,947
End of year	**$21,923,600**	**$19,696,541**	**$18,269,648**	**$16,744,284**	**$19,985,566**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$646,386	$612,282	$583,164	$563,977	$521,804
Nonemployer contributions[1]	—	77,088	78,489	—	—
Member contributions[1]	298,264	257,803	236,313	228,978	223,005
Purchased service	28,522	29,494	25,227	27,442	24,528
Net investment income (loss)	2,652,870	2,764,719	(497,562)	2,391,683	947,981
Other	9,390	22	7,888	15,860	8,708
Total additions	3,635,432	3,741,408	433,519	3,227,940	1,726,026
Deductions					
Benefit payments	1,675,048	1,637,168	1,608,534	1,554,290	1,483,828
Refunds	57,921	61,832	65,253	58,696	60,137
Disability insurance premiums	1,360	1,965	2,093	2,035	2,106
Administrative expenses	11,385	11,294	11,903	11,745	11,271
Other	2,634	2,707	3,017	3,652	3,040
Total deductions	1,748,348	1,714,966	1,690,800	1,630,418	1,560,382
Change in net position	1,887,084	2,026,442	(1,257,281)	1,597,522	165,644
Net position					
Beginning of year	15,992,863	13,966,421	15,223,702	13,626,180	13,460,536
End of year	**$17,879,947**	**$15,992,863**	**$13,966,421**	**$15,223,702**	**$13,626,180**

[1] Employer, nonemployer, and member contribution rate history is shown on pages 242-243.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

School Division Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$1,510,066**	$1,444,279	$1,317,476	$1,201,265	$1,113,636
Nonemployer contributions[1]	**141,918**	129,789	28,908	350,393	127,781
Member contributions[1]	**815,454**	779,963	711,530	642,202	574,948
Purchased service	**42,265**	51,433	48,270	57,469	55,901
Net investment income (loss)	**4,898,049**	3,490,728	3,871,069	(4,623,013)	4,847,781
Other	**1,074**	293	172	5,545	130
Total additions	**7,408,826**	5,896,485	5,977,425	(2,366,139)	6,720,177
Deductions					
Benefit payments	**3,002,921**	2,904,258	2,818,703	2,723,667	2,624,924
Refunds	**119,266**	109,720	97,538	88,355	81,725
Disability insurance premiums	**2,088**	2,163	1,823	1,435	1,679
Administrative expenses	**37,801**	30,584	26,887	25,562	22,608
Other	**13,518**	11,884	16,221	3,935	8,702
Total deductions	**3,175,594**	3,058,609	2,961,172	2,842,954	2,739,638
Change in net position	**4,233,232**	2,837,876	3,016,253	(5,209,093)	3,980,539
Net position					
Beginning of year	**35,299,760**	32,461,884	29,445,631	34,654,724	30,674,185
End of year	**$39,532,992**	**$35,299,760**	**$32,461,884**	**$29,445,631**	**$34,654,724**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$1,048,992	$1,002,760	$923,910	$857,740	$812,740
Nonemployer contributions[1]	—	127,367	126,505	—	—
Member contributions[1]	501,214	436,899	386,811	368,740	359,059
Purchased service	35,633	25,992	27,525	30,313	27,422
Net investment income (loss)	4,556,622	4,676,607	(838,899)	3,982,275	1,569,026
Other	123	364	7,957	106	109
Total additions	6,142,584	6,269,989	633,809	5,239,174	2,768,356
Deductions					
Benefit payments	2,535,509	2,468,021	2,413,387	2,334,003	2,231,475
Refunds	67,873	73,871	76,035	74,637	65,715
Disability insurance premiums	2,286	3,338	3,506	3,347	3,454
Administrative expenses	22,779	22,619	23,560	23,019	21,991
Other	11,349	8,293	2,501	22,484	17,443
Total deductions	2,639,796	2,576,142	2,518,989	2,457,490	2,340,078
Change in net position	3,502,788	3,693,847	(1,885,180)	2,781,684	428,278
Net position					
Beginning of year	27,171,397	23,477,550	25,362,730	22,581,046	22,152,768
End of year	**$30,674,185**	**$27,171,397**	**$23,477,550**	**$25,362,730**	**$22,581,046**

[1] Employer, nonemployer, and member contribution rate history is shown on page 244.

Changes in Fiduciary Net Position

For the Years Ended December 31
(Dollars in Thousands)

Local Government Division Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$140,523**	$130,956	$119,470	$108,748	$96,481
Member contributions[1]	**91,718**	85,767	78,567	71,339	63,035
Purchased service	**8,379**	8,764	6,954	9,420	14,061
Employer disaffiliation	**—**	486	24,967	—	—
Net investment income (loss)	**804,211**	578,858	643,967	(781,550)	820,403
Other	**172**	34	112	73	23
Total additions	**1,045,003**	804,865	874,037	(591,970)	994,003
Deductions					
Benefit payments	**379,378**	362,044	348,662	336,721	322,106
Refunds	**17,183**	17,820	16,300	13,391	16,034
Disability insurance premiums	**253**	269	236	195	235
Administrative expenses	**4,996**	4,104	3,653	3,450	3,065
Other	**1,241**	4,768	710	5,794	3,084
Total deductions	**403,051**	389,005	369,561	359,551	344,524
Change in net position	**641,952**	415,860	504,476	(951,521)	649,479
Net position					
Beginning of year	**5,812,932**	5,397,072	4,892,596	5,844,117	5,194,638
End of year	**$6,454,884**	**$5,812,932**	**$5,397,072**	**$4,892,596**	**$5,844,117**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$89,662	$85,597	$81,358	$78,291	$75,132
Member contributions[1]	58,067	55,003	52,421	50,472	48,470
Purchased service	8,891	7,820	5,642	6,325	3,981
Employer disaffiliation	—	—	—	1,063	—
Net investment income (loss)	771,556	792,219	(142,476)	669,011	261,276
Other	24	14	840	14	17
Total additions	928,200	940,653	(2,215)	805,176	388,876
Deductions					
Benefit payments	307,795	297,447	286,745	274,258	258,967
Refunds	12,828	14,761	15,716	14,530	12,938
Disability insurance premiums	296	421	442	430	439
Administrative expenses	2,459	2,476	2,621	2,541	2,395
Other	3,146	3,975	3,958	3,837	1,140
Total deductions	326,524	319,080	309,482	295,596	275,879
Change in net position	601,676	621,573	(311,697)	509,580	112,997
Net position					
Beginning of year	4,592,962	3,971,389	4,283,086	3,773,506	3,660,509
End of year	**$5,194,638**	**$4,592,962**	**$3,971,389**	**$4,283,086**	**$3,773,506**

[1] Employer and member contribution rate history is shown on pages 244-245.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Judicial Division Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$16,170**	$15,551	$14,920	$12,318	$9,787
Nonemployer contributions[1]	**1,336**	1,274	288	3,576	1,360
Member contributions[1]	**7,446**	7,160	6,888	7,844	8,589
Purchased service	**680**	211	795	978	800
Net investment income (loss)	**68,264**	48,763	53,800	(63,501)	66,030
Other	**4,501**	4,297	2,896	4,525	5,436
Total additions	**98,397**	77,256	79,587	(34,260)	92,002
Deductions					
Benefit payments	**38,272**	36,741	35,134	32,715	31,201
Refunds	**102**	802	76	218	266
Disability insurance premiums	**32**	32	29	18	21
Administrative expenses	**309**	257	238	212	186
Other	**55**	31	24	33	53
Total deductions	**38,770**	37,863	35,501	33,196	31,727
Change in net position	**59,627**	39,393	44,086	(67,456)	60,275
Net position					
Beginning of year	**493,149**	453,756	409,670	477,126	416,851
End of year	**$552,776**	**$493,149**	**$453,756**	**$409,670**	**$477,126**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$10,402	$10,649	$8,299	$8,080	$8,024
Nonemployer contributions[1]	—	1,344	1,385	—	—
Member contributions[1]	6,637	4,575	4,064	3,955	3,928
Purchased service	1,060	612	636	908	109
Net investment income (loss)	61,634	61,719	(11,006)	51,173	19,783
Other	2,546	6,697	225	2,379	2,800
Total additions	82,279	85,596	3,603	66,495	34,644
Deductions					
Benefit payments	29,409	28,056	26,236	25,250	22,734
Refunds	48	—	186	7	109
Disability insurance premiums	28	41	41	41	45
Administrative expenses	87	84	86	86	81
Other	90	27	70	153	122
Total deductions	29,662	28,208	26,619	25,537	23,091
Change in net position	52,617	57,388	(23,016)	40,958	11,553
Net position					
Beginning of year	364,234	306,846	329,862	288,904	277,351
End of year	**$416,851**	**$364,234**	**$306,846**	**$329,862**	**$288,904**

[1] Employer, nonemployer, and member contribution rate history is shown on page 245.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

DPS Division Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$105,736**	$105,863	$87,487	$74,199	$65,215
Nonemployer contributions[1]	**—**	18,791	4,132	52,784	19,153
Member contributions[1]	**114,498**	109,844	101,887	92,164	86,184
Purchased service	**4,169**	3,747	3,029	3,960	3,970
Net investment income (loss)	**658,466**	468,220	517,546	(619,265)	649,370
Other	**169**	2,027	2,911	875	15
Total additions	**883,038**	708,492	716,992	(395,283)	823,907
Deductions					
Benefit payments	**290,203**	286,904	285,102	282,557	280,045
Refunds	**21,268**	18,380	16,780	16,913	11,527
Disability insurance premiums	**174**	210	193	190	227
Administrative expenses	**4,545**	3,702	3,292	3,133	2,829
Other	**1,930**	64	115	223	3,130
Total deductions	**318,120**	309,260	305,482	303,016	297,758
Change in net position	**564,918**	399,232	411,510	(698,299)	526,149
Net position					
Beginning of year	**4,746,170**	4,346,938	3,935,428	4,633,727	4,107,578
End of year	**$5,311,088**	**$4,746,170**	**$4,346,938**	**$3,935,428**	**$4,633,727**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$56,245	$43,340	$35,994	$27,578	$17,071
Nonemployer contributions[1]	—	19,201	18,621	—	—
Member contributions[1]	73,939	62,961	58,172	54,354	52,740
Purchased service	1,517	2,535	2,926	2,466	2,112
Net investment income (loss)	610,847	632,669	(114,070)	548,585	218,415
Other	12	3,030	770	3,870	3,264
Total additions	742,560	763,736	2,413	636,853	293,602
Deductions					
Benefit payments	278,081	277,849	276,223	271,189	263,152
Refunds	9,344	10,738	11,197	10,277	8,521
Disability insurance premiums	294	397	405	378	398
Administrative expenses	2,667	2,713	2,919	2,857	2,754
Other	1,022	55	5,267	89	129
Total deductions	291,408	291,752	296,011	284,790	274,954
Change in net position	451,152	471,984	(293,598)	352,063	18,648
Net position					
Beginning of year	3,656,426	3,184,442	3,478,040	3,125,977	3,107,329
End of year	**$4,107,578**	**$3,656,426**	**$3,184,442**	**$3,478,040**	**$3,125,977**

[1] Employer, nonemployer, and member contribution rate history is shown on page 246.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Voluntary Investment Program

	2025	2024	2023	2022	2021
Additions					
Employer contributions	**$8,350**	$8,189	$7,362	$6,792	$6,170
Member contributions	**172,550**	170,981	152,567	147,445	145,612
Net investment income (loss)	**769,932**	701,046	711,748	(761,880)	679,465
Other	**3,724**	3,228	2,611	2,284	5,484
Total additions	**954,556**	883,444	874,288	(605,359)	836,731
Deductions					
Distributions	**399,021**	358,973	319,523	318,144	287,582
Administrative expenses	**2,146**	2,126	1,988	1,961	2,034
Other	**1,326**	1,230	1,094	1,275	1,933
Total deductions	**402,493**	362,329	322,605	321,380	291,549
Change in net position	**552,063**	521,115	551,683	(926,739)	545,182
Net position					
Beginning of year	**4,859,071**	4,337,956	3,786,273	4,713,012	4,167,830
End of year	**$5,411,134**	**$4,859,071**	**$4,337,956**	**$3,786,273**	**$4,713,012**

	2020	2019	2018	2017	2016
Additions					
Employer contributions	$5,917	$5,701	$5,409	$5,072	$4,740
Member contributions	140,656	140,519	132,189	135,303	129,909
Net investment income (loss)	558,980	700,274	(165,371)	469,233	206,933
Other	2,402	2,443	2,322	2,207	2,170
Total additions	707,955	848,937	(25,451)	611,815	343,752
Deductions					
Distributions	207,260	213,010	202,684	162,019	154,202
Administrative expenses	3,926	3,592	3,310	2,877	2,814
Other	1,746	1,656	1,598	1,411	1,172
Total deductions	212,932	218,258	207,592	166,307	158,188
Change in net position	495,023	630,679	(233,043)	445,508	185,564
Net position					
Beginning of year	3,672,807	3,042,128	3,275,171	2,829,663	2,644,099
End of year	**$4,167,830**	**$3,672,807**	**$3,042,128**	**$3,275,171**	**$2,829,663**

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Defined Contribution Retirement Plan

	2025	2024	2023	2022	2021
Additions					
Employer contributions	**$27,775**	$24,459	$21,556	$19,553	$18,046
Member contributions	**30,636**	27,123	23,567	20,956	18,720
Net investment income (loss)	**88,642**	63,234	63,126	(63,490)	51,234
Other	**1,667**	1,497	1,486	1,456	50
Total additions	**148,720**	116,313	109,735	(21,525)	88,050
Deductions					
Distributions	**34,349**	28,491	25,722	25,334	23,798
Administrative expenses	**1,136**	941	922	849	753
Other	**176**	146	111	118	165
Total deductions	**35,661**	29,578	26,755	26,301	24,716
Change in net position	**113,059**	86,735	82,980	(47,826)	63,334
Net position					
Beginning of year	**509,167**	422,432	339,452	387,278	323,944
End of year	**$622,226**	**$509,167**	**$422,432**	**$339,452**	**$387,278**

	2020	2019	2018	2017	2016
Additions					
Employer contributions	$16,780	$15,184	$13,201	$14,309	$13,060
Member contributions	15,753	12,967	10,573	11,411	10,382
Net investment income (loss)	41,820	48,559	(15,381)	29,372	12,601
Other	16	21	11	39	92
Total additions	74,369	76,731	8,404	55,131	36,135
Deductions					
Distributions	15,100	15,445	12,722	10,593	8,932
Administrative expenses	1,118	997	819	739	726
Other	147	135	166	116	97
Total deductions	16,365	16,577	13,707	11,448	9,755
Change in net position	58,004	60,154	(5,303)	43,683	26,380
Net position					
Beginning of year	265,940	205,786	211,089	167,406	141,026
End of year	**$323,944**	**$265,940**	**$205,786**	**$211,089**	**$167,406**

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Deferred Compensation Plan

	2025	2024	2023	2022	2021
Additions					
Employer contributions	**$130**	$118	$46	$37	$38
Member contributions	**103,454**	93,737	85,629	80,757	78,549
Net investment income (loss)	**218,192**	177,687	180,566	(188,999)	164,189
Other	**1,429**	600	652	496	678
Total additions	**323,205**	272,142	266,893	(107,709)	243,454
Deductions					
Distributions	**123,872**	107,438	93,435	93,974	77,334
Administrative expenses	**703**	683	608	574	589
Other	**561**	523	436	532	846
Total deductions	**125,136**	108,644	94,479	95,080	78,769
Change in net position	**198,069**	163,498	172,414	(202,789)	164,685
Net position					
Beginning of year	**1,442,122**	1,278,624	1,106,210	1,308,999	1,144,314
End of year	**$1,640,191**	**$1,442,122**	**$1,278,624**	**$1,106,210**	**$1,308,999**

	2020	2019	2018	2017	2016
Additions					
Employer contributions	$40	$32	$29	$50	$26
Member contributions	70,764	64,151	57,981	57,088	51,601
Net investment income (loss)	137,023	163,879	(47,542)	105,027	51,372
Other	553	578	574	510	496
Total additions	208,380	228,640	11,042	162,675	103,495
Deductions					
Distributions	51,559	55,317	56,568	47,067	41,922
Administrative expenses	1,329	1,188	1,094	993	963
Other	777	759	756	698	604
Total deductions	53,665	57,264	58,418	48,758	43,489
Change in net position	154,715	171,376	(47,376)	113,917	60,006
Net position					
Beginning of year	989,599	818,223	865,599	751,682	691,676
End of year	**$1,144,314**	**$989,599**	**$818,223**	**$865,599**	**$751,682**

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Health Care Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$129,775**	$123,529	$112,931	$103,818	$97,974
Employer disaffiliation	**—**	20	1,033	—	—
Net investment income (loss)	**102,736**	67,524	69,617	(70,476)	68,319
Other	**6,446**	6,231	6,755	9,004	8,108
Total additions	**238,957**	197,304	190,336	42,346	174,401
Deductions					
Benefit payments	**85,964**	88,492	82,911	83,145	63,893
Administrative expenses	**8,920**	8,335	8,122	7,136	12,976
Other	**18**	79	96	110	84
Total deductions	**94,902**	96,906	91,129	90,391	76,953
Change in net position	**144,055**	100,398	99,207	(48,045)	97,448
Net position					
Beginning of year	**712,309**	611,911	512,704	560,749	463,301
End of year	**$856,364**	**$712,309**	**$611,911**	**$512,704**	**$560,749**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$94,634	$92,011	$86,559	$83,077	$80,825
Retiree health care premiums	—	—	—	—	138,021
Employer disaffiliation	—	—	—	96	—
Net investment income (loss)	60,280	53,867	(9,678)	44,990	19,021
Other	7,909	6,984	8,373	9,760	9,175
Total additions	162,823	152,862	85,254	137,923	247,042
Deductions					
Benefit payments	53,023	58,221	61,777	102,665	243,662
Administrative expenses	10,977	9,290	20,401	19,162	19,166
Other	32	33	106	102	491
Total deductions	64,032	67,544	82,284	121,929	263,319
Change in net position	98,791	85,318	2,970	15,994	(16,277)
Net position					
Beginning of year	364,510	279,192	276,222	260,228	276,505
End of year	**$463,301**	**$364,510**	**$279,192**	**$276,222**	**$260,228**

[1] Employer contribution rate history is shown on page 246.

Changes in Fiduciary Net Position

For the Years Ended December 31
(Dollars in Thousands)

DPS Health Care Trust Fund

	2025	2024	2023	2022	2021
Additions					
Employer contributions[1]	**$6,307**	$10,187	$9,445	$8,744	$8,622
Net investment income (loss)	**11,229**	7,216	7,218	(7,311)	6,963
Other	**156**	169	236	306	206
Total additions	**17,692**	17,572	16,899	1,739	15,791
Deductions					
Benefit payments	**4,088**	4,010	3,951	4,022	3,516
Administrative expenses	**506**	475	461	434	639
Other	**1**	1	1	1	4
Total deductions	**4,595**	4,486	4,413	4,457	4,159
Change in net position	**13,097**	13,086	12,486	(2,718)	11,632
Net position					
Beginning of year	**77,807**	64,721	52,235	54,953	43,321
End of year	**$90,904**	**$77,807**	**$64,721**	**$52,235**	**$54,953**

	2020	2019	2018	2017	2016
Additions					
Employer contributions[1]	$8,045	$7,649	$7,417	$6,930	$6,723
Retiree health care premiums	—	—	—	—	6,738
Net investment income (loss)	6,019	4,892	(894)	3,305	1,235
Other	224	188	205	242	289
Total additions	14,288	12,729	6,728	10,477	14,985
Deductions					
Benefit payments	3,086	3,644	4,158	5,694	12,748
Administrative expenses	516	477	845	808	818
Other	1	1	4	4	18
Total deductions	3,603	4,122	5,007	6,506	13,584
Change in net position	10,685	8,607	1,721	3,971	1,401
Net position					
Beginning of year	32,636	24,029	22,308	18,337	16,936
End of year	**$43,321**	**$32,636**	**$24,029**	**$22,308**	**$18,337**

[1] Employer contribution rate history is shown on page 246.

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Life Insurance Reserve

	2025	2024	2023	2022	2021
Additions					
Net investment income (loss)	**$4,132**	$2,954	$3,293	($3,927)	$4,125
Other	**1**	—	—	—	—
Total additions	**4,133**	2,954	3,293	(3,927)	4,125
Deductions					
Life insurance premiums	**477**	449	511	533	540
Administrative expenses	**140**	103	44	79	80
Total deductions	**617**	552	555	612	620
Change in net position	**3,516**	2,402	2,738	(4,539)	3,505
Net position					
Beginning of year	**28,420**	26,018	23,280	27,819	24,314
End of year	**$31,936**	**$28,420**	**$26,018**	**$23,280**	**$27,819**

	2020	2019	2018	2017	2016
Additions					
Net investment income (loss)	$3,909	$3,901	($684)	$3,241	$1,289
Other	—	—	4	—	—
Total additions	3,909	3,901	(680)	3,241	1,289
Deductions					
Life insurance premiums	512	479	433	373	306
Administrative expenses	224	123	111	493	1,032
Total deductions	736	602	544	866	1,338
Change in net position	3,173	3,299	(1,224)	2,375	(49)
Net position					
Beginning of year	21,141	17,842	19,066	16,691	16,740
End of year	**$24,314**	**$21,141**	**$17,842**	**$19,066**	**$16,691**

Changes in Fiduciary Net Position

For the Years Ended December 31

(Dollars in Thousands)

Direct Distribution Reserve[1]

	2025
Additions	
Net investment income	**$25,029**
Other	**500,007**
Total additions	**525,036**
Deductions	
Total deductions	**—**
Change in net position	**525,036**
Net position	
Beginning of year	**—**
End of year	**$525,036**

[1] The Direct Distribution Reserve is a new fund in 2025. See Note 2 of the Notes to the Financial Statements in the Financial Section for additional information.

Benefits and Refund Deductions from Fiduciary Net Position by Type

For the Years Ended December 31

(Dollars in Thousands)

State Division Trust Fund

	2025	2024	2023	2022	2021
Type of Benefit					
Retirees	**$1,805,221**	$1,762,195	$1,730,042	$1,686,686	$1,634,075
Disability	**71,870**	72,935	74,550	76,539	77,589
Survivors	**15,759**	14,823	16,231	14,842	14,839
Total benefits	**$1,892,850**	**$1,849,953**	**$1,820,823**	**$1,778,067**	**$1,726,503**
Type of Refund					
Separation	**$84,751**	$72,109	$68,878	$76,132	$67,128
Death	**6,614**	11,975	8,270	6,102	7,301
Purchased service	**28**	101	81	87	91
Total refunds	**$91,393**	**$84,185**	**$77,229**	**$82,321**	**$74,520**

	2020	2019	2018	2017	2016
Type of Benefit					
Retirees	$1,581,249	$1,540,738	$1,510,747	$1,456,159	$1,387,374
Disability	78,987	81,434	82,947	83,280	82,221
Survivors	14,812	14,996	14,840	14,851	14,233
Total benefits	**$1,675,048**	**$1,637,168**	**$1,608,534**	**$1,554,290**	**$1,483,828**
Type of Refund					
Separation	$50,097	$55,782	$59,508	$52,079	$54,606
Death	7,791	5,909	5,728	6,561	5,464
Purchased service	33	141	17	56	67
Total refunds	**$57,921**	**$61,832**	**$65,253**	**$58,696**	**$60,137**

School Division Trust Fund

	2025	2024	2023	2022	2021
Type of Benefit					
Retirees	**$2,924,453**	$2,824,167	$2,737,326	$2,642,395	$2,542,456
Disability	**60,843**	62,428	63,992	65,199	66,230
Survivors	**17,625**	17,663	17,385	16,073	16,238
Total benefits	**$3,002,921**	**$2,904,258**	**$2,818,703**	**$2,723,667**	**$2,624,924**
Type of Refund					
Separation	**$110,362**	$97,377	$87,107	$81,507	$74,409
Death	**8,719**	12,241	10,155	6,602	7,183
Purchased service	**185**	102	276	246	133
Total refunds	**$119,266**	**$109,720**	**$97,538**	**$88,355**	**$81,725**

	2020	2019	2018	2017	2016
Type of Benefit					
Retirees	$2,452,428	$2,384,406	$2,329,157	$2,249,855	$2,149,415
Disability	67,467	67,737	68,774	68,537	67,416
Survivors	15,614	15,878	15,456	15,611	14,644
Total benefits	**$2,535,509**	**$2,468,021**	**$2,413,387**	**$2,334,003**	**$2,231,475**
Type of Refund					
Separation	$61,755	$70,200	$70,227	$68,265	$60,873
Death	6,101	3,412	5,678	6,313	4,756
Purchased service	17	259	130	59	86
Total refunds	**$67,873**	**$73,871**	**$76,035**	**$74,637**	**$65,715**

Benefits and Refund Deductions from Fiduciary Net Position by Type (continued)

For the Years Ended December 31

(Dollars in Thousands)

Local Government Division Trust Fund

	2025	2024	2023	2022	2021
Type of Benefit					
Retirees	**$360,392**	$343,606	$330,357	$318,330	$303,545
Disability	**15,731**	15,340	15,240	15,481	15,868
Survivors	**3,255**	3,098	3,065	2,910	2,693
Total benefits	**$379,378**	**$362,044**	**$348,662**	**$336,721**	**$322,106**
Type of Refund					
Separation	**$16,247**	$15,962	$14,188	$12,740	$14,725
Death	**913**	1,852	2,112	610	1,279
Purchased service	**23**	6	—	41	30
Total refunds	**$17,183**	**$17,820**	**$16,300**	**$13,391**	**$16,034**

	2020	2019	2018	2017	2016
Type of Benefit					
Retirees	$288,944	$278,543	$267,669	$255,105	$240,432
Disability	16,215	16,315	16,582	16,775	16,274
Survivors	2,636	2,589	2,494	2,378	2,261
Total benefits	**$307,795**	**$297,447**	**$286,745**	**$274,258**	**$258,967**
Type of Refund					
Separation	$11,734	$13,070	$14,587	$13,095	$12,017
Death	1,053	1,691	1,128	1,434	921
Purchased service	41	—	1	1	—
Total refunds	**$12,828**	**$14,761**	**$15,716**	**$14,530**	**$12,938**

Judicial Division Trust Fund

	2025	2024	2023	2022	2021
Type of Benefit					
Retirees	**$37,213**	$35,693	$34,106	$31,660	$30,121
Disability	**699**	766	777	790	800
Survivors	**360**	282	251	265	280
Total benefits	**$38,272**	**$36,741**	**$35,134**	**$32,715**	**$31,201**
Type of Refund					
Separation	**$102**	$621	$29	$218	$266
Death	**—**	181	47	—	—
Total refunds	**$102**	**$802**	**$76**	**$218**	**$266**

	2020	2019	2018	2017	2016
Type of Benefit					
Retirees	$28,181	$26,812	$24,982	$23,993	$21,485
Disability	887	893	926	933	939
Survivors	341	351	328	324	310
Total benefits	**$29,409**	**$28,056**	**$26,236**	**$25,250**	**$22,734**
Type of Refund					
Separation	$48	$—	$50	$7	$109
Death	—	—	136	—	—
Total refunds	**$48**	**$—**	**$186**	**$7**	**$109**

Benefits and Refund Deductions from Fiduciary Net Position by Type (continued)

For the Years Ended December 31

(Dollars in Thousands)

DPS Division Trust Fund

	2025	2024	2023	2022	2021
Type of Benefit					
Retirees	**$280,847**	$277,612	$275,630	$272,927	$270,210
Disability	**7,759**	7,714	7,857	8,017	8,216
Survivors	**1,597**	1,578	1,615	1,613	1,619
Total benefits	**$290,203**	**$286,904**	**$285,102**	**$282,557**	**$280,045**
Type of Refund					
Separation	**$19,951**	$16,810	$16,272	$16,295	$10,851
Death	**1,317**	1,488	508	617	673
Purchased service	**—**	82	—	1	3
Total refunds	**$21,268**	**$18,380**	**$16,780**	**$16,913**	**$11,527**

	2020	2019	2018	2017	2016
Type of Benefit					
Retirees	$268,201	$267,956	$266,260	$261,361	$253,641
Disability	8,335	8,358	8,278	8,221	7,929
Survivors	1,545	1,535	1,685	1,607	1,582
Total benefits	**$278,081**	**$277,849**	**$276,223**	**$271,189**	**$263,152**
Type of Refund					
Separation	$8,913	$10,486	$10,652	$9,873	$7,894
Death	431	250	545	349	616
Purchased service	—	2	—	55	11
Total refunds	**$9,344**	**$10,738**	**$11,197**	**$10,277**	**$8,521**

Member and Benefit Recipient Statistics[1]

(In Actual Dollars)

	State Division	School Division	Local Government Division	Judicial Division	DPS Division	Total
Active Members						
Active members as of 12/31/2025	**55,422**	**134,040**	**12,772**	**353**	**16,104**	**218,691**
Retirements during 2025						
Disability retirements	21	24	1	—	4	**50**
Service retirements	1,928	4,294	529	21	286	**7,058**
Total retirements during 2025	**1,949**	**4,318**	**530**	**21**	**290**	**7,108**
Retirement Benefits						
Total receiving disability and service retirement benefits on 12/31/2024	43,924	77,755	9,190	466	7,193	**138,528**
Total retiring during 2025	1,949	4,318	530	21	290	**7,108**
Cobeneficiaries continuing after retiree's death	339	389	44	2	44	**818**
Returning to retirement rolls from suspension	18	35	2	—	1	**56**
Total	46,230	82,497	9,766	489	7,528	**146,510**
Retirees and cobeneficiaries deceased during year	1,408	1,958	200	12	262	**3,840**
Retirees suspending benefits to return to work	15	53	—	—	3	**71**
Data adjustment	2	—	—	—	—	**2**
Total receiving retirement benefits on 12/31/2025	**44,805**	**80,486**	**9,566**	**477**	**7,263**	**142,597**[2]
Annual retirement benefits for retirees as of 12/31/2025	$1,879,817,150	$3,016,385,248	$376,994,393	$38,645,534	$289,981,940	$5,601,824,265
Average monthly benefit on 12/31/2025	$3,496	$3,123	$3,284	$6,751	$3,327	$3,274
Average monthly benefit for all members who retired during 2025	$2,928	$2,683	$2,703	$7,723	$2,831	$2,773
Survivor Benefits						
Total survivors being paid on 12/31/2025	988	1,332	192	9	134	2,655[2]
Annual benefits payable to survivors as of 12/31/2025	$23,385,347	$22,724,974	$4,678,375	$430,400	$2,437,482	$53,656,578
Future Benefits						
Future retirements	9,962	25,096	3,155	30	3,473	41,716
Total annual future benefits	$143,522,029	$239,854,976	$50,532,919	$1,273,592	$42,905,172	$478,088,688
Future survivor beneficiaries of inactive members	107	164	20	3	8	302[2]
Total annual future benefits	$1,618,548	$2,585,724	$291,163	$108,475	$90,822	$4,694,732

1 In addition, as of December 31, 2025, there was a total of 326,208 non-vested inactive members due a refund of their contributions as follows: State Division—99,547; School Division—173,884; Local Government Division—33,740; Judicial Division—12; and DPS Division—19,025.

2 These line items make up the total for retirees and beneficiaries reported on page 50 in Note 1 of the Notes to the Financial Statements in the Financial Section.

Schedule of Average Retirement Benefits Payable[1]

(In Actual Dollars)

	State Division	School Division	Local Government Division	Judicial Division	DPS Division	All Divisions[2]
For All Retirees Year Ended 12/31/2025						
Average monthly benefit	**$3,496**	**$3,123**	**$3,284**	**$6,751**	**$3,327**	**$3,274**
Average age at retirement	**59.3**	**59.6**	**59.5**	**62.9**	**60.0**	**59.5**
Average age	**73.9**	**73.4**	**72.2**	**75.9**	**75.6**	**73.6**
Average years of service at retirement	**22.1**	**22.4**	**20.4**	**23.1**	**22.6**	**22.2**
Average age at death	**81.0**	**81.9**	**79.1**	**82.5**	**83.7**	**81.6**
For Members Who Retired During 2025						
Average monthly benefit	**$2,928**	**$2,683**	**$2,703**	**$7,723**	**$2,831**	**$2,773**
Average age at retirement	**63.3**	**62.6**	**63.0**	**62.7**	**63.8**	**62.9**
Average years of service	**18.3**	**19.1**	**15.8**	**20.9**	**18.8**	**18.6**
For All Retirees Year Ended 12/31/2024						
Average monthly benefit	$3,482	$3,115	$3,278	$6,603	$3,311	$3,264
Average age at retirement	59.1	59.4	59.3	62.9	59.9	59.3
Average age	73.6	73.2	71.9	75.8	75.4	73.4
Average years of service at retirement	22.3	22.6	20.6	23.2	22.7	22.3
Average age at death	82.8	83.5	81.3	86.6	85.6	83.3
For Members Who Retired During 2024						
Average monthly benefit	$2,891	$2,580	$2,885	$7,028	$2,733	$2,708
Average age at retirement	63.1	62.3	62.3	66.6	63.4	62.6
Average years of service	18.3	19.1	17.2	22.2	18.8	18.8
For All Retirees Year Ended 12/31/2023						
Average monthly benefit	$3,463	$3,106	$3,259	$6,545	$3,305	$3,252
Average age at retirement	59.0	59.3	59.2	62.7	59.8	59.2
Average age	73.2	72.9	71.6	75.4	75.2	73.0
Average years of service at retirement	22.4	22.7	20.8	23.2	23.0	22.5
Average age at death	80.5	81.6	78.5	86.0	83.0	81.2
For Members Who Retired During 2023						
Average monthly benefit	$2,898	$2,620	$2,892	$6,930	$2,594	$2,731
Average age at retirement	62.7	62.0	62.5	66.5	63.8	
Average years of service	19.0	20.0	17.7	20.3	18.4	
For All Retirees Year Ended 12/31/2022						
Average monthly benefit	$3,442	$3,095	$3,236	$6,433	$3,302	$3,238
Average age at retirement	58.9	59.2	59.1	62.6	59.7	59.1
Average age	72.8	72.6	71.1	75.2	75.0	72.7
Average years of service at retirement	22.5	22.8	20.9	23.2	23.2	22.6
Average age at death	81.0	81.4	78.6	87.1	83.0	81.2
For Members Who Retired During 2022						
Average monthly benefit	$2,960	$2,626	$2,731	$7,530	$2,694	$2,756
Average age at retirement	62.5	61.8	62.9	64.0	62.8	
Average years of service	19.6	20.5	17.3	21.8	18.7	
For All Retirees Year Ended 12/31/2021						
Average monthly benefit	$3,419	$3,079	$3,212	$6,237	$3,293	$3,220
Average age at retirement	58.8	59.1	58.9	62.5	59.6	59.0
Average age	72.6	72.4	70.8	75.2	75.0	72.5
Average years of service at retirement	22.5	22.9	21.0	23.2	23.5	22.7
Average age at death	82.7	83.1	79.8	85.4	85.8	83.0
For Members Who Retired During 2021						
Average monthly benefit	$3,034	$2,542	$2,696	$6,588	$2,375	$2,716
Average age at retirement	62.5	62.0	62.7	65.4	63.5	
Average years of service	20.5	20.6	17.7	21.8	18.2	

Please see next page for footnote references.

Schedule of Average Retirement Benefits Payable[1] (continued)

(In Actual Dollars)

	State Division	School Division	Local Government Division	Judicial Division	DPS Division	All Divisions[2]
For All Retirees Year Ended 12/31/2020						
Average monthly benefit	$3,393	$3,067	$3,201	$6,123	$3,284	$3,204
Average age at retirement	58.7	59.0	58.8	62.3	59.5	58.9
Average age	72.4	72.2	70.4	74.9	74.8	72.3
Average years of service at retirement	22.6	23.0	21.2	23.2	23.8	22.8
Average age at death	81.0	81.7	79.0	87.9	83.6	81.5
For Members Who Retired During 2020						
Average monthly benefit	$2,772	$2,353	$2,798	$7,140	$2,500	$2,541
Average age at retirement	62.6	62.2	62.9	66.9	63.8	
Average years of service	19.9	20.2	18.9	23.8	18.6	
For All Retirees Year Ended 12/31/2019						
Average monthly benefit	$3,360	$3,050	$3,160	$5,984	$3,252	$3,179
Average age at retirement	58.6	58.9	58.6	62.0	59.4	58.8
Average age	72.1	71.9	70.0	74.8	74.6	72.0
Average years of service at retirement	22.7	23.1	21.3	23.1	24.0	22.9
Average age at death	82.4	82.1	79.2	86.2	84.9	82.3
For Members Who Retired During 2019						
Average monthly benefit	$2,767	$2,267	$2,622	$6,529	$2,464	$2,482
Average age at retirement	62.2	61.7	61.9	63.8	63.6	
Average years of service	19.7	20.0	17.9	21.0	18.4	
For All Retirees Year Ended 12/31/2018						
Average monthly benefit	$3,379	$3,085	$3,187	$5,915	$3,278	$3,208
Average age at retirement	58.6	58.8	58.6	62.0	59.4	58.8
Average age	71.9	71.6	69.7	75.0	74.3	71.7
Average years of service at retirement	22.8	23.2	21.4	23.3	24.2	23.0
Average age at death	82.7	82.4	79.8	83.2	84.6	82.5
For Members Who Retired During 2018						
Average monthly benefit	$2,795	$2,291	$2,853	$7,556	$2,749	$2,523
Average age at retirement	63.2	62.8	62.8	67.5	63.3	
Average years of service	20.1	20.3	18.8	25.1	20.1	
For All Retirees Year Ended 12/31/2017						
Average monthly benefit	$3,397	$3,115	$3,188	$5,864	$3,290	$3,232
Average age at retirement	58.4	58.7	58.4	61.8	59.3	58.6
Average age	71.7	71.3	69.3	74.3	74.2	71.5
Average years of service at retirement	22.9	23.3	21.5	23.2	24.4	23.1
Average age at death	82.1	82.8	78.2	82.9	85.2	82.5
For Members Who Retired During 2017						
Average monthly benefit	$2,866	$2,304	$2,669	$7,747	$2,608	$2,555
Average age at retirement	61.7	61.7	61.9	66.1	62.0	
Average years of service	20.6	20.4	18.7	25.6	19.3	
For All Retirees Year Ended 12/31/2016						
Average monthly benefit	$3,345	$3,086	$3,145	$5,624	$3,248	$3,193
Average age at retirement	58.3	58.6	58.2	61.6	59.2	58.5
Average age	71.4	71.0	69.0	74.2	74.0	71.2
Average years of service at retirement	22.9	23.4	21.7	23.0	24.7	23.2
Average age at death	82.4	82.7	80.1	84.2	83.3	82.5
For Members Who Retired During 2016						
Average monthly benefit	$2,812	$2,303	$2,467	$6,192	$2,520	$2,519
Average age at retirement	61.6	61.4	61.2	65.6	62.6	
Average years of service	20.7	20.7	18.1	21.4	19.2	

[1] Includes disability retirements, but not survivor benefits.

[2] Average age at retirement and average years of service for members who retired during the year shaded in gray are not available prior to 2024.

Benefit Payments—All Division Trust Funds

As of December 31, 2025

(In Actual Dollars)

Benefit Payments[1,2]

At the end of 2025, PERA was paying benefits to more than 145,000 retired public employees and their beneficiaries who received an average benefit of $3,248 per month.

The PERA service retirement formula for calculating benefits, specified in State law as of December 31, 2025, is 2.5% multiplied by years of service multiplied by highest average salary (HAS). HAS[3] is 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 the year-to-year salary increase limitation for HAS calculation purposes. The year-to-year limit for members who were eligible to retire on January 1, 2011, and hired before January 1, 2007, is 15%. All other members are subject to an 8% year-to-year limit in their HAS calculation. This annual limit applied to salaries in the HAS years is designed to moderate salary "spiking."

Approximately 67.0% (97,307) of recipients receive less than $50,000 a year in PERA benefits, as the following graph demonstrates. Slightly less than 2.6% (3,723) of PERA benefit recipients receive an annual benefit payment of $100,000 or more. Generally, these benefit recipients had high salaries and a significant number of years of service credit.

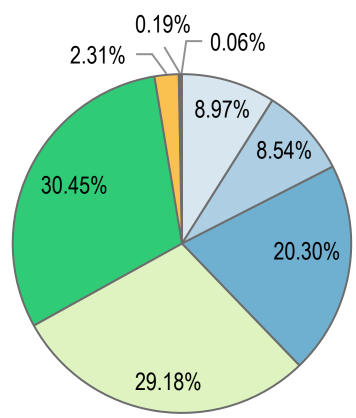
[1] Includes amounts paid under replacement benefit arrangements.

[2] Does not include deferred survivors and benefits that ended or were suspended in 2025.

[3] Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

PERA Benefit Payments by Dollar Amount of Annual Benefit and Number of Benefit Recipients

Benefit Range[1]	Number of Benefit Recipients[2]	Percent of Benefit Recipients
$0 - $4,999	13,022	8.97%
$5,000 - $9,999	12,410	8.54%
$10,000 - $24,999	29,492	20.30%
$25,000 - $49,999	42,383	29.18%
$50,000 - $99,999	44,222	30.45%
$100,000 - $149,999	3,360	2.31%
$150,000 - $199,999	276	0.19%
$200,000+	87	0.06%
Total	**145,252**	**100.00%**



[1] Includes amounts paid under replacement benefit arrangements.

[2] Does not include 302 deferred survivors.

Benefit Payments—All Division Trust Funds

As of December 31, 2025

(In Actual Dollars)

Benefit Payments by Decile

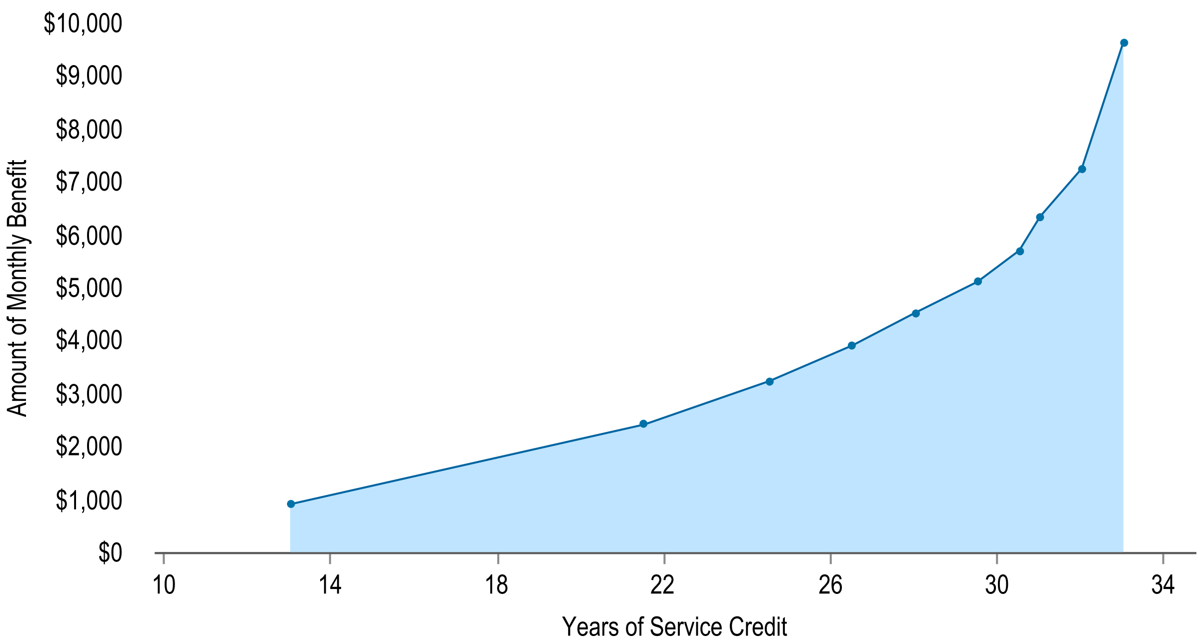
Another way to examine the data is to group benefit recipients and the benefits they receive into benefit payment ranges as a percentage of the total. The following table shows that, for the 35.95% of PERA benefit recipients (52,201) in the lowest decile, the average benefit is $904 a month. This group retired at an average age of 62 with just under 13 years of service credit. For the top decile, on the other end of the scale, the average benefit is $9,636 a month. However, this group, on average, had just over 33 years of service credit, which is more than twice the length of the average service credit of those in the lowest decile. For the 7,108 new retirees in 2025, the average monthly benefit is $2,778. These members retired at an average age of 63 with 18.65 years of service credit.

Decile	Number of Benefit Recipients[1]	Percent of Benefit Recipients	Average Monthly Benefit[2]	Average Age at Retirement	Average Service Credit
1% – 10%	52,201	35.95%	$904	62	12.92
11% – 20%	19,572	13.47%	2,410	59	21.38
21% – 30%	14,606	10.06%	3,230	59	24.56
31% – 40%	12,075	8.31%	3,906	58	26.76
41% – 50%	10,435	7.18%	4,520	58	28.33
51% – 60%	9,234	6.36%	5,108	57	29.56
61% – 70%	8,280	5.70%	5,697	57	30.42
71% – 80%	7,443	5.12%	6,338	57	31.15
81% – 90%	6,510	4.48%	7,245	57	32.02
91% –100%	4,896	3.37%	9,636	58	33.08
Total	**145,252**	**100.00%**	**3,248**	**59**	**22.00**

[1] Does not include 302 deferred survivors.

[2] Includes amounts paid under replacement benefit arrangements.

Average Monthly Benefit Payment by Years of Service Credit



Schedule of Retirees and Survivors by Types of Benefits

As of December 31, 2025

Types of Benefits

1—Age and service retirement.

2—Disability retirement.

3—Survivor payment—Option 3.

4—Survivor payment—children, spouse, or dependent parent.

5—Surviving spouse with future benefit.

6—Former member with future benefit.

Option Selected

Retirees select one of the following options at retirement:

1—Single-life benefit.

2—Joint benefit with 1/2 to surviving cobeneficiary.

3—Joint and survivor benefit.

4—Joint benefit with 1/2 to either survivor. (No longer offered to members retiring.)

Surviving Cobeneficiary

Retiree has predeceased the cobeneficiary.

Surviving Retiree

Cobeneficiary has predeceased the retiree.

State Division

Amount of Monthly Benefit	Total	Types of Benefits					
(In Actual Dollars)	(Columns 1–5)	1	2	3	4	5	6
$1-$1,000	7,473	6,952	182	31	252	56	5,684
$1,001-$2,000	7,335	5,985	955	45	316	34	2,826
$2,001-$3,000	7,752	6,556	1,025	39	122	10	882
$3,001-$4,000	6,848	6,414	344	33	53	4	284
$4,001-$5,000	5,577	5,428	99	23	24	3	129
$5,001+	10,915	10,826	39	41	9	—	157
Total	**45,900**	**42,161**	**2,644**	**212**	**776**	**107**	**9,962**

Amount of Monthly Benefit[1]	Option Selected				Surviving	Surviving
(In Actual Dollars)	1	2	3	4	Cobeneficiary	Retiree
$1-$1,000	4,713	451	1,403	—	567	—
$1,001-$2,000	3,967	748	1,233	—	980	12
$2,001-$3,000	4,275	1,003	1,347	1	931	24
$3,001-$4,000	3,735	1,073	1,352	—	590	8
$4,001-$5,000	2,859	1,035	1,234	—	395	4
$5,001+	5,296	2,247	2,755	—	559	8
Total	**24,845**	**6,557**	**9,324**	**1**	**4,022**	**56**

[1] For Types of Benefits 1 and 2 above.

Schedule of Retirees and Survivors by Types of Benefits

As of December 31, 2025

Types of Benefits

1—Age and service retirement.

2—Disability retirement.

3—Survivor payment—Option 3.

4—Survivor payment—children, spouse, or dependent parent.

5—Surviving spouse with future benefit.

6—Former member with future benefit.

Option Selected

Retirees select one of the following options at retirement:

1—Single-life benefit.

2—Joint benefit with 1/2 to surviving cobeneficiary.

3—Joint and survivor benefit.

4—Joint benefit with 1/2 to either survivor. (No longer offered to members retiring.)

Surviving Cobeneficiary

Retiree has predeceased the cobeneficiary.

Surviving Retiree

Cobeneficiary has predeceased the retiree.

School Division

Amount of Monthly Benefit (In Actual Dollars)	Total (Columns 1–5)	Types of Benefits 1	2	3	4	5	6
$1-$1,000	19,344	18,020	595	59	588	82	18,872
$1,001-$2,000	13,004	11,700	895	50	312	47	4,544
$2,001-$3,000	10,965	10,161	616	24	143	21	1,115
$3,001-$4,000	10,499	10,099	300	25	67	8	353
$4,001-$5,000	9,782	9,633	114	14	19	2	129
$5,001+	18,388	18,299	54	21	10	4	83
Total	**81,982**	**77,912**	**2,574**	**193**	**1,139**	**164**	**25,096**

Amount of Monthly Benefit[1] (In Actual Dollars)	Option Selected 1	2	3	4	Surviving Cobeneficiary	Surviving Retiree
$1-$1,000	12,983	1,329	3,199	1	1,089	14
$1,001-$2,000	8,058	1,593	1,933	1	995	15
$2,001-$3,000	6,379	1,725	1,738	—	917	18
$3,001-$4,000	6,306	1,923	1,653	—	509	8
$4,001-$5,000	5,581	2,134	1,667	1	359	5
$5,001+	11,314	3,890	2,681	3	458	7
Total	**50,621**	**12,594**	**12,871**	**6**	**4,327**	**67**

[1] For Types of Benefits 1 and 2 above.

Schedule of Retirees and Survivors by Types of Benefits

As of December 31, 2025

Types of Benefits

1—Age and service retirement.

2—Disability retirement.

3—Survivor payment—Option 3.

4—Survivor payment—children, spouse, or dependent parent.

5—Surviving spouse with future benefit.

6—Former member with future benefit.

Option Selected

Retirees select one of the following options at retirement:

1—Single-life benefit.

2—Joint benefit with 1/2 to surviving cobeneficiary.

3—Joint and survivor benefit.

4—Joint benefit with 1/2 to either survivor. (No longer offered to members retiring.)

Surviving Cobeneficiary

Retiree has predeceased the cobeneficiary.

Surviving Retiree

Cobeneficiary has predeceased the retiree.

Local Government Division

Amount of Monthly Benefit	Total	Types of Benefits					
(In Actual Dollars)	(Columns 1–5)	1	2	3	4	5	6
$1-$1,000	1,941	1,845	42	3	43	8	1,723
$1,001-$2,000	1,765	1,495	192	8	60	10	862
$2,001-$3,000	1,571	1,310	223	9	28	1	299
$3,001-$4,000	1,360	1,258	81	7	14	—	135
$4,001-$5,000	999	973	14	8	3	1	59
$5,001+	2,142	2,127	6	6	3	—	77
Total	**9,778**	**9,008**	**558**	**41**	**151**	**20**	**3,155**

Amount of Monthly Benefit[1]	Option Selected				Surviving Cobeneficiary	Surviving Retiree
(In Actual Dollars)	1	2	3	4		
$1-$1,000	1,239	150	380	—	117	1
$1,001-$2,000	969	187	348	1	177	5
$2,001-$3,000	823	238	319	—	151	2
$3,001-$4,000	718	259	276	—	86	—
$4,001-$5,000	486	218	239	—	44	—
$5,001+	901	504	635	—	93	—
Total	**5,136**	**1,556**	**2,197**	**1**	**668**	**8**

[1] For Types of Benefits 1 and 2 above.

Schedule of Retirees and Survivors by Types of Benefits

As of December 31, 2025

Types of Benefits

1—Age and service retirement.

2—Disability retirement.

3—Survivor payment—Option 3.

4—Survivor payment—children, spouse, or dependent parent.

5—Surviving spouse with future benefit.

6—Former member with future benefit.

Option Selected

Retirees select one of the following options at retirement:

1—Single-life benefit.

2—Joint benefit with 1/2 to surviving cobeneficiary.

3—Joint and survivor benefit.

4—Joint benefit with 1/2 to either survivor. (No longer offered to members retiring.)

Surviving Cobeneficiary

Retiree has predeceased the cobeneficiary.

Surviving Retiree

Cobeneficiary has predeceased the retiree.

Judicial Division

Amount of Monthly Benefit	Total	Types of Benefits					
(In Actual Dollars)	(Columns 1–5)	1	2	3	4	5	6
$1-$1,000	18	16	1	—	—	1	2
$1,001-$2,000	25	24	—	—	1	—	4
$2,001-$3,000	32	29	2	—	1	—	9
$3,001-$4,000	34	27	2	—	4	1	6
$4,001-$5,000	34	28	5	—	1	—	4
$5,001+	346	339	4	1	1	1	5
Total	**489**	**463**	**14**	**1**	**8**	**3**	**30**

Amount of Monthly Benefit[1]	Option Selected				Surviving	Surviving
(In Actual Dollars)	1	2	3	4	Cobeneficiary	Retiree
$1-$1,000	7	1	4	—	5	—
$1,001-$2,000	10	1	5	—	8	—
$2,001-$3,000	7	4	12	—	8	—
$3,001-$4,000	11	4	9	—	5	—
$4,001-$5,000	11	4	12	—	6	—
$5,001+	115	78	123	—	27	—
Total	**161**	**92**	**165**	**—**	**59**	**—**

[1] For Types of Benefits 1 and 2 above.

Schedule of Retirees and Survivors by Types of Benefits

As of December 31, 2025

Types of Benefits

1—Age and service retirement.

2—Disability retirement.

3—Survivor payment—Option 3.

4—Survivor payment—children, spouse, or dependent parent.

5—Surviving spouse with future benefit.

6—Former member with future benefit.

Option Selected

Retirees select one of the following options at retirement:

1—Single-life benefit.

2—Joint benefit with 1/2 to surviving cobeneficiary.

3—Joint and survivor benefit.

4—Joint benefit with 1/2 to either survivor. (No longer offered to members retiring.)

Surviving Cobeneficiary

Retiree has predeceased the cobeneficiary.

Surviving Retiree

Cobeneficiary has predeceased the retiree.

DPS Division

Amount of Monthly Benefit	Total	Types of Benefits					
(In Actual Dollars)	(Columns 1–5)	1	2	3	4	5	6
$1-$1,000	1,280	1,147	59	4	64	6	2,166
$1,001-$2,000	1,150	1,047	79	2	21	1	937
$2,001-$3,000	1,039	927	84	8	19	1	251
$3,001-$4,000	1,101	1,049	39	8	5	—	91
$4,001-$5,000	1,209	1,181	26	1	1	—	18
$5,001+	1,626	1,621	4	1	—	—	10
Total	**7,405**	**6,972**	**291**	**24**	**110**	**8**	**3,473**

Amount of Monthly Benefit[1]	Option Selected[2]				Surviving	Surviving	Cobeneficiaries
(In Actual Dollars)	1	2	3	4	Cobeneficiary	Retiree	Both Deceased
$1-$1,000	850	69	188	—	79	19	1
$1,001-$2,000	716	100	159	—	108	43	—
$2,001-$3,000	615	74	173	—	94	55	—
$3,001-$4,000	600	113	221	—	104	49	1
$4,001-$5,000	612	121	263	—	122	87	2
$5,001+	860	173	350	—	141	100	1
Total	**4,253**	**650**	**1,354**	**—**	**648**	**353**	**5**

[1] For Types of Benefits 1 and 2 above.

[2] The equivalent DPS benefit structure options are as follows:
PERA Option 1 = Options A, B, and D (D is discontinued)
PERA Option 2 = Options P2 and E (E is discontinued)
PERA Option 3 = Options P3 and C (C is discontinued)

Schedule of Average Benefit Payments

(In Actual Dollars)

State Division

	Years of Service Credit						
Year Retired	0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$202**	**$726**	**$1,348**	**$2,181**	**$3,290**	**$4,933**	**$6,562**
Average highest average salary	**$3,068**	**$4,182**	**$4,820**	**$5,438**	**$6,370**	**$7,730**	**$8,361**
Number of service retirees	**194**	**323**	**254**	**227**	**337**	**285**	**308**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$197	$727	$1,283	$2,224	$3,398	$4,811	$6,355
Average highest average salary	$3,097	$4,287	$4,694	$5,548	$6,491	$7,538	$7,954
Number of service retirees	166	217	192	181	249	220	235
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$167	$681	$1,363	$2,068	$3,232	$4,598	$6,128
Average highest average salary	$2,802	$3,924	$4,866	$5,054	$6,184	$7,104	$7,791
Number of service retirees	143	230	206	205	264	262	271
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$178	$751	$1,417	$2,141	$3,151	$4,389	$5,955
Average highest average salary	$2,928	$4,196	$5,020	$5,305	$5,990	$6,740	$7,492
Number of service retirees	146	267	258	261	365	302	379
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$155	$767	$1,342	$2,050	$3,118	$4,249	$5,782
Average highest average salary	$2,484	$4,449	$4,724	$4,872	$5,966	$6,574	$7,404
Number of service retirees	110	239	253	242	364	325	421
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$183	$634	$1,166	$1,990	$2,888	$4,105	$5,660
Average highest average salary	$2,948	$3,700	$4,229	$4,844	$5,538	$6,459	$7,169
Number of service retirees	129	228	262	240	333	290	359
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$146	$674	$1,212	$1,948	$2,897	$4,102	$5,660
Average highest average salary	$2,608	$3,902	$4,401	$4,743	$5,607	$6,358	$7,235
Number of service retirees	110	229	237	231	287	282	325
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$153	$596	$1,250	$1,997	$2,880	$3,981	$5,571
Average highest average salary	$2,721	$3,531	$4,332	$4,838	$5,559	$6,179	$7,111
Number of service retirees	83	281	228	234	306	303	379
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$233	$704	$1,287	$2,102	$3,025	$4,355	$5,618
Average highest average salary	$3,134	$3,869	$4,312	$4,860	$5,532	$6,465	$7,162
Number of service retirees	102	238	253	271	338	357	322
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$240	$641	$1,285	$2,050	$2,983	$4,128	$5,593
Average highest average salary	$3,010	$3,477	$4,394	$4,790	$5,397	$6,130	$6,957
Number of service retirees	103	244	233	238	319	357	319

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate “spiking.” Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

School Division

	Years of Service Credit						
Year Retired	**0–5**	**5–10**	**10–15**	**15–20**	**20–25**	**25–30**	**30+**
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$117**	**$404**	**$834**	**$1,545**	**$2,987**	**$4,471**	**$6,038**
Average highest average salary	**$1,696**	**$2,238**	**$3,092**	**$3,910**	**$5,673**	**$6,791**	**$7,754**
Number of service retirees	**335**	**657**	**547**	**504**	**785**	**772**	**694**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$109	$416	$875	$1,544	$2,793	$4,311	$5,743
Average highest average salary	$1,680	$2,417	$3,245	$3,818	$5,284	$6,525	$7,429
Number of service retirees	274	529	431	434	615	605	583
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$118	$417	$820	$1,624	$2,660	$4,114	$5,575
Average highest average salary	$1,811	$2,456	$3,052	$4,014	$5,063	$6,256	$7,171
Number of service retirees	180	483	385	429	788	591	591
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$106	$431	$836	$1,548	$2,607	$3,872	$5,319
Average highest average salary	$1,634	$2,516	$3,055	$3,768	$4,922	$5,908	$6,789
Number of service retirees	200	466	402	472	810	705	718
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$121	$434	$839	$1,536	$2,489	$3,730	$5,225
Average highest average salary	$1,915	$2,600	$3,038	$3,757	$4,751	$5,730	$6,741
Number of service retirees	151	476	426	477	799	640	707
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$85	$416	$821	$1,504	$2,266	$3,579	$5,046
Average highest average salary	$1,447	$2,522	$2,957	$3,604	$4,349	$5,440	$6,460
Number of service retirees	167	379	464	485	702	564	608
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$138	$396	$786	$1,440	$2,321	$3,503	$4,911
Average highest average salary	$1,981	$2,339	$2,854	$3,519	$4,428	$5,374	$6,356
Number of service retirees	141	366	440	377	635	509	512
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$124	$436	$805	$1,440	$2,254	$3,580	$4,833
Average highest average salary	$1,951	$2,574	$2,917	$3,535	$4,296	$5,435	$6,175
Number of service retirees	122	365	451	474	640	551	541
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$185	$433	$925	$1,582	$2,418	$3,794	$4,891
Average highest average salary	$1,980	$2,351	$3,118	$3,615	$4,393	$5,547	$6,067
Number of service retirees	159	370	463	485	611	590	428
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$127	$430	$879	$1,684	$2,304	$3,727	$4,695
Average highest average salary	$1,796	$2,325	$2,924	$3,799	$4,156	$5,388	$5,851
Number of service retirees	118	384	388	408	565	589	422

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate “spiking.” Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

Local Government Division

	Years of Service Credit						
Year Retired	**0–5**	**5–10**	**10–15**	**15–20**	**20–25**	**25–30**	**30+**
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$253**	**$729**	**$1,574**	**$2,485**	**$3,747**	**$5,268**	**$7,564**
Average highest average salary	**$4,567**	**$4,288**	**$5,945**	**$6,413**	**$7,475**	**$8,489**	**$10,360**
Number of service retirees	**60**	**127**	**86**	**54**	**87**	**62**	**53**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$178	$776	$1,397	$2,535	$3,819	$5,072	$6,626
Average highest average salary	$2,821	$4,728	$5,232	$6,344	$7,648	$7,881	$8,485
Number of service retirees	49	84	53	54	91	47	60
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$218	$926	$1,678	$2,548	$3,498	$4,361	$6,721
Average highest average salary	$3,597	$5,769	$6,068	$6,515	$6,885	$6,875	$8,759
Number of service retirees	32	71	59	64	58	51	55
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$274	$790	$1,568	$2,475	$3,579	$4,662	$6,077
Average highest average salary	$3,981	$5,094	$5,515	$6,203	$6,990	$7,218	$7,749
Number of service retirees	37	87	49	63	91	50	48
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$211	$798	$1,535	$2,388	$3,233	$4,747	$6,020
Average highest average salary	$3,890	$4,900	$5,714	$5,572	$6,306	$7,384	$7,580
Number of service retirees	40	99	68	71	77	65	65
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$175	$785	$1,443	$2,156	$3,169	$4,339	$5,914
Average highest average salary	$2,982	$5,165	$5,315	$5,477	$6,390	$6,877	$7,724
Number of service retirees	26	75	50	58	68	60	67
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$204	$737	$1,336	$2,127	$3,042	$4,447	$5,849
Average highest average salary	$3,752	$4,816	$5,056	$5,270	$6,155	$7,081	$7,701
Number of service retirees	26	66	71	62	64	62	54
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$224	$600	$1,496	$2,232	$3,054	$4,745	$6,276
Average highest average salary	$3,698	$3,820	$5,655	$5,428	$5,865	$7,485	$8,237
Number of service retirees	19	63	82	43	76	60	61
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$240	$621	$1,282	$2,202	$3,241	$4,687	$5,720
Average highest average salary	$4,224	$3,889	$4,675	$5,056	$6,165	$6,969	$7,260
Number of service retirees	29	60	72	52	78	54	55
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$323	$686	$1,401	$2,195	$2,761	$4,569	$5,378
Average highest average salary	$4,580	$4,031	$5,104	$5,506	$5,255	$6,796	$6,648
Number of service retirees	15	73	77	49	55	52	46

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate “spiking.” Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

Judicial Division

	Years of Service Credit						
Year Retired	0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$—**	**$2,635**	**$4,170**	**$7,645**	**$8,338**	**$10,621**	**$12,462**
Average highest average salary	**$—**	**$14,574**	**$14,159**	**$16,739**	**$16,462**	**$16,408**	**$15,773**
Number of service retirees	**—**	**3**	**3**	**1**	**8**	**4**	**2**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$1,008	$2,363	$5,430	$5,861	$7,752	$9,558	$9,826
Average highest average salary	$15,612	$13,848	$16,020	$15,871	$15,013	$16,293	$12,131
Number of service retirees	1	3	1	4	3	4	5
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$—	$2,302	$4,823	$5,464	$7,450	$9,099	$11,310
Average highest average salary	$—	$15,132	$14,603	$15,123	$15,196	$14,532	$15,637
Number of service retirees	—	3	2	2	7	6	1
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$—	$3,157	$5,535	$6,021	$7,462	$8,665	$11,757
Average highest average salary	$—	$15,239	$15,357	$15,041	$14,590	$14,567	$14,630
Number of service retirees	—	2	1	3	12	3	3
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$230	$2,878	$3,366	$5,796	$6,473	$8,659	$9,838
Average highest average salary	$2,704	$15,526	$12,689	$14,582	$12,528	$13,876	$13,822
Number of service retirees	1	1	7	3	4	3	9
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$—	$1,655	$3,737	$2,485	$7,289	$7,859	$11,031
Average highest average salary	$—	$9,117	$13,912	$6,658	$14,385	$12,619	$14,277
Number of service retirees	—	2	2	3	6	5	7
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$—	$505	$3,822	$5,548	$6,389	$9,190	$11,134
Average highest average salary	$—	$4,208	$13,596	$13,969	$13,267	$13,950	$13,458
Number of service retirees	—	2	4	7	3	7	3
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$—	$2,763	$—	$5,841	$6,403	$8,926	$11,277
Average highest average salary	$—	$13,617	$—	$13,351	$13,378	$13,548	$15,287
Number of service retirees	—	1	—	1	2	1	2
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$—	$1,929	$3,419	$6,000	$0	$8,369	$11,366
Average highest average salary	$—	$13,295	$9,786	$12,308	$0	$12,825	$13,840
Number of service retirees	—	3	3	2	—	8	8
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$679	$1,868	$3,471	$5,044	$5,641	$8,291	$10,086
Average highest average salary	$6,905	$12,839	$12,526	$12,043	$11,450	$13,030	$13,340
Number of service retirees	2	2	1	6	3	7	5

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate "spiking." Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

DPS Division

Year Retired	Years of Service Credit 0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$214**	**$629**	**$1,150**	**$1,843**	**$3,396**	**$4,826**	**$6,545**
Average highest average salary	**$3,091**	**$3,632**	**$4,021**	**$4,921**	**$6,896**	**$7,892**	**$8,684**
Number of service retirees	**12**	**40**	**55**	**52**	**34**	**59**	**34**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$138	$559	$1,036	$2,173	$3,306	$4,594	$6,018
Average highest average salary	$2,875	$3,504	$3,477	$5,876	$6,734	$7,450	$7,954
Number of service retirees	15	35	54	17	28	53	33
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$130	$617	$994	$2,328	$3,219	$4,765	$5,863
Average highest average salary	$2,460	$3,729	$3,298	$6,163	$6,503	$7,592	$7,833
Number of service retirees	13	42	76	24	29	47	38
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$74	$689	$967	$2,058	$3,604	$4,384	$5,983
Average highest average salary	$1,917	$3,849	$3,407	$5,655	$6,964	$6,931	$7,623
Number of service retirees	10	45	76	24	37	66	39
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$116	$558	$893	$2,119	$2,821	$4,257	$5,537
Average highest average salary	$2,188	$3,279	$3,238	$5,596	$5,618	$6,617	$7,155
Number of service retirees	10	51	52	32	29	45	33
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$22	$595	$837	$2,163	$2,893	$4,307	$5,498
Average highest average salary	$795	$3,388	$3,142	$5,382	$5,959	$6,833	$7,201
Number of service retirees	5	27	61	29	25	35	36
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$119	$519	$1,361	$2,205	$2,644	$4,237	$5,801
Average highest average salary	$2,828	$3,093	$5,082	$5,691	$5,223	$6,601	$7,292
Number of service retirees	8	56	34	28	28	37	32
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$77	$475	$1,369	$1,748	$2,727	$4,334	$5,337
Average highest average salary	$1,890	$2,972	$4,821	$4,714	$5,464	$6,788	$6,831
Number of service retirees	5	65	23	34	35	51	61
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$176	$555	$1,305	$2,089	$3,242	$4,544	$5,416
Average highest average salary	$2,466	$2,926	$4,325	$5,263	$5,682	$6,625	$6,835
Number of service retirees	8	59	21	38	52	58	20
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$163	$611	$1,462	$1,989	$3,415	$4,133	$5,342
Average highest average salary	$1,938	$3,536	$4,816	$4,955	$6,055	$5,876	$6,785
Number of service retirees	4	59	40	60	59	56	24

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate “spiking.” Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

All Division Trust Funds

	Years of Service Credit						
Year Retired	0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$160**	**$544**	**$1,069**	**$1,803**	**$3,166**	**$4,663**	**$6,288**
Average highest average salary	**$2,454**	**$3,091**	**$3,905**	**$4,563**	**$6,088**	**$7,194**	**$8,095**
Number of service retirees	**601**	**1,150**	**945**	**838**	**1,251**	**1,182**	**1,091**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$147	$541	$1,038	$1,841	$3,070	$4,507	$5,990
Average highest average salary	$2,319	$3,192	$3,804	$4,590	$5,878	$6,928	$7,677
Number of service retirees	505	868	731	690	986	929	916
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$146	$551	$1,072	$1,866	$2,878	$4,323	$5,815
Average highest average salary	$2,374	$3,258	$3,867	$4,632	$5,512	$6,639	$7,474
Number of service retirees	368	829	728	724	1,146	957	956
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$148	$585	$1,091	$1,838	$2,897	$4,088	$5,591
Average highest average salary	$2,343	$3,390	$3,903	$4,538	$5,507	$6,273	$7,099
Number of service retirees	393	867	786	823	1,315	1,126	1,187
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$145	$578	$1,081	$1,798	$2,734	$3,983	$5,499
Average highest average salary	$2,380	$3,428	$3,890	$4,351	$5,237	$6,144	$7,074
Number of service retirees	312	866	806	825	1,273	1,078	1,235
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$130	$595	$837	$2,163	$2,893	$4,307	$5,498
Average highest average salary	$2,151	$3,230	$3,534	$4,177	$4,909	$5,929	$6,851
Number of service retirees	327	711	839	815	1,134	954	1,077
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$147	$526	$1,005	$1,738	$2,549	$3,831	$5,280
Average highest average salary	$2,408	$3,128	$3,670	$4,264	$4,919	$5,919	$6,798
Number of service retirees	285	719	786	705	1,017	897	926
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$142	$514	$1,023	$1,668	$2,516	$3,824	$5,227
Average highest average salary	$2,373	$3,070	$3,671	$4,090	$4,829	$5,876	$6,691
Number of service retirees	229	775	784	786	1,059	966	1,044
Period 1/1/2017 to 12/31/2017							
Average monthly benefit	$207	$553	$1,088	$1,819	$2,707	$4,102	$5,302
Average highest average salary	$2,606	$3,064	$3,684	$4,196	$4,940	$6,039	$6,662
Number of service retirees	298	730	812	848	1,079	1,067	833
Period 1/1/2016 to 12/31/2016							
Average monthly benefit	$192	$540	$1,096	$1,882	$2,621	$3,955	$5,137
Average highest average salary	$2,530	$2,979	$3,730	$4,375	$4,746	$5,783	$6,402
Number of service retirees	242	762	739	761	1,001	1,061	816

Note: HAS is defined as one-twelfth of the average of the highest annual salaries associated with three periods of 12 consecutive months of service credit. These three periods are tied to a fourth 12-month period which becomes the base year for the year-to-year increase limitation, which is designed to moderate "spiking." Some members of the DPS benefit structure, members in the Judicial Division, and members who did not have five years of service credit on December 31, 2019, have different HAS calculations. Please see Note 1 of the Notes to the Financial Statements in the Financial Section for more information.

Schedule of Average Benefit Payments

(In Actual Dollars)

Health Care Trust Fund[1]

	Years of Service Credit						
Year Retired	0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$13**	**$54**	**$95**	**$125**	**$178**	**$176**	**$197**
Number of service retirees[2]	**17**	**45**	**69**	**111**	**212**	**224**	**215**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$14	$50	$78	$121	$160	$164	$186
Number of service retirees[2]	24	51	91	123	211	141	219
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$16	$50	$80	$113	$151	$180	$185
Number of service retirees[2]	28	80	112	139	279	209	249
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$25	$57	$79	$127	$167	$187	$195
Number of service retirees[2]	33	75	111	180	324	271	323
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$16	$55	$89	$132	$190	$197	$196
Number of service retirees[2]	21	62	130	152	334	286	412
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$14	$60	$101	$148	$189	$197	$203
Number of service retirees[2]	18	56	106	187	346	325	459
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$15	$57	$102	$147	$195	$203	$205
Number of service retirees[2]	19	57	120	184	316	319	416
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$20	$62	$110	$154	$201	$201	$209
Number of service retirees[2]	7	56	131	177	394	365	482

1 Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

2 Only includes those service retirees participating in PERACare.

Schedule of Average Benefit Payments

(In Actual Dollars)

DPS Health Care Trust Fund[1]

	Years of Service Credit						
Year Retired	**0–5**	**5–10**	**10–15**	**15–20**	**20–25**	**25–30**	**30+**
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$—**	**$58**	**$88**	**$99**	**$153**	**$230**	**$187**
Number of service retirees[2]	**—**	**3**	**4**	**4**	**6**	**7**	**8**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$12	$52	$79	$190	$145	$182	$192
Number of service retirees[2]	2	3	5	2	7	12	9
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$—	$49	$81	$146	$164	$215	$172
Number of service retirees[2]	—	2	11	6	7	15	9
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$—	$29	$75	$115	$188	$186	$196
Number of service retirees[2]	—	2	10	5	10	16	10
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$29	$92	$85	$130	$148	$203	$216
Number of service retirees[2]	1	1	4	7	5	13	13
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$—	$69	$78	$141	$129	$212	$212
Number of service retirees[2]	—	1	7	10	8	13	18
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$6	$68	$99	$131	$201	$208	$203
Number of service retirees[2]	1	4	9	7	13	16	17
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$—	$65	$67	$170	$203	$208	$208
Number of service retirees[2]	—	8	3	6	13	21	36

1 Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

2 Only includes those service retirees participating in PERACare.

Schedule of Average Benefit Payments

(In Actual Dollars)

All Health Care Trust Funds[1]

	Years of Service Credit						
Year Retired	0–5	5–10	10–15	15–20	20–25	25–30	30+
Period 1/1/2025 to 12/31/2025							
Average monthly benefit	**$13**	**$54**	**$95**	**$124**	**$177**	**$178**	**$197**
Number of service retirees[2]	**17**	**48**	**73**	**115**	**218**	**231**	**223**
Period 1/1/2024 to 12/31/2024							
Average monthly benefit	$14	$50	$78	$122	$159	$165	$186
Number of service retirees[2]	26	54	96	125	218	153	228
Period 1/1/2023 to 12/31/2023							
Average monthly benefit	$16	$50	$80	$114	$152	$183	$185
Number of service retirees[2]	28	82	123	145	286	224	258
Period 1/1/2022 to 12/31/2022							
Average monthly benefit	$25	$56	$79	$127	$168	$187	$195
Number of service retirees[2]	33	77	121	185	334	287	333
Period 1/1/2021 to 12/31/2021							
Average monthly benefit	$16	$56	$89	$132	$190	$197	$197
Number of service retirees[2]	22	63	134	159	339	299	425
Period 1/1/2020 to 12/31/2020							
Average monthly benefit	$14	$60	$100	$148	$187	$198	$203
Number of service retirees[2]	18	57	113	197	354	338	477
Period 1/1/2019 to 12/31/2019							
Average monthly benefit	$14	$58	$102	$147	$195	$203	$205
Number of service retirees[2]	20	61	129	191	329	335	433
Period 1/1/2018 to 12/31/2018							
Average monthly benefit	$20	$62	$109	$154	$201	$201	$209
Number of service retirees[2]	7	64	134	183	407	386	518

1 Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

2 Only includes those service retirees participating in PERACare.

Schedule of Contribution Rate History

State Division (Members other than Safety Officers)[1]

			Percent of Covered Payroll						
Years			Member Contribution Rate	Employer Contribution Rate[2]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Nonemployer Contribution Rate[3]	Defined Contribution Supplement[4]	Total Contribution Rate
1/1/2016	to	12/31/2016	8.00%	10.15%	4.60%	4.50%	—	—	27.25%
1/1/2017	to	12/31/2017	8.00%	10.15%	5.00%	5.00%	—	—	28.15%
1/1/2018	to	12/31/2018	8.00%	10.15%	5.00%	5.00%	2.71%	—	30.86%
1/1/2019	to	6/30/2019	8.00%	10.15%	5.00%	5.00%	2.57%	—	30.72%
7/1/2019	to	12/31/2019	8.75%	10.40%	5.00%	5.00%	2.57%	—	31.72%
1/1/2020	to	6/30/2020	8.75%	10.40%	5.00%	5.00%	—[5]	—	29.15%
7/1/2020	to	12/31/2020	10.00%	10.90%	5.00%	5.00%	—[5]	—	30.90%
1/1/2021	to	6/30/2021	10.00%	10.90%	5.00%	5.00%	2.48%	0.05%	33.43%
7/1/2021	to	12/31/2021	10.50%	10.90%	5.00%	5.00%	2.48%	0.05%	33.93%
1/1/2022	to	6/30/2022	10.50%	10.90%	5.00%	5.00%	6.23%[6]	0.10%	37.73%
7/1/2022	to	12/31/2022	11.00%	11.40%	5.00%	5.00%	6.23%[6]	0.10%	38.73%
1/1/2023	to	12/31/2023	11.00%	11.40%	5.00%	5.00%	0.45%[6]	0.17%	33.02%
1/1/2024	to	12/31/2024	11.00%	11.40%	5.00%	5.00%	1.93%	0.21%	34.54%
1/1/2025	**to**	**12/31/2025**	**11.00%**	**11.40%**	**5.00%**	**5.00%**	**2.01%**	**0.23%**	**34.64%**

1 See Note 1 of the Notes to the Financial Statements in the Financial Section for the definition of "Safety Officers."

2 All employer contribution rates shown include the Health Care Trust Fund (HCTF) allocation.

3 Contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.* and are remitted to PERA as a single sum in July of each year. For purposes of this schedule, the amount allocated to the State Division is expressed as a percentage of annual covered payroll. If applicable, the amount allocated is shown in both six-month segment contribution summaries for improved comparative analysis to the prior year.

4 C.R.S. § 24-51-415 adjusts employer contribution rates for the State Division. See Note 4 of the Notes to the Financial Statements in the Financial Section for additional information.

5 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

6 In 2022, House Bill 22-1029 required a restorative payment to recompense PERA for the suspended 2020 contribution, which also advanced part of the 2023 contribution.

Schedule of Contribution Rate History (continued)

State Division (Safety Officers)[1]

Years			Member Contribution Rate	Employer Contribution Rate[2]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Nonemployer Contribution Rate[3]	Defined Contribution Supplement[4]	Total Contribution Rate
			Percent of Covered Payroll						
1/1/2016	to	12/31/2016	10.00%	12.85%	4.60%	4.50%	—	—	31.95%
1/1/2017	to	12/31/2017	10.00%	12.85%	5.00%	5.00%	—	—	32.85%
1/1/2018	to	12/31/2018	10.00%	12.85%	5.00%	5.00%	2.71%	—	35.56%
1/1/2019	to	6/30/2019	10.00%	12.85%	5.00%	5.00%	2.57%	—	35.42%
7/1/2019	to	12/31/2019	10.75%	13.10%	5.00%	5.00%	2.57%	—	36.42%
1/1/2020	to	6/30/2020	10.75%	13.10%	5.00%	5.00%	—[5]	—	33.85%
7/1/2020	to	12/31/2020	12.00%	13.60%	5.00%	5.00%	—[5]	—	35.60%
1/1/2021	to	6/30/2021	12.00%	13.60%	5.00%	5.00%	2.48%	0.05%	38.13%
7/1/2021	to	12/31/2021	12.50%	13.60%	5.00%	5.00%	2.48%	0.05%	38.63%
1/1/2022	to	6/30/2022	12.50%	13.60%	5.00%	5.00%	6.23%[6]	0.10%	42.43%
7/1/2022	to	12/31/2022	13.00%	14.10%	5.00%	5.00%	6.23%[6]	0.10%	43.43%
1/1/2023	to	12/31/2023	13.00%	14.10%	5.00%	5.00%	0.45%[6]	0.17%	37.72%
1/1/2024	to	12/31/2024	13.00%	14.10%	5.00%	5.00%	1.93%	0.21%	39.24%
1/1/2025	**to**	**12/31/2025**	**13.00%**	**14.10%**	**5.00%**	**5.00%**	**2.01%**	**0.23%**	**39.34%**

1 See Note 1 of the Notes to the Financial Statements in the Financial Section for the definition of “Safety Officers.”

2 All employer contribution rates shown include the HCTF allocation.

3 Contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.* and are remitted to PERA as a single sum in July of each year. For purposes of this schedule, the amount allocated to the State Division is expressed as a percentage of annual covered payroll. If applicable, the amount allocated is shown in both six-month segment contribution summaries for improved comparative analysis to the prior year.

4 C.R.S. § 24-51-415 adjusts employer contribution rates for the State Division. See Note 4 of the Notes to the Financial Statements in the Financial Section for additional information.

5 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State’s 2020-21 fiscal year.

6 In 2022, House Bill 22-1029 required a restorative payment to recompense PERA for the suspended 2020 contribution, which also advanced part of the 2023 contribution.

Schedule of Contribution Rate History (continued)

School Division

Years			Member Contribution Rate	Employer Contribution Rate[1]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Nonemployer Contribution Rate[2]	Total Contribution Rate
			Percent of Covered Payroll					
1/1/2016	to	12/31/2016	8.00%	10.15%	4.50%	4.50%	—	27.15%
1/1/2017	to	12/31/2017	8.00%	10.15%	4.50%	5.00%	—	27.65%
1/1/2018	to	12/31/2018	8.00%	10.15%	4.50%	5.50%	2.64%	30.79%
1/1/2019	to	6/30/2019	8.00%	10.15%	4.50%	5.50%	2.50%	30.65%
7/1/2019	to	12/31/2019	8.75%	10.40%	4.50%	5.50%	2.50%	31.65%
1/1/2020	to	6/30/2020	8.75%	10.40%	4.50%	5.50%	—[3]	29.15%
7/1/2020	to	12/31/2020	10.00%	10.90%	4.50%	5.50%	—[3]	30.90%
1/1/2021	to	6/30/2021	10.00%	10.90%	4.50%	5.50%	2.34%	33.24%
7/1/2021	to	12/31/2021	10.50%	10.90%	4.50%	5.50%	2.34%	33.74%
1/1/2022	to	6/30/2022	10.50%	10.90%	4.50%	5.50%	6.18%[4]	37.58%
7/1/2022	to	12/31/2022	11.00%	11.40%	4.50%	5.50%	6.18%[4]	38.58%
1/1/2023	to	12/31/2023	11.00%	11.40%	4.50%	5.50%	0.47%[4]	32.87%
1/1/2024	to	12/31/2024	11.00%	11.40%	4.50%	5.50%	1.92%	34.32%
1/1/2025	**to**	**12/31/2025**	**11.00%**	**11.40%**	**4.50%**	**5.50%**	**2.02%**	**34.42%**

1 All employer contribution rates include the HCTF allocation.

2 Contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.* and are remitted to PERA as a single sum in July of each year. For purposes of this schedule, the amount allocated to the School Division is expressed as a percentage of annual covered payroll. If applicable, the amount allocated is shown in both six-month segment contribution summaries for improved comparative analysis to the prior year.

3 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

4 In 2022, House Bill 22-1029 required a restorative payment to recompense PERA for the suspended 2020 contribution, which also advanced part of the 2023 contribution.

Local Government Division (Members other than Safety Officers)[1]

Years			Member Contribution Rate	Employer Contribution Rate[2]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Defined Contribution Supplement[3]	Total Contribution Rate
			Percent of Covered Payroll					
1/1/2016	to	6/30/2020	8.00%	10.00%	2.20%	1.50%	—	21.70%
7/1/2020	to	12/31/2020	8.50%	10.50%	2.20%	1.50%	—	22.70%
1/1/2021	to	12/31/2021	8.50%	10.50%	2.20%	1.50%	0.02%	22.72%
1/1/2022	to	6/30/2022	8.50%	10.50%	2.20%	1.50%	0.03%	22.73%
7/1/2022	to	12/31/2022	9.00%	11.00%	2.20%	1.50%	0.03%	23.73%
1/1/2023	to	12/31/2023	9.00%	11.00%	2.20%	1.50%	0.06%	23.76%
1/1/2024	to	12/31/2024	9.00%	11.00%	2.20%	1.50%	0.08%	23.78%
1/1/2025	**to**	**12/31/2025**	**9.00%**	**11.00%**	**2.20%**	**1.50%**	**0.11%**	**23.81%**

1 See Note 1 of the Notes to the Financial Statements in the Financial Section for the definition of "Safety Officers."

2 All employer contribution rates include the HCTF allocation.

3 C.R.S. § 24-51-415 adjusts employer contribution rates for the Local Government Division. See Note 4 of the Notes to the Financial Statements in the Financial Section for additional information.

Schedule of Contribution Rate History (continued)

Local Government Division (Safety Officers)[1]

Years[2]			Member Contribution Rate	Employer Contribution Rate[3]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Defined Contribution Supplement[4]	Total Contribution Rate
			Percent of Covered Payroll					
1/1/2020	to	6/30/2020	10.75%	13.10%	2.20%	1.50%	—	27.55%
7/1/2020	to	12/31/2020	12.00%	13.60%	2.20%	1.50%	—	29.30%
1/1/2021	to	6/30/2021	12.00%	13.60%	2.20%	1.50%	0.02%	29.32%
7/1/2021	to	12/31/2021	12.50%	13.60%	2.20%	1.50%	0.02%	29.82%
1/1/2022	to	6/30/2022	12.50%	13.60%	2.20%	1.50%	0.03%	29.83%
7/1/2022	to	12/31/2022	13.00%	14.10%	2.20%	1.50%	0.03%	30.83%
1/1/2023	to	12/31/2023	13.00%	14.10%	2.20%	1.50%	0.06%	30.86%
1/1/2024	to	12/31/2024	13.00%	14.10%	2.20%	1.50%	0.08%	30.88%
1/1/2025	to	**12/31/2025**	**13.00%**	**14.10%**	**2.20%**	**1.50%**	**0.11%**	**30.91%**

1 See Note 1 of the Notes to the Financial Statements in the Financial Section for the definition of "Safety Officers."

2 C.R.S. § 24-51-101 (46), as amended, expanded the definition of "Safety Officers" to include certain employees within the Local Government Division.

3 All employer contribution rates include the HCTF allocation.

4 C.R.S. § 24-51-415 adjusts employer contribution rates for the Local Government Division. See Note 4 of the Notes to the Financial Statements in the Financial Section for additional information.

Judicial Division

Years			Member Contribution Rate	Employer Contribution Rate[1]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Nonemployer Contribution Rate[2]	Total Contribution Rate
			Percent of Covered Payroll					
1/1/2016	to	12/31/2017	8.00%	13.66%	2.20%	1.50%	—	25.36%
1/1/2018	to	12/31/2018	8.00%	13.66%	2.20%	1.50%	2.74%	28.10%
1/1/2019	to	6/30/2019	8.00%	13.66%	3.40%	3.40%	2.51%	30.97%
7/1/2019	to	12/31/2019	8.75%	13.91%	3.40%	3.40%	2.51%	31.97%
1/1/2020	to	6/30/2020	8.75%	13.91%	3.80%	3.80%	—[3]	30.26%
7/1/2020	to	12/31/2020	15.00%[4] / 10.00%[5]	9.41%[4] / 14.41%[5]	3.80%	3.80%	—[3]	32.01%
1/1/2021	to	6/30/2021	15.00%[4] / 10.00%[5]	9.41%[4] / 14.41%[5]	4.20%	4.20%	2.44%	35.25%
7/1/2021	to	12/31/2021	15.50%[4] / 10.50%[5]	9.41%[4] / 14.41%[5]	4.20%	4.20%	2.44%	35.75%
1/1/2022	to	6/30/2022	15.50%[4] / 10.50%[5]	9.41%[4] / 14.41%[5]	4.60%	4.60%	6.32%[6]	40.43%
7/1/2022	to	12/31/2022	11.00%	14.91%	4.60%	4.60%	6.32%[6]	41.43%
1/1/2023	to	12/31/2023	11.00%	14.91%	5.00%	5.00%	0.48%[6]	36.39%
1/1/2024	to	**12/31/2025**	**11.00%**	**14.91%**	**5.00%**	**5.00%**	**2.01%**	**37.92%**

1 All employer contribution rates include the HCTF allocation.

2 Contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.* and are remitted to PERA as a single sum in July of each year. For purposes of this schedule, the amount allocated to the Judicial Division is expressed as a percentage of annual covered payroll. If applicable, the amount allocated is shown in both six-month segment contribution summaries for improved comparative analysis to the prior year.

3 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

4 House Bill 20-1394 required member contributions to increase by 5.00% and employer contributions to decrease by 5.00% for all members of the Judicial Division except those employed by the Denver County Court.

5 Contribution rates for members of the Judicial Division employed by the Denver County Court.

6 In 2022, House Bill 22-1029 required a restorative payment to recompense PERA for the suspended 2020 contribution, which also advanced part of the 2023 contribution.

Schedule of Contribution Rate History (continued)

DPS Division

Years			Member Contribution Rate	Employer Contribution Rate[1]	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Employer Contribution PCOP Offset[2]	Nonemployer Contribution Rate[3]	Total Contribution Rate
			Percent of Covered Payroll						
1/1/2016	to	12/31/2016	8.00%	10.15%	4.50%	4.50%	(15.54%)	—	11.61%
1/1/2017	to	12/31/2017	8.00%	10.15%	4.50%	5.00%	(14.56%)	—	13.09%
1/1/2018	to	12/31/2018	8.00%	10.15%	4.50%	5.50%	(14.18%)	2.58%	16.55%
1/1/2019	to	6/30/2019	8.00%	10.15%	4.50%	5.50%	(13.35%)[4]	2.61%	17.41%
7/1/2019	to	12/31/2019	8.75%	10.40%	4.50%	5.50%	(13.60%)[4]	2.61%	18.16%
1/1/2020	to	6/30/2020	8.75%	10.40%	4.50%	5.50%	(12.25%)[4]	—[5]	16.90%
7/1/2020	to	12/31/2020	10.00%	10.90%	4.50%	5.50%	(12.75%)[4]	—[5]	18.15%
1/1/2021	to	6/30/2021	10.00%	10.90%	4.50%	5.50%	(12.09%)	2.33%	21.14%
7/1/2021	to	12/31/2021	10.50%	10.90%	4.50%	5.50%	(12.09%)	2.33%	21.64%
1/1/2022	to	6/30/2022	10.50%	10.90%	4.50%	5.50%	(11.22%)[4]	6.51%[6]	26.69%
7/1/2022	to	12/31/2022	11.00%	11.40%	4.50%	5.50%	(11.72%)[4]	6.51%[6]	27.19%
1/1/2023	to	12/31/2023	11.00%	11.40%	4.50%	5.50%	(10.93%)	0.46%[6]	21.93%
1/1/2024	to	12/31/2024	11.00%	11.40%	4.50%	5.50%	(9.78%)	2.12%	24.74%
1/1/2025	**to**	**6/30/2025**	**11.00%**	**11.40%**	**4.50%**	**5.50%**	**(9.12%)**	**—[7]**	**23.28%**
7/1/2025	**to**	**12/31/2025**	**11.00%**	**8.40%[7]**	**4.50%**	**5.50%**	**(9.12%)**	**—[7]**	**20.28%**

1 All employer contribution rates include the DPS HCTF allocation.

2 An offset to the DPS Division rate is provided for under C.R.S. § 24-51-412. See Note 4 of the Notes to the Financial Statements in the Financial Section.

3 Contributions from a nonemployer contributing entity are required by C.R.S. § 24-51-414 *et seq.* and are remitted to PERA as a single sum in July of each year. For purposes of this schedule, the amount allocated to the DPS Division is expressed as a percentage of annual covered payroll. If applicable, the amount allocated is shown in both six-month segment contribution summaries for improved comparative analysis to the prior year.

4 To conform with this presentation of contribution rates, the annual PCOP offset for the calendar year has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements for each-six month segment.

5 House Bill 20-1379 suspended the July 2020 contribution from the nonemployer contributing entity for the State's 2020-21 fiscal year.

6 In 2022, House Bill 22-1029 required a restorative payment to recompense PERA for the suspended 2020 contribution, which also advanced part of the 2023 contribution.

7 House Bill 25-1105 enacted May 23, 2025, and effective July 1, 2025, reduced the base employer contribution rate for the DPS Division. Additionally, effective July 1, 2025, and prior to July 1, 2030, the DPS Division receives no allocation of the direct distribution.

Employer Contributions to Health Care Trust Funds

Division/Years			Percent of Covered Payroll Allocated from Employer Contribution to Health Care Trust Funds
State Division			
1/1/2016	to	**12/31/2025**	**1.02%**
School Division			
1/1/2016	to	**12/31/2025**	**1.02%**
Local Government Division			
1/1/2016	to	**12/31/2025**	**1.02%**
Judicial Division			
1/1/2016	to	**12/31/2025**	**1.02%**
DPS Division			
1/1/2016	to	**6/30/2025**	**1.02%**
7/1/2025[1]	to	**12/31/2025**	**0.20%**

1 Effective July 1, 2025, House Bill 25-110 reduced the allocated employer contribution to the DPS HCTF.

Principal Participating Employers

State Division Trust Fund[1]

	2025			2016		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
State of Colorado	**53,352**	**1**	**96.27%**	50,963	1	91.45%

School Division Trust Fund[1]

	2025			2016		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
Jefferson County School District R-1	**12,113**	**1**	**9.04%**	12,392	1	10.16%
Douglas County School District Re 1	**9,626**	**2**	**7.18%**	8,666	2	7.11%
Cherry Creek School District 5	**9,192**	**3**	**6.86%**	7,777	3	6.38%
Adams-Arapahoe School District 28J	**6,183**	**4**	**4.61%**	5,501	4	4.51%
Adams 12 Five Star Schools	**5,359**	**5**	**4.00%**	5,191	5	4.26%
Poudre School District R-1	**5,332**	**6**	**3.98%**	4,554	7	3.73%
St. Vrain Valley School District RE1J	**4,972**	**7**	**3.71%**	4,360	9	3.58%
Boulder Valley School District RE2	**4,860**	**8**	**3.63%**	4,686	6	3.84%
Academy School District #20	**4,201**	**9**	**3.13%**	3,763	10	3.09%
Colorado Springs School District 11	**4,102**	**10**	**3.06%**	4,475	8	3.67%

Local Government Division Trust Fund[1]

	2025			2016		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
City of Colorado Springs	**3,640**	**1**	**28.50%**	3,202	1	25.14%
Boulder County Government	**2,358**	**2**	**18.46%**	2,092	2	16.43%
City of Boulder	**1,434**	**3**	**11.23%**	1,489	3	11.69%

Judicial Division Trust Fund[1]

	2025			2016		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
Judicial Department	**341**	**1**	**96.60%**	317	1	94.63%

DPS Division Trust Fund[1]

	2025			2016		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
Denver Public School District No. 1	**16,104**	**1**	**100.00%**	15,950	1	100.00%

[1] The employer counts are presented for purposes of complying with GASB 67 only, which classifies a primary government and its component units as one employer. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

Principal Participating Employers (continued)

Health Care Trust Fund[1,2]

	2025			2017		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
State of Colorado	**53,352**	**1**	**26.34%**	51,022	1	26.60%
Jefferson County School District R-1	**12,113**	**2**	**5.98%**	12,295	2	6.41%
Douglas County School District Re 1	**9,626**	**3**	**4.75%**	9,100	3	4.75%
Cherry Creek School District 5	**9,192**	**4**	**4.54%**	7,929	4	4.13%
Adams-Arapahoe School District 28J	**6,183**	**5**	**3.05%**	5,271	5	2.75%
Adams 12 Five Star Schools	**5,359**	**6**	**2.65%**	5,075	6	2.65%
Poudre School District R-1	**5,332**	**7**	**2.63%**			
St. Vrain Valley School District RE1J	**4,972**	**8**	**2.45%**			
Boulder Valley School District RE2				4,763	7	2.48%
Colorado Springs School District 11				4,448	8	2.32%

DPS Health Care Trust Fund[1,2]

	2025			2017		
Employer	Covered Active Members December 31	Rank	Percentage of Total System	Covered Active Members December 31	Rank	Percentage of Total System
Denver Public School District No. 1	**16,104**	**1**	**100.00%**	15,991	1	100.00%

1 Guidance under GASB Statement No. 74 classifies a primary government and its component units as one employer. Due to this change, data for the number of members by employer for years prior to 2017 is not available.

2 This employer count is presented for purposes of complying with GASB 74 only. For all other purposes, the definition of an employer is governed by Title 24, Article 51 of the C.R.S., PERA's Rules, 8 CCR 1502-1, and, if applicable, the employer's affiliation agreement with PERA.

Schedule of Third-Party Service Providers[1]

For the Year Ended December 31, 2025

(Dollars in Thousands)

	Amount
CIF External manager expenses[3]	$209,992
Computer services and consulting[2]	5,287
Professional investment services[2]	3,835
CAP External manager expenses[3]	3,379
Other professional and consulting services[2]	2,783
Legal and legislative counsel[2]	2,656
Health Care Trust Fund[2]	2,634
Other services[2]	2,030
CIF Investment service expenses and custody fees[3]	1,800
Voluntary Investment Program[2]	1,563
Management consulting[2]	1,347
Actuarial[2]	822
Deferred Compensation Plan[2]	528
Health care consulting[2]	402
Audit and accounting[2]	345
Tenant services[4]	223
Defined Contribution Retirement Plan[2]	184
DPS Health Care Trust Fund[2]	132
State Division Trust Fund[2]	114
School Division Trust Fund[2]	111
Payroll services[2]	106
Local Government Division Trust Fund[2]	24
DPS Division Trust Fund[2]	11
Judicial Division Trust Fund[2]	1
Total third party service providers	**$240,309**

1 This schedule shows total annual costs for third-party providers.

2 This amount is included in the Schedule of Administrative Expenses on page 116.

3 This amount is included in the Schedule of Investment Expenses on page 117.

4 This amount is included in the Schedule of Administrative Expenses tenant and other expenses/(income) as footnoted on page 116.

COLORADO
PERA®

Acronym Section

COLORADO PERA®

AAL	Actuarial Accrued Liability
AAP	Automatic Adjustment Provision
ACFR	Annual Comprehensive Financial Report
ADC	Actuarially Determined Contribution
AED	Amortization Equalization Disbursement
AI	Annual Increase
AIR	Annual Increase Reserve
ALM	Asset Liability Modeling
ASOP	Actuarial Standards of Practice
AVA	Actuarial Value of Assets
C.R.S	Colorado Revised Statutes
CAPs	Capital Accumulation Plans
CIF	Combined Investment Fund
COF	Common Operating Fund
DB	Defined Benefit
DC	Defined Contribution
DC Plan	Defined Contribution Retirement Plan
DPS	Denver Public Schools
DPS HCTF	Denver Public Schools Health Care Trust Fund
DPSRS	Denver Public Schools Retirement System
FNP	Fiduciary Net Position
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
HB	House Bill
HCTF	Health Care Trust Fund
HMO	Health Maintenance Organization
MAPD	Medicare Advantage Prescription Drug
MD&A	Management’s Discussion and Analysis
NAV	Net Asset Value
NOA	Net OPEB Asset
NOL	Net OPEB Liability
NPA	Net Pension Asset
NPL	Net Pension Liability
OPEB	Other Postemployment Benefits
PCOP	Pension Certificates of Participation
PERA	Public Employees’ Retirement Association of Colorado
PERAPlus	PERA voluntary retirement plans (401(k), 457)
PPO	Preferred Provider Organization
RSI	Required Supplementary Information
SAED	Supplemental Amortization Equalization Disbursement
SB	Senate Bill
TOL	Total OPEB Liability
TPL	Total Pension Liability
UAAL	Unfunded Actuarial Accrued Liability

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5/20 (REV 6-26)

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