



THE BOARD HAS 16 TRUSTEES

12 TRUSTEES ARE ELECTED BY PERA MEMBERS AND RETIREES

- 3 State Division Trustees**
(Institutions of Higher Education and State agencies)
- 4 School Division Trustees**
(All school districts in Colorado except Denver Public Schools)
- 1 Local Government Division Trustee**
(Local governments and special districts)
- 1 Judicial Division Trustee**
(Elected or appointed judges in district and county courts)
- 2 Retiree Trustees**
(Retiree Trustees are from two different divisions of membership)
- 1 DPS Trustee**
(Ex officio, non-voting member from Denver Public Schools)

3 APPOINTED TRUSTEES

- Appointed by the Governor and confirmed by the State Senate
- These are members of the public and not PERA members, inactive members, or retirees
- Must have significant experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis
- Only two appointed Trustees can be from the same political party

1 STATE TREASURER (EX OFFICIO)

WHO ARE PERA TRUSTEES?

PROFESSIONS OF TRUSTEES

- School Professionals
- Higher Education Professor
- Judge
- State Administrators
- Teachers
- Financial Investment Professionals
- Auditor

TRUSTEE CREDENTIALS

Bachelor's = 11
 Master's = 8
 CPA's = 2
 JD's = 1

ARE PERA TRUSTEES PAID?

No, elected Trustees are reimbursed for necessary expenses related to Board meetings and/or educational seminars:

- Mileage
- Meals
- Lodging

Appointed Trustees are paid a stipend for their service on the Board.

WHAT ARE THE EDUCATION REQUIREMENTS?

30 hours minimum for new Trustees

(includes 15 hours focused on pension investments)

20 hours minimum for returning Trustees
(after first two years of service on the Board)

WHAT IS THE TIME COMMITMENT?

- **16 days a year** to attend Board meetings (5-6 Board meetings every year; annual 3-day planning session; Board committee meetings; potential for special meetings during the legislative session)
- **6-10 hours per meeting** to prepare/review materials
- **20-30 hours of education sessions** per year
- New Trustees must attend a minimum of **30 hours of education sessions** within two years of joining the Board
- Returning Trustees must attend a minimum of **20 hours of educational sessions** following the first two years of service



WHAT DOES THE PERA BOARD OF TRUSTEES DO?

PERA's primary purpose is to provide benefits and programs as specified by state law, and the Board oversees the administration of these benefits and programs. State law also gives the Board the responsibility for the investment of PERA's funds and to establish policy guidelines for the operations of PERA. To do this, the Board has a governance policy that outlines what they expect PERA staff to achieve and how they expect it to be done.

The PERA Board does not set contribution rates or benefit amounts; only the Colorado General Assembly with the Governor's approval can make these changes.

While Trustees oversee PERA's trust fund, the PERA staff handles the day-to-day operations under the leadership of the Executive Director who reports back to the Board.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR

- » Implements Board policy
- » Recommends appropriate policy changes
- » Facilitates the Board's oversight through reporting and communication

FIDUCIARY RESPONSIBILITIES

Colorado state law outlines the fiduciary responsibility that all PERA Trustees have: to carry out their functions solely in the interest of members and benefit recipients and for the sole purpose of providing benefits and defraying reasonable expenses incurred in performing such duties. This means that all Trustees, regardless if they are elected, appointed, or ex officio, serve as fiduciaries who protect the assets of the PERA trust funds.

As fiduciaries, Trustees must pursue policies and make investment decisions that exclusively benefit all participants in the fund. These fiduciary obligations are essential to the successful operation of PERA.

The three basic principles for PERA fiduciaries:

- ① **Duty of loyalty**—fiduciaries have a responsibility to act solely in the best interest of all PERA members and retirees.
- ② **Duty of care**—fiduciaries have an obligation to follow clear processes in order to make decisions and act responsibly on behalf of members and retirees.

- ③ **Duty of prudence**—fiduciaries make a commitment to arm themselves with the best information and knowledge in order to make responsible decisions.

BOARD OVERSIGHT

Investments

The ultimate responsibility for investment performance lies with the Board, which sets and monitors asset allocation, approves the *Statement of Investment Policy*, selects consultants and investment advisers, and oversees delegations made to PERA staff. PERA's Chief Investment Officer reports regularly to the Board on investment matters and PERA employs more than 50 investment professionals who manage portfolios and support the investment program.

Benefits and Programs

In addition to the PERA Defined Benefit Plan, the Board also has a fiduciary responsibility for three defined contribution plans and the PERACare health benefits program. Such oversight includes reviewing and determining member appeals; appointing, evaluating, and terminating specific service providers; and monitoring key activities in the benefits programs.

STAYING EDUCATED

Trustees also have a responsibility to educate themselves to stay current with topics affecting PERA by attending educational classes and seminars as they relate to PERA and the public pension industry. It is a policy of PERA that Trustees should have a thorough understanding of such topics, so that the Board is able to draft policies to guide the administration of PERA.
