

# The Positive Impact of **SB 200**

Changes included in Senate Bill 200 (SB 200) combined with investment returns for 2017 resulted in a significant improvement in PERA's funded status. All five divisions are projected to be fully funded within 30 years, which reduces PERA's risk and strengthens PERA's long-term financial health.

## IMPROVE THE UNFUNDED LIABILITY

**\$3.4**  
BILLION Reduction of the unfunded liability from 2016 to 2017

| 2016                     | 2017                     |
|--------------------------|--------------------------|
| <b>\$32.2</b><br>BILLION | <b>\$28.8</b><br>BILLION |

The unfunded liability is caused by not having sufficient funds for all current and future pension obligations. In other words, if every person's pension came due at once, this is the shortfall.

## ACCELERATE THE TIME TO FULL FUNDING

The goal of the changes in SB 200 was to achieve 100% full funding in 30 years, which gives PERA the resilience to better withstand market downturns.

|                                | 2016     | 2017     |
|--------------------------------|----------|----------|
| State Division                 | 58 years | 27 years |
| School Division                | 78 years | 30 years |
| Local Government Division      | 55 years | 15 years |
| Judicial Division              | 54 years | 15 years |
| Denver Public Schools Division | 56 years | 17 years |

## UPGRADE THE STATE'S CREDIT RATING

Following the passage of SB 200, S&P Global Ratings upgraded its outlook on Colorado's bond rating from **Negative** to **Neutral**.



## PROTECT RETIREMENT FOR COLORADANS

Although the changes included in SB 200 are difficult, they were necessary to protect the long-term retirement security of 585,000 PERA members. Even with these changes, PERA's retirement benefits are highly competitive when compared to other states. These benefits will also continue to support members and their communities throughout Colorado, creating economic stability for all Coloradans.

