



Defined Contribution Plan

You can choose from a variety of low-cost funds in the Colorado PERA DC Plan. Remember that the key to successful investing is diversification, and in the Colorado PERA DC Plan, you have the ability to select your own funds based on your personal tolerance for investment risk, or you may select a lifestyle fund in which your fund allocation is done for you based on your anticipated retirement date.

Setting Up Your Account

If you enroll in the PERA DC Plan you will have the option of setting your investments by going to www.copera.org and clicking on "DC Plan Asset Allocation." If you do not do this, your money will automatically be invested in the Dodge & Cox Balanced Fund. For future changes to your account, PERA will mail you a Personal Identification Number (PIN) after we receive your plan election notification or enrollment form.

Web Site and Customer Service Center

Most Plan transactions and information requests can be made 24 hours a day, 7 days a week by accessing the DC Plan site through the PERA Web site at www.copera.org (click on Account Access) or by calling 1-800-759-7372 and selecting the DC/401(k) option.

In each case, DC account access requires your Social Security number and PIN. Your PERA-assigned PIN will allow you to access both your PERA DC account and your PERA 401(k) account if you have one. You must use your PIN to get your account information from a Participant Service Representative.

Participant Service Representatives

You may speak with a Participant Service Representative any business day between 6:00 a.m. and 6:00 p.m. (Mountain time), excluding New York Stock Exchange holidays. Representatives are available to help with transactions and answer questions.

Quarterly Account Statements

Every quarter, you will receive an easy-to-read statement that summarizes your account status, including your total account balance, investment selections, and the current value of each investment. Or, if you'd prefer, you can generate a customized statement at any time on the DC Plan Web site.

Voluntary Plans

You have the option of enrolling in several voluntary plans including PERA's life insurance, long term care, and retiree health care program. You may also join PERA's 401(k) Plan, which allows you to make additional contributions to the same investment options as the DC Plan and you have access to loans and hardship withdrawals from your 401(k) money.

Distribution Options When Terminating PERA-Covered Employment

When you leave PERA-covered employment, you have several choices regarding the money in your DC Plan account:

- You can leave the money in the Plan.
- You must start distributions once you reach age 70½.
- You can request installment payments.
- You can roll over the balance to another qualified plan, 403(b), governmental 457 plan, or an IRA.
- You can take the money in cash, called a lump-sum distribution.

Distribution choices and rules are complicated. You are encouraged to talk with your tax adviser or financial planner before deciding how to take your distribution.

Note: Distributions from the Plan will be subject to 20 percent federal tax withholding and, if you are less than age 59½, a 10 percent early withdrawal penalty will apply. Ordinary income taxes may apply. State and local taxes and withholding may also apply.

PERA DC Choice Vesting Schedule

Your Contributions

100% Immediately*

Your Employer's Contributions

50% Immediately*

60% After 1 year of membership*

70% After 2 years of membership*

80% After 3 years of membership*

90% After 4 years of membership*

100% After 5 years of membership*

***Plus/minus investment gains/losses, minus fees**



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Asset Class	Benefits	Risks
Short-Term Funds Generally made up of money market investments, certificates of deposit (CDs), and U.S. Treasury securities.	Offer a high degree of security, designed to protect your original investment or principal.	Don't offer the income potential of bond funds or the growth potential of stock funds, so they may not keep pace with inflation over time.
Bond Funds Invest in many individual government and corporate bonds. Generally earn interest, which is also referred to as income or yield.	Generally offer greater income potential than short-term funds and not as much risk as stock funds.	Don't offer the growth potential of stock funds and are riskier than short-term funds.
Stock Funds Offer different investing strategies, ranging from conservative to aggressive, with varying degrees of risk and return potential. Invest in many different individual stocks.	Historically have provided larger long-term gains than other asset classes.	The value of stocks can go down over short periods of time. As a result, there is greater risk to your savings, including your principal, compared to other asset classes.
Lifestyle Funds Invest in a combination of all asset classes.	Designed to make your investment allocation decisions for you based on the length of time until you retire.	During the early years of your career, these funds invest more heavily in stock funds, which carry greater risk. As you near retirement, they automatically shift to an asset mix that has less risk.

Fees*

Administrative and recordkeeping fees will be charged directly to your account. Administrative fees are charged directly to participants on a monthly basis based on the

Account Balance	Monthly Fee	Total Fee Per Year
\$ 0–\$ 25,000	\$2.00	\$24.00
\$ 25,000.01–\$ 50,000	\$2.25	\$27.00
\$ 50,000.01–\$ 75,000	\$2.50	\$30.00
\$ 75,000.01–\$100,000	\$2.75	\$33.00
\$100,000.01–\$125,000	\$3.00	\$36.00
\$125,000.01–or greater	\$3.25	\$39.00

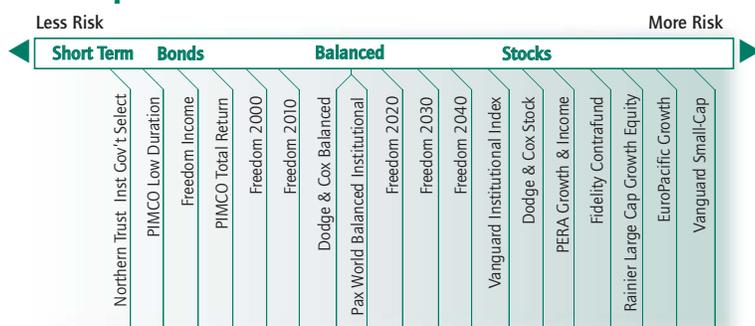
participant's account balance as follows:

Each investment fund charges an investment management fee, which participants pay directly by having the fee deducted from the investment fund's return. Fees for each fund are listed in the Investment Funds Available table below.

You may also obtain fee information on the DC Plan Web site or by calling 1-800-759-7372 and selecting the DC/401(k) option.

* All fees subject to review and change

Risk Spectrum



Investment Funds Available

Northern Trust Institutional Government Select Fund

Newspaper Symbol: None
 Ticker Symbol: None
 Investment Fee: 0.20%

PIMCO Low Duration Fund

Newspaper Symbol: PIMCO Fds Inst I
 PIMS: LowDur
 Ticker Symbol: PTLDX
 Investment Fee: 0.43%

PIMCO Total Return Fund

Newspaper Symbol: PIMCO Fds Inst I
 PIMS: TotRt
 Ticker Symbol: PPTRX
 Investment Fee: 0.43%

Dodge & Cox Balanced Fund

Newspaper Symbol: Dodge & Cox BalanN
 Ticker Symbol: DODBX
 Investment Fee: 0.53%

Pax World Balanced Institutional Fund

Newspaper Symbol: PAXIX
 Ticker Symbol: PAXIX
 Investment Fee: 0.71%

Vanguard Institutional Index Fund

Newspaper Symbol: VANGUARD INSTL
 FDS: InstIdx
 Ticker Symbol: VINIX
 Investment Fee: 0.05%

Dodge & Cox Stock Fund

Newspaper Symbol: Dodge & Cox: Stock
 Ticker Symbol: DODGX
 Investment Fee: 0.52%

PERA Growth & Income Fund

Newspaper Symbol: None
 Ticker Symbol: None
 Investment Fee: 0.30%

Fidelity Contrafund

Newspaper Symbol: Fidelity Invest: Contra
 Ticker Symbol: FCNTX
 Investment Fee: 0.89%

Rainier Large Cap Growth Equity Fund

Newspaper Symbol: None
 Ticker Symbol: None
 Investment Fee: 0.57%

American Funds EuroPacific Growth Fund

Newspaper Symbol: American Funds CL
 R5: Eupac
 Ticker Symbol: RERFX
 Investment Fee: 0.53%

Vanguard Small Cap Index Fund

Newspaper Symbol: SmCapAdml
 Ticker Symbol: VSCIX
 Investment Fee: 0.13%

Fidelity Freedom Income Fund

Newspaper Symbol: Income
 Ticker Symbol: FFFAX
 Investment Fee: 0.55%

Fidelity Freedom 2000 Fund

Newspaper Symbol: FF2000
 Ticker Symbol: FFFBX
 Investment Fee: 0.57%

Fidelity Freedom 2010 Fund

Newspaper Symbol: FF2010
 Ticker Symbol: FFFCX
 Investment Fee: 0.68%

Fidelity Freedom 2020 Fund

Newspaper Symbol: FF2020
 Ticker Symbol: FFFDX
 Investment Fee: 0.76%

Fidelity Freedom 2030 Fund

Newspaper Symbol: FF2030
 Ticker Symbol: FFFEX
 Investment Fee: 0.80%

Fidelity Freedom 2040 Fund

Newspaper Symbol: FF2040
 Ticker Symbol: FFFFX
 Investment Fee: 0.82%



Compare Your Options

As a new State employee, you have the ability to select from a variety of retirement plans. In order for you to understand your options, we've developed some brief questions to help you make this important decision. Whether you are comfortable investing for your retirement or would like professionals to invest on your behalf, Colorado PERA has an option for you.

What is Colorado PERA?

Colorado PERA was established in 1931 by the Colorado General Assembly, at the request of a group of State employees who foresaw the need for a safe and secure retirement system. PERA pre-dates the creation of Social Security, and as a State employee, you do not contribute to the federal retirement system, although workers hired after March 1986 contribute 1.45 percent of their pay to Medicare.

Colorado PERA serves over 400,000 public employees today. The PERA trust funds exceed \$41 billion and are invested in Colorado and companies around the world on behalf of the PERA membership. PERA is governed by a 15-member Board of Trustees, 11 of whom are elected by the membership. The Board works closely with your elected officials to ensure the soundness of the State's largest financial institution.

What Plans Does Colorado PERA Offer?

Colorado PERA has two types of plans—a defined benefit (DB) plan and a defined contribution (DC) plan available for eligible new State employees. The DB plan is the traditional retirement plan, where your contributions are invested by professionals for you. In the DC plan, you direct your investments to an array of fund options.

Defined Benefit Plan Features

- Lifetime retirement benefit
- Ancillary benefits such as disability and survivor coverage
- Plan invests for all beneficiaries, and individual contributors do not control the amount of their contributions nor their investments
- Also known as a traditional pension plan

Defined Contribution Plan Features

- The retirement benefit equals the amount accumulated in the account over time and the benefit ends when the account balance is depleted
- Employees contribute to a tax-deferred plan, making their own investment decisions
- Employees have their own unique accounts
- Plan type generally labeled according to the governing section of the Internal Revenue Code, such as 401(k), 403(b), 457, or a 401(a) plan



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Making the Decision—DB or DC

The PERA DB retirement plan is a hybrid defined benefit plan. It is designed to attract and retain employees who are interested in working in PERA-covered employment for a large part of their careers, while providing greater portability than a traditional defined benefit plan.

Unlike a defined benefit plan, a benefit from a defined contribution plan is based solely on the money you have contributed, the investment earnings or losses incurred, minus expenses. You have the flexibility to make investment decisions, which also means you assume the investment risks. The amount of your benefit can sometimes be difficult to determine given that the amount depends on the success of your investment decisions, when you begin withdrawals, and your life expectancy.

Over the years, PERA has worked with the State Legislature and others to address issues such as portability, cost-of-living adjustments, and overall improvement of the benefits PERA members receive. These changes have made the PERA DB plan more flexible and portable. PERA members and the State of Colorado benefit from a conservative yet innovative approach to public pension management.



Personal Investment Assessment

By answering the following questions, you'll be better able to determine what type of plan (DB or DC) is right for you.

Do you like to manage your own investments? Yes No

If you answered Yes, consider PERA DC.

If you answered No, consider PERA DB.

Do you have the time and knowledge to appropriately invest for your retirement security? Yes No

If you answered Yes, consider PERA DC.

If you answered No, consider PERA DB.

Do you have dependents that rely on you for financial support? Yes No

If you answered Yes, consider PERA DB since your contribution includes survivor benefits and disability coverage.

If you answered No, consider PERA DC.

Are you still unsure of what type of plan to choose—DB or DC? Yes No

If you answered Yes, consider Colorado PERA's Plans—after a year of contributing to either the PERA DB or PERA DC plans, you can change your mind and switch plans between years 2 and 5.

If you answered No, complete the *Retirement Choice Election Form* in this packet within 60 calendar days of your date of hire to start investing in your future. (After 60 days, you'll be automatically enrolled in the PERA DB plan.)