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ANNUAL

REPORT

1976




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Public Employees' Retirement Association
1390 Logan - 4th Floor
Denver, Colorado 80203
Phone: 832 - 9550

August, 1976





RECENTLY ELECTED. L to R, Board Members Whilden, Lantry, and Burroughs.

Your Retirement Board

In the May elections, School Division members elected Eileen Burroughs and Margaret Whilden to the Retirement Board while State Division members elected Terry L. Lantry to the governing body of PERA.

Mrs. Burroughs is director of purchasing and warehousing and Dr. Whilden, an incumbent Board member, is a classroom teacher. Both are employees of the Jefferson County Schools. Dr. Lantry is an associate professor of accounting and business law in the College of Business at

Colorado State University. All three were elected to four-year terms beginning July 1, 1976.

The mail ballot for Board members was used in May for the first time following a change of PERA Bylaws by the Retirement Board.

The election was conducted under the supervision of Heider & Company, certified public accountants. Ballots were sent directly to this independent accounting firm which presented the results to the Retirement Board.

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Created by state law, the 14-member PERA Board consists of four persons elected by State Division members, five persons elected by School Division members, two elected by Municipal Division members, and one elected by retired members. In addition, the state treasurer and state auditor serve on the Retirement Board.

Chairman of the Retirement Board is Carl Wilkerson with John Moreland serving as vice chairman.

Following is the present composition of the Board with the year in which the present term of office expires.

STATE DIVISION. John E. Moreland, vice chairman, University of Colorado, 1977. Thomas D. Lindquist, State Patrol, 1978. Mark E. Schwartz, Department of Labor and Employment, 1979. Terry L. Lantry, Colorado State University, 1980.

SCHOOL DIVISION. Ada Houck, Grand Junction Public Schools, 1977. Carl Wilkerson, chairman, Pueblo Public Schools, 1978. Sheryl Fanning, 1979. Eileen Burroughs, Jefferson County Public Schools, 1980. Margaret Whilden, Jefferson County Public Schools, 1980.

MUNICIPAL DIVISION. Bernal Brooks, City of Colorado Springs, 1978. Wilborn S. Whitehead, City of Arvada, 1978.

RETIRED. Walter Chilton, 1979.

STATE TREASURER. Sam Brown.

STATE AUDITOR. John Proctor.

EXECUTIVE OFFICERS. Jack E. Kennedy, executive secretary. Joseph P. Natale, assistant executive secretary.

The Board meets monthly and has the responsibility of establishing policy for the administration of the Public Employees' Retirement Association. Members are elected to four-year terms and serve without pay but are reimbursed for necessary expenses in connection with their Board duties.

The state treasurer serves as treasurer of the Retirement Association. The legal advisor to the Board is the state attorney general.

Anyone wishing detailed information regarding candidacy for the Board should contact the PERA office.

Board To Meet In Grand Junction

The Public Employees' Retirement Association Board has scheduled its regular meeting for October in Grand Junction as part of a program to make the Board more available to the membership throughout the state.

The Board will meet at the Ramada Inn in Grand Junction on Monday, October 18.

Although a complete format of the meeting has not yet been set, Chairman Wilkerson has stated that those parts of the Board meeting not related to individual personal retirements are open to the general membership.

He is definitely planning an evening Open Hearing when members can ask questions of any or all members of the Board.

Definite information about the meeting will be distributed at a later date to the area. Members with questions may contact Ada Houck, a Board member who lives in Grand Junction, or the PERA office.

Other outstate sites for Board meetings are currently being considered by the Association leadership.

This Annual Report gives only a general presentation of retirement rights and other benefits of the PERA program. Readers are reminded that the member's coverage is governed by and presented completely in Colorado State Law and the Rules and Regulations of the Retirement Board.

Legislative Report

Increased funding of the Catch-Up Program highlighted legislation affecting PERA in this past session of the Colorado General Assembly. In other legislative action, district attorneys were given PERA membership, and a plan to allow retired judges to increase their annuities by agreeing to work after retirement was defeated.

In even-numbered years, only items the Governor places on his call, along with state fiscal matters, are considered by the Legislature.

The Catch-Up Program. Passed as HB 1364 last year, this program is designed to help retirees' incomes catch-up to the rise in the cost of living. PERA annuitants or survivors who began receiving benefits in 1973 or earlier receive a supplement from the State General Fund based on year of retirement. The longer a member has been retired, the greater the supplement, as a percentage of his base annuity.

In addition, for each year of service over 20 served before July 1, 1969, credit of one percent of Final Average Salary is allowed. This feature applies regardless of retirement date. Service after July 1, 1969, in excess of 20 years, is already credited under the retirement calculation formula.

The Catch-Up Program was 30 percent funded last year, but for the year which began July 1, 1976, the funding is set at the 50 percent level. A retiree's total supplement under this program, with the improvement included, appears in the portion of the PERA annuity check labeled "State Payment."

The increases were reflected in checks sent out the end of July. Over ten thousand persons are affected by this program, at a total cost to the State General Fund of approximately \$2.9 million for the fiscal year just begun.

The regular three percent cost of living escalator, funded by PERA employee and employer contributions, continues as before.

SB 107. District Attorneys. District attorneys who are elected this fall will be eligible for PERA coverage when their terms begin in January, 1977. Those electing membership will join the State Division. Previous service as district attorney up to five years will be counted toward retirement, paid from the State General Fund and from the County or Counties included in the District.

SB 64. Judges' Retirement. Retired judges who agreed to work 60 days each year without pay would have received an annuity increase of 20 percent of Final Average Salary under this bill, paid from state funds. Judges retiring in the future would have been able to participate by making the same agreement. The bill passed the Senate but was defeated in the House.

H.J.R. 1047. PERA Funding Study. PERA funding is among a number of issues affecting senior citizens to be studied before the Legislature convenes in January. State taxation of survivors' benefits will be examined in a separate study. Both studies will be conducted by the Legislative Council.

Questions And Answers

About

The New Building

Now well out of the ground and moving toward a completion date of December, the new PERA Headquarters Building is designed to provide long-term economy, improved efficiency of operations, and improved services to members. Accompanying this article is a montage of building progress pictures.

Following is a list of frequently asked questions and answers about the new facility.

1. Why Do We Need A New Building?

PERA has been in existence for 45 years. It has occupied rental space during all its existence. Because of the nature of its responsibilities, PERA is assumed to be a continuing, permanent, growing agency.

Present quarters have been occupied for slightly over eleven years. During that time, little square footage of leased space has been added—approximately a five percent increase in space in eleven years. Staff has grown by 109 percent. Active members have grown by 89 percent and retired members by 242 percent.

PERA could continue to occupy rental space—but this consideration depends upon a comparison of rental with owned space and the pros and cons of each. (See Question 3 for further detail.) In such comparison, however, one should realize that the present leased space requirements severely constrict any future growth of PERA.

2. What Studies Were Made?

During the past five years, projections of growth and of program needs were presented to the Retirement Board for study. In 1973, the Board engaged the firm of Nelson, Haley, Patterson & Quirk, Greeley, Colorado, Architects, Planners and Engineers, to conduct a building feasibility study. Their analysis focused upon three major options, as follows:

- (a) Construction of a building to meet long-range (20 years) growth projections, leasing unneeded space presently.
- (b) Construction of a building adequate for current needs with building design flexible enough for remodeling to accommodate future growth.
- (c) Leasing facilities on a ten-year lease basis.

The study recommended the first option from a financial point of view. Also, an interrogatory was presented to the Attorney General to secure legal guidelines regarding the construction of the building. Staff studies developed the projections necessary for individual departmental space considerations.

3. How Does Renting Compare With Owning?

The feasibility study discussed this question in detail. Present day construction costs are subject to an inflation factor of at least 10 percent per year. Delay in construction means a more costly building later. Rental costs are also subject to inflation and tax escalation. According to the feasibility study, the inflation rate of leased office space is assumed to be at least 2.50 percent per year. This is because about $\frac{1}{3}$ of office space rental cost is attributable to such expenses as maintenance, management, insurance, utilities, etc., and the other $\frac{2}{3}$ is attributable to interest and principal amortization which is not subject to inflation.

Rental charges incurred by PERA corroborate the accuracy of this forecast. In the eleven years present space has been leased, PERA has experienced a 70 percent increase in rent with only a five percent increase in space. Compounded annually, this is an average percentage increase of 4.88 percent per year. Therefore, we believe a rate of escalation in rental payments is conservatively stated at 2.50 percent per year.

Rentals in the Capitol Hill area were compared for similar space and to the present space lease arrangement. Rental payments vary with the age of the building and its location.

Comparing rental to ownership is much the same for PERA as it is for an individual. Payments made for rental space are expense items while payments made on owned property are capital or equity, after allowance for interest. In effect, PERA becomes both an investor and a borrower in a transaction of this kind.

Over a long period of time, considering inflation and rising rental payments, property ownership provides PERA with a hedge and not only results in an improved financial situation, but also improved services to members.

4. What Percentage Of The Building Will Be Rented?

Approximately 20 percent of total space including conference and community area. It is anticipated that this space will be diminished as PERA growth needs dictate over a 20-year period.

5. How Large Is The New Building?

Five floors of office and conference facility plus two levels of underground parking and storage space.

6. How Much Will It Cost?

Including land acquisition costs, architectural and inspection fees, and furniture and equipment, the cost is estimated at 3.5 million dollars.

7. When Will It Be Completed?

Occupancy is anticipated by December 1, 1976. PERA will move on a weekend to avoid any interruption in member services or to minimize inconvenience to members from moving.

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8. What Appreciation Is Expected From The New Building?

The feasibility study assumes that the building will have a market value of in excess of \$22 million by 1996.

PERA's staff forecasts are more conservative — using a three percent inflation factor, we assume the building will have a market value of \$7 million.

9. How Much Interest Income Is Lost By Investing In The New Building?

None. PERA will charge rent to itself as well as to other tenants leasing space. The building will be self-sustaining to fund management and overhead expense plus amortization of principal and interest on the capital required to fund the project.

10. How Much Growth Is Expected?

Retired member rolls are increasing at a 15 percent rate annually. Active member growth is projected at a 6 percent rate annually. Colorado continues to be a state toward which population is flowing — the major limits appear to be set by water and transportation. The growth of PERA will parallel the growth of the state since the number of public employees is a function of basic population trends.

PERA staff size will not necessarily be directly correlated with membership or assets. Considerable variation may exist depending upon new assignments undertaken, legislative changes, and added plan complexity.

Appraising the experience of the past ten years and adopting a conservative posture regarding staffing needs, it would appear reasonable to project a staff of 125 by 1985 and about 200 within 20 years. The building planning incorporates these projections.

Regional Field Meets

During the months of February and March, 1977, the PERA field staff will again stage a series of evening Regional Field Meetings. At these meetings the total PERA program will be discussed and time for questions and answers will be provided.

As last year, the meetings will be scheduled at motels and other convenient meeting places and will run from 7:30 - 9:30 p.m.

Sites planned for the 1977 Regional Meetings include Alamosa, Arvada, Aurora, Boulder, Burlington, Canon City, Cortez, Craig, Denver.

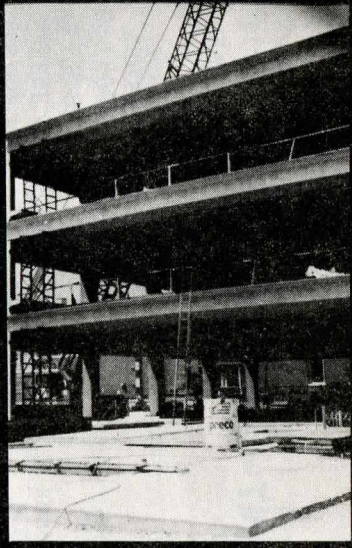
Glenwood Springs, Granby, Grand Junction, Lakewood, Lamar, Lead-

ville, Littleton, Loveland, Montrose, Northglenn.

Pueblo, Rocky Ford, Security, Springfield, Sterling, and Trinidad.

Places and dates for the meetings will be announced.

Members are reminded that the field staff will also present programs with a speaker from the home office for employee group meetings throughout the state on an individual group basis. Contact the Division of Information Services to arrange for such a meeting speaker. There is no cost for this service, although several alternate dates should be suggested to provide for efficient scheduling.



FINANCIAL STATEMENT - JUNE 30, 1976

ASSETS

	TOTALS CONSOLIDATED	STATE DIVISION	SCHOOL DIVISION	MUNICIPAL DIVISION
INVESTMENTS				
U.S. Securities	\$ 24,400,000	\$ 10,900,000	\$ 12,800,000	\$ 700,000
Mortgages	157,470,772	62,848,745	90,098,961	4,523,066
Federal Agencies and U.S. Guar. Bonds	57,766,900	22,359,606	33,143,274	2,264,020
Corporate Bonds	718,755,074	304,390,510	380,460,667	33,903,897
Total Fixed Income Securities (at Par)	\$ 958,392,746	\$ 400,498,861	\$ 516,502,902	\$ 41,390,983
ADD: Unamortized Premiums	239,315	101,691	134,575	3,049
Unamortized losses on Bonds Sold	14,287,366	5,595,335	7,479,060	1,212,971
DEDUCT: Unamortized Discounts	(36,239,575)	(14,902,517)	(18,968,603)	(2,368,455)
Adjusted Book Value Fixed Income				
Securities	\$ 936,679,852	\$ 391,293,370	\$ 505,147,934	\$ 40,238,548
Corporate Stocks (At Cost)	172,787,651	72,725,453	93,543,269	6,518,929
Real Estate & Building				
(including equipment)	2,300,276	2,300,276	— 0 —	— 0 —
Other (Short Term Investments)	35,066,091	15,285,994	18,528,055	1,252,042
TOTAL INVESTMENTS				
(ADJUSTED BOOK VALUE)	\$1,146,833,870	\$ 481,605,093	\$ 617,219,258	\$ 48,009,519
OTHER:				
Accrued Interest Income	\$ 16,913,929	\$ 7,147,915	\$ 8,970,773	\$ 795,241
Cash	1,286,186	438,412	839,785	7,989
Other Receivables	2,831,544	1,284,665	1,474,394	72,485
Due from Employer Agencies	12,746,041	6,635,972	5,330,576	779,493
Furniture & Equipment (Net)	61,149	61,149	— 0 —	— 0 —
TOTAL ASSETS	\$1,180,672,719	\$ 497,173,206	\$ 633,834,786	\$ 49,664,727

LIABILITIES & RESERVES

Advance Life Insurance Premium	\$ 244,308	\$ 137,959	\$ 93,574	\$ 12,775
Accrued Real Estate Tax Payable	1,987	1,987	— 0 —	— 0 —
Investment Escrow	18,956	83	18,873	— 0 —
Members Deposits	346,334,632	151,483,020	179,752,233	15,099,379
Members Retirement Reserve	361,367,553	107,290,919	237,079,901	16,996,733
Annuitants Retirement Reserve	438,956,619	218,594,346	204,571,643	15,790,630
Survivors Benefit Reserve	18,273,736	10,567,084	6,328,773	1,377,879
Deferred Annuitants Reserve	9,763,228	3,992,148	5,531,677	239,403
Deferred Survivor Benefit Reserve	1,387,276	788,358	452,285	146,633
Insurance Dividend Reserve	4,310,373	4,310,373	— 0 —	— 0 —
Reserve for Cancelled Checks	14,051	6,929	5,827	1,295
TOTAL LIABILITIES & RESERVES	\$1,180,672,719	\$ 497,173,206	\$ 633,834,786	\$ 49,664,727

MEMBERSHIP STATISTICS

	CONSOLIDATED TOTALS	STATE DIVISION	SCHOOL DIVISION	MUNICIPAL DIVISION
TOTAL MEMBERSHIP MAY 31, 1976	101,220	41,398	54,544	5,278
Active Members	87,764	34,787	48,275	4,702
Annuitants and Survivor Benefit Members	13,456	6,611	6,269	576
New Members Accepted				
July 1, 1975 to May 31, 1976	16,875	6,751	8,279	845
Less: Members Deceased	(60)	(28)	(27)	(5)
Members Accounts Withdrawn	(10,288)	(4,281)	(5,043)	(964)
Total Withdrawals	(10,348)	(4,309)	(5,070)	(969)
NET GAIN IN MEMBERSHIP	5,527	2,442	3,209	(124)

Retirement Statistics

Retirement annuities have been approved by the Retirement Board payable to retired members during the fiscal year as follows:

	STATE	SCHOOL	MUNICIPAL
20 or more years service at age 55 (Patrol, Wildlife)	2		
35 or more years service at any age.....	2		
30 or more years service at age 55.....	31		1
20 or more years service at age 60.....	121	175	13
5 or more years service at age 65 (Fractional)	222	177	31
General disability after 5 years service.....	133	103	21
Termination of service:			
Retained membership (Sec. 9).....	8	23	
Survivor Benefits: Automatic.....	6	2	
Deferred (Age 65).....	22	45	3
20 or more years service at age 55 (reduced)	21	35	3
5 or more years service at age 60 (reduced).....	101	131	11
TOTAL RETIRED DURING FISCAL			
YEAR	669	691	83
Total number receiving retirement annuities 6-30-1975	5741	5461	448
Total number receiving retirement annuities during fiscal year	6410	6152	531
Co-Beneficiaries continued upon the death of annuitant	53	32	5
Less: Retired members deceased during fiscal year	222	148	20
Annuities temporarily suspended this year	5		
TOTAL NUMBER RECEIVING RETIRE-			
MENT ANNUITIES 6-30-76	6236	6036	516
Average monthly rate 6-30-1976.....\$	241.	232.	215
Total paid in annuities 7-1-1975 to 6-30-1976 (12 months)	\$18,844,136.	\$17,679,666.	\$ 1,313,847
Average monthly rate for annuitants retired during year	\$ 335.	\$ 320.	273
Survivor Benefits added to rolls during fiscal year	49	38	7
Total Survivor Benefits 6-30-1976.....	378	250	66
Total paid in Survivor Benefits 7-1-1975 to 6-30-1976 (12 months)	\$ 924,569.	\$ 601,788.	\$ 143,827
Retirement annuities deferred (Future at age 65)	378	777	36
Total future liability (annually)	\$ 1,168,134.	\$ 1,457,965.	\$ 68,378
Survivor Benefits (Future)	36	22	4
Total future liability (annually)	\$ 55,768.	\$ 29,211.	\$ 6,880

INVESTMENT REPORT

At the beginning of our fiscal year it was expected that the economic and investment environment would continue to improve.

The anticipations have been realized as Gross National Product improved each quarter, inflationary pressures abated from historically high levels, unemployment declined, the New York City financial problem was lessened, and renewed confidence in the economic and political system became stronger. As a result, common stocks prices in general are higher and long-term interest rates have continued to decline.

As a new fiscal year begins, it is generally believed that the economic recovery will continue at a more moderate rate than that experienced in the early stages of the recovery. The strength and duration of the recovery continues to be debated, and concerns of renewed inflationary pressures are evident in recent confidence polls.

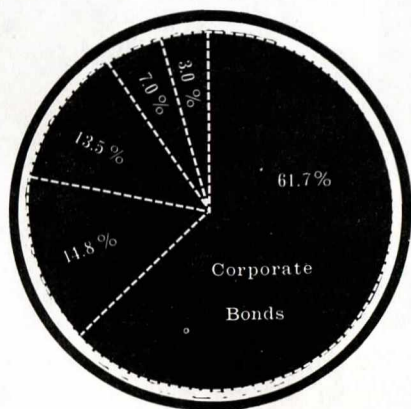
However, currently available statistics are viewed by many as constructive and suggest that the economic

recovery can continue for some time into the future without creating an "overheated" economy. In an environment of improving confidence, stable interest rates and higher stock prices may be anticipated.

During the fiscal year PERA was afforded the opportunity to purchase a pool of high quality residential real estate loans secured by first mortgages located throughout Colorado. This investment allows PERA to participate in the Colorado housing market through an efficient mortgage pool at a rate of return comparable to alternative investments with similar quality characteristics.

The Board decided that the PERA Investment Policy should be reviewed and studied for possible revision and clarification. This decision has been implemented by the Investment Committee and will result in a revised policy in the near future.

An in depth statistical investment report will be included in the Statistical Supplement which will be available later this year.



PERA'S Investments June 30, 1976 (At Cost)

Corporate Bonds	61.7%
Corporate Stocks	14.8
Mortgages	13.5
U.S. Government, U.S. Agency U.S. Guaranteed	7.0
Other Holdings	3.0
Total	100.0%

Staff Spotlight

Office Services Division

Over 100,000 people are now PERA members. With an organization this large, it is important to maintain the ability to respond to requests with speed and accuracy.

The Office Services Division of PERA, directed by Kent Carsten, works toward this goal by supporting the work of other divisions, and by handling major functions of its own such as issuing refund checks and verifying basic member information.

"A key responsibility is maintaining readable and accurate records for each active, retired, and refunded member," Mr. Carsten explained. Paper records are being microfilmed and the film records filed alphabetically by member's last name. It is expected the filming will be complete before PERA moves into the new PERA headquarters late this fall.

Microfilm

Microfilm helps insure the integrity and security of records since the orig-

inal never leaves the file area. If you come to the PERA office to have your retirement figured, a benefits counselor will use a microfilm copy of the original file in making the calculations. Another advantage of microfilm is that the storage space required is less than with paper records.

The records control unit checks to make sure that your basic information, such as name, social security number, birthdate, and address, is correct. Your address is important because PERA sends you several important pieces of mail each year: a ballot to vote in Board elections in your division, this report and the **Special Report** mailed in February, and probably starting next February, your annual statement of deposits.

Personal Data

"This personal data is changed only with the member's written signature," Mr. Carsten emphasized. "In addition (Next Page)



Kent Carsten, Director. Karen Turner, Assistant Director.



MICROFILE SECTION. Standing, l to r, Cecilia Marquez, Minnie Brandon, Shirley Cole, and Beth Dahlstrom. Seated, l to r, Pam Mills, Bessie Zaliaras, Diane Blackford, and Dorothy Van Treeck, supervisor. Not shown is Victoria South.

tion, no information about a member's account will be released to anyone else without the member's written consent."

Deposit account balances are maintained and released through the record control unit, and the unit also checks that each new member has paid the one-time fee of five dollars.

Certain posting problems are caught by the unit, and inactive accounts are identified. Whenever a member does not appear on a payroll without explanation, his account is termed inactive.

This means only that no official leave of absence or demand for refund form has been completed and sent to PERA. Leave forms should be filed within 60 days of the beginning date of the leave. Since a member is expected to return to his employer after the leave expires, he is not eligible for a refund of his contributions.

Refunds

A member who is actually terminating employment and wants a refund must file a demand for refund form, part of which is filled out by his employer. More than 11,000 members receive refunds each year.

Refunds are paid within 90 days after the last day through which the member is paid, including annual leave pay or summer salary for teachers. This time is needed to correctly post the resigning member's final PERA deduction and to check to be certain this amount is the same as the amount certified on the demand form as the last deduction. Over payments and underpayments are minimized using this procedure. By Law refunds do not include interest.

The insurance unit keeps records for members enrolled in either of two

optional life insurance plans offered through PERA. Enrollment, eligibility, and payment of claims are arranged through this unit. Almost 18,000 persons belong to the New York Life plan, and another 6,000 are enrolled in the Prudential plan.

Reception

In addition to the functions already described, the reception area and the incoming and outgoing mail are handled by Office Services personnel. Receptionists receive phone calls and letters and direct them to the appropriate department. They update mailing lists and perform other related duties.

When any member comes to the office with a question on his benefits, people in the file room find and deliver his records to a retirement counselor for the interview. Written inquiries are handled in basically the same way. The work of other units in the division is aided by file room personnel as the need arises.

PERA members at some point will be involved with the work of the 21 full time employees of the Office Services Division. This division, largest of the seven PERA operating divisions, serves an important role as lubrication for the administration of the PERA program.

Kent Carsten directs the division's activities, and Karen Turner is assistant director. Mr. Carsten was previously a manager for a microfilm company for six years, and he has also worked for Mountain Bell and 3M Company. He studied engineering physics at the University of Colorado. Mrs. Turner has previous experience with Western Electric in Indiana. Both have worked at PERA for approximately four years.



REFUNDS AND RECORDS CONTROL. Standing, l to r, Maureen Nash, Elaine Markwell, Emily Reiber, and Bonnie Fisher. Seated is Katy DeJaeger, records control unit supervisor.



SWITCHBOARD, INSURANCE, ADDRESSING. Kay Muller, left, and Nancy Cramer, seated at right, greet visitors and callers to PERA. Dorothy Butterfield, far right, supervisor, and Brenda Box, center, work with the two optional life insurance plans. Brenda Sack, second from left, keeps addresses current.

Insurance Open Enrollment

Good News! An Open Enrollment from September 1 through December 31, 1976 for your PERA New York Life Group Life Insurance Program has been authorized.

If you are not now participating and you are an active non-retired member of PERA, you may enroll in this program during this open enrollment without any health statement.

If you delay, and wish to enroll later, you must submit a health statement and you may be required to undergo a medical examination satisfactory to New York Life.

To enroll, complete the attached enrollment form and mail. No postage stamp is required. The cost is \$5 monthly by payroll deduction.

For \$5 monthly your PERA Group Life Insurance Program provides for you as a member basic protection ranging from \$25,000 to \$1,000, plus additional protection commencing at \$300 after five years of coverage and increasing \$5 monthly as premiums are paid. For your spouse and eligible unmarried children death benefits range from \$2,500 to \$100.

Basic Protection

The following chart shows the basic protection afforded you as a member.

Age at Death (Actual Birthday)	Amount of Group Term Life Insurance
Under age 25	\$25,000
25 and prior to age 30	\$20,000
30 and prior to age 35	\$16,000
35 and prior to age 40	\$12,000
40 and prior to age 45	\$ 9,000
45 and prior to age 50	\$ 7,000
50 and prior to age 55	\$ 5,000
55 and prior to age 60	\$ 3,030
60 and prior to age 70	\$ 2,049
Age 70 to Retirement	\$ 1,000

If you become totally disabled prior to your 60th birthday, your basic protection is continued without further premium payments. A conversion privilege is provided if you terminate membership in PERA.

With this valuable feature, upon completion of five years of coverage (total cost \$60 per year \times 5 years = \$300) you qualify for \$300 of term insurance, in addition to your basic coverage. For each monthly premium paid by you thereafter your "additional" protection increases at the rate of \$5. In other words, your premium costs are converted to more protection.

This additional insurance is Term Life Insurance Paid-up to age 70 and 6

months. When you retire with a PERA annuity, this insurance will continue without further premium payments during the remainder of your lifetime as a retired member and the continuance of this program.

Dependent Insurance

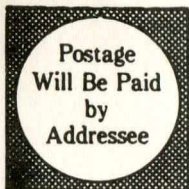
Your eligible dependents include your spouse under age 70 and your children, age 14 days to 21st birthday, are also covered as a part of the basic premium. The following chart shows amounts of coverage.

Age at Death (Actual Birthday)	Amount of Group Term Life Insurance
Spouse —	
Under age 55	\$2,500
55 and prior to age 60	\$1,500
60 and prior to age 70	\$1,000
Children —	
14 days and prior to 6 months	\$ 100
6 months and prior to age 21 years	\$1,000

This dependent insurance is provided to those PERA members who are not retired. If you qualify for the continuance of your personal insurance because of your total disability, your dependent insurance is also continued, but benefits are not payable on account of disability of a dependent.

Your PERA Board is happy to sponsor this Program for its members. Almost 18,000 members have availed themselves of the opportunity to increase family protection with it. The Program represents more than 150 million dollars of insurance in effect.

Send In Card Today!



B U S I N E S S R E P L Y M A I L
FIRST CLASS PERMIT NO. 1155, DENVER, COLORADO

The Public Employees' Retirement Assn.
1390 Logan - 4th Floor
Denver, Colorado 80203



PERA
1390 Logan - 4th Floor
Denver, Colorado 80203

Bulk Rate
U.S. POSTAGE
PAID
Denver, Colo.
Permit No. 45

NATHAN A LUND
P O BOX 271
GUNNISON CO

81230

YOUR NAME (Please Print or Type)
Last First

Middle Initial

Date of Birth
Month Day Year

Date Employed
Month Day Year

Male Female

APPLICATION for PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SURVIVORS' INSURANCE

I hereby request the issuance of the insurance to which I am now entitled or to which I may become entitled under the terms of the Group Policy issued to The Public Employees' Retirement Board by the NEW YORK LIFE INSURANCE COMPANY. I authorize the deduction of \$5 monthly from my earnings as my contribution to the cost of this insurance.

Employing Agency

Date Signed

Your Signature

Social Security Number

Address

City

Zip Code