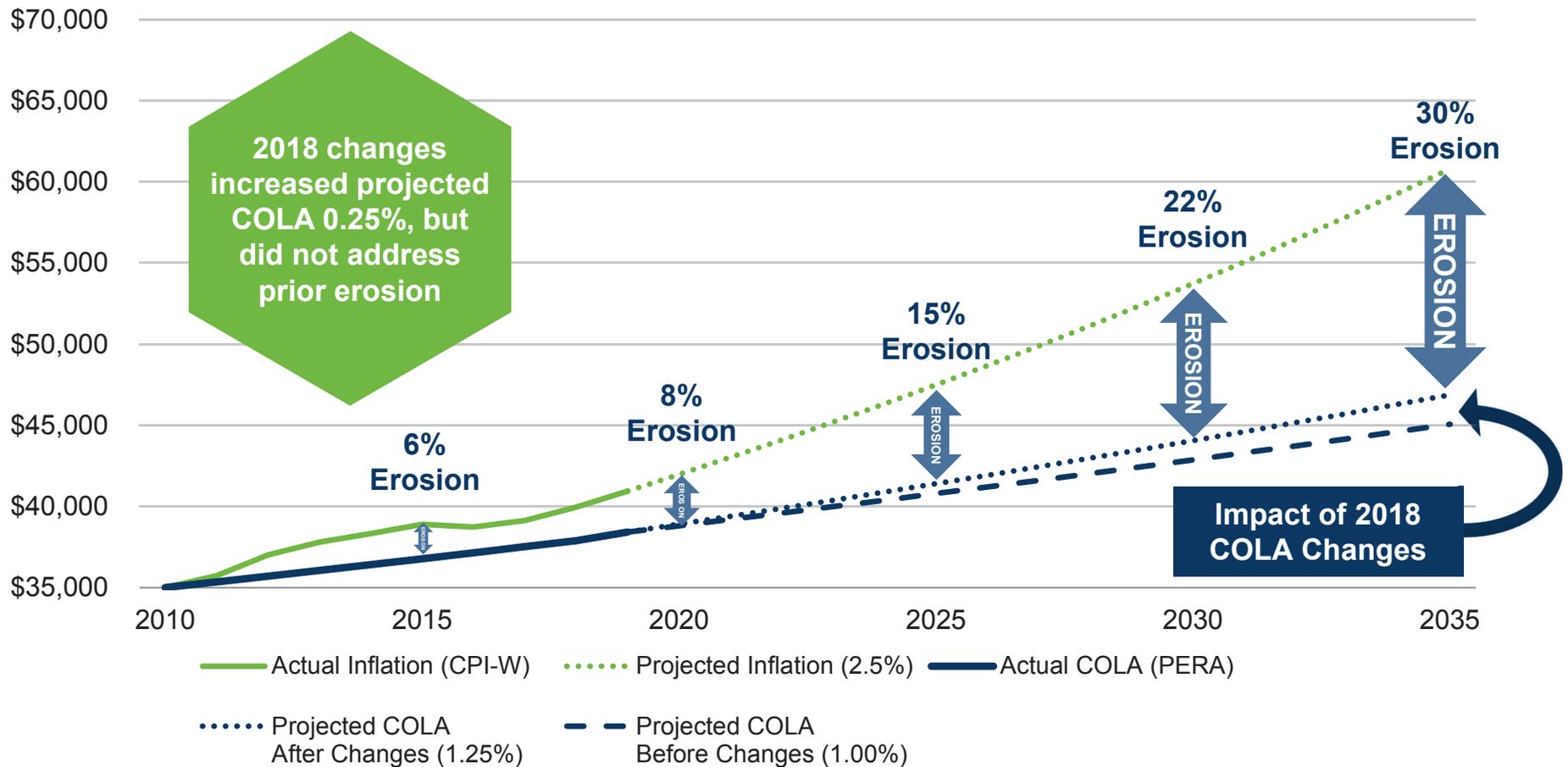


Current and Projected Pension Erosion for PERA General Retirees

Annual Benefit for Average Basic Retiree

Pension Erosion = Difference between COLA and Inflation



— Projected inflation and COLA based on PERA valuation assumptions.

Impact of Reduced COLA on PERA General Retirees

Lower COLA Results in Lost Benefits

- Increasing future COLA will not restore benefits lost during reduced COLA periods
- Reduced COLA for retirees are a permanent contribution to funding sufficiency



Average Basic Retiree

- An average Basic retiree has already contributed over \$15,000 in lost benefits through 2019
- If current PERA COLA continues indefinitely, when compared to inflation, an average Basic retiree will continue to lose benefits annually
 - Over \$3,000 in 2020
 - Over \$6,000 in 2025
 - Almost \$14,000 in 2035
- If current PERA COLA continues indefinitely, when compared to inflation, an average Basic retiree will have contributed
 - Over \$42,000 in total lost benefits through 2025
 - Over \$144,000 in total lost benefits through 2035



Impact of COLA Change

Year	Benefit with PERA COLA	Benefit with Inflation	Difference in Pension Check
2010	\$35,000	\$35,000	\$0
2011	\$35,350	\$35,735	\$385
...			
2018	\$37,901	\$39,955	\$2,054
2019	\$38,432	\$40,954	\$2,522
		Total Through 2019 =	\$15,235
2020	\$38,912	\$41,978	\$3,066
2021	\$39,398	\$43,027	\$3,629
...			
2025	\$41,405	\$47,494	\$6,089
		Total Through 2025 =	\$42,491
2035	\$46,884	\$60,796	\$13,912
		Total Through 2035 =	\$144,260

— Projected inflation (2.50%) and COLA (1.25%) based on PERA valuation assumptions.