

**Stanislaus County  
Employees' Retirement Association**

**Actuarial Review and Analysis as of June 30, 2011**

Final Report  
March 2, 2012



## Contents

<b>Analysis of Results .....</b>	<b>1</b>
<b>Section 1: Summary of Plan Provisions, Member Statistics, and Actuarial Assumptions.....</b>	<b>9</b>
1.1: Brief Outline of Plan Provisions .....	10
1.2: Participant Data as of July 1, 2011 .....	19
1.3: Actuarial Methods and Assumptions .....	40
1.4: Glossary of Actuarial Terms.....	49
<b>Section 2: Asset Information.....</b>	<b>52</b>
2.1: Balance Sheet as of June 30, 2010 and June 30, 2011 .....	53
2.2: Computation of Actuarial Value of Assets as of June 30, 2011.....	54
2.3: Income Statement For the Years Ending June 30, 2010 and June 30, 2011 .....	55
2.4: Historical Returns .....	56
<b>Section 3: Actuarial Computations .....</b>	<b>57</b>
3.1: Computation of Annual Contribution Rate as of June 30, 2010.....	58
3.2: Computation of Annual Contribution Rate as of June 30, 2011.....	59
3.3: Computation of Funding Ratios as of June 30, 2011 .....	60
3.4: Actuarial Analysis of Financial Experience .....	61
3.5: Detailed Calculation of Costs as of June 30, 2011 - By Class and Tier .....	62
3.6: Actuarial Balance Sheet.....	63
<b>Section 4: Disclosure Information .....</b>	<b>65</b>
4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25 .....	66
<b>Appendix I: Employer Contribution Rates.....</b>	<b>69</b>
<b>Appendix II: Employee Contribution Rates .....</b>	<b>71</b>



## Analysis of Results

### Executive Summary

This Report presents the results of an actuarial review and analysis of the Stanislaus County Employees' Retirement Association (StanCERA, the Plan) as of June 30, 2011. Employer contribution rates for the Fiscal Year beginning July 1, 2012 have been determined based on demographic and asset information as of June 30, 2011.

The employer contribution rates shown in this Report are as follows:

Valuation Date	Employer Contribution as % of Pay	Estimated Employer Contribution for Current Members
June 30, 2010		
Final Results	18.60%	\$43,059,346
June 30, 2011		<b>FY2012</b>
Final Results	17.83%	\$39,510,911

A summary of the current status of the StanCERA Plan as a whole is as follows:

	June 30, 2010	June 30, 2011
<b>Plan Membership</b>		
Active	4,149	3,869
Inactive	872	868
Receiving Benefits	2,830	3,015
Total	7,851	7,752
Average Pay	\$59,974	\$58,596
<b>Assets (\$ millions)</b>		
Market Value	\$1,190.2	\$1,418.7
Actuarial Value of Assets	\$1,402.1	\$1,418.7
Valuation Assets	\$1,325.8	\$1,372.0
<b>Valuation Results (\$ millions)</b>		
Actuarial Accrued Liability (AAL)	\$1,737.8	\$1,757.7
Unfunded AAL (AAL – Valuation Assets)	\$ 412.0	\$ 385.7
Funded Ratio (Valuation Assets)	76.3%	78.1%
Funded Ratio (Market Value of Assets, excluding Special Reserves)	64.6%	78.1%

More detailed information on the contributions by Class and Tier, as well as a description of the reasons for the changes in cost, is shown in both this section and in the detailed cost calculations shown later in the Report.

The main points in this Report are as follows:

- The net impact of the demographic changes during the past year was a moderate decrease in the contribution rate.
- Recognized investment losses and other asset changes during the year increased the cost of the Plan.
- An assumption change was applied, reflecting the expectation that no base salary increases will occur over the next three fiscal years. A six percent reduction was applied to the pay for all employees over the same time period. This change reduced the actuarial cost increased the funded ratio of the Plan.
- The asset valuation method was reset; the Actuarial Value of Assets was set to equal the Market Value of Assets. Since the difference between the Market Value of Assets and the original calculation of the Actuarial Value of Assets is minimal, there was almost no change to the contribution rate.

## Purpose of the Report

This Report presents the results of an actuarial review and analysis of the Stanislaus County Employees' Retirement Association as of June 30, 2011. The purposes of this Report are:

- To review the experience of the Plan over the past year and discuss reasons for changes in Plan cost;
- To compute the annual contribution required to fund the Plan in accordance with actuarial principles;
- To discuss other issues associated with the determination of Plan and Tier costs; and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

## Organization of the Report

This Report is organized in five sections:

- This Summary presents the conclusions of the Report and discusses the reasons for changes since the last valuation.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions used to compute liabilities and costs. A glossary of actuarial terms is also included.
- Section 2 presents information concerning Plan assets, including balance sheets and income statements from July 1, 2010 to June 30, 2011. The actuarial value of Plan assets and the amount of the valuation assets are also computed in this Section.
- Section 3 contains the calculation of actuarial liabilities and the employer contribution rate, as well as the actuarial balance sheet and development of gain and loss.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.
- The Appendices contain employer and employee contribution rates by Group, Class and Tier.

## Actuarial Valuation as of June 30, 2011

The employer contribution rate decreased slightly from 18.60% of payroll as of June 30, 2010 to 17.83% one year later, due primarily to demographic experience and permanent reductions in pay. The narrative and table below summarize the impact of actuarial experience and other changes on Plan cost.

	Contribution Rate (% Payroll)	FY 2011-12 Employer Cost (\$ in Millions)
<b>June 30, 2010</b>	<b>18.60%</b>	<b>\$43.1</b>
Demographic Experience	(1.63%)	(3.1)
New Entrants to the Plan	0.09%	0.4
Amortization Payroll	0.59%	0.0
Investment Experience	1.40%	3.2
Temporary Pay Freeze / Reduction	(0.95)%	(3.5)
Rolling Amortization (Retain 25 Year Period)	(0.29%)	(0.6)
Asset Methodology Change	0.02%	0.0
<b>Employer Cost as of June 30, 2011</b>	<b>17.83%</b>	<b>\$39.5</b>

The changes affecting the cost from 2010 through 2011 are described below:

- Demographic experience caused a decrease in the contribution rate.

Demographic experience includes rates of retirement, disability, termination, and death – as well as other factors, such as pay increases, transfers, and cost of living increases. The demographic experience of the Plan was more positive than was assumed in the actuarial assumptions used in the prior actuarial valuation, producing actuarial gains and a decrease in the employer contribution rate of 1.63% of pay.

- New members entered the Plan.

Although the total number of active members in the Plan decreased by about 280 members from June 30, 2010 to June 30, 2011, there were approximately 50 new hires (or rehires) entering the Plan to replace departing members.

These new hires were not included the prior valuation cost calculations. They increased the employer contribution rate by 0.09% of payroll, and increased the cost of the plan by \$0.4 million in dollar terms due to the added payroll.

- Changes in the valuation assets produced an actuarial loss.

The return on the *market* value of assets was 22.1% (net of expenses) over the fiscal year 2010-



2011. The return on the *actuarial* value of assets was 3.5%, while the return on the *valuation* assets (excluding the non-valuation reserves) was 4.2%, a loss of 3.8% compared to the expected return.

The lower return on the actuarial value of assets compared to market (3.5% versus 22.1%) is a result of the delayed recognition of asset losses experienced in FY 2009. Under the actuarial smoothing policy selected by the Board, only 20% of the gains or losses occurring in a given year are recognized in that year – with the remaining portion recognized over the next four years at 20% per year.

Valuation assets are lower than the actuarial value, because special non-valuation reserves are excluded. The higher return on the valuation assets compared to the actuarial value (4.3% versus 3.5%) is a result of transfers made by the Board from non-valuation assets to valuation assets.

The lower-than-expected return on the valuation assets produced an actuarial loss that increased Plan costs by 1.40% of active member payroll, or about \$3.2 million.

- Changes in the payroll used to amortize the unfunded liability increased the cost as a percentage of payroll.

Under the level percentage of payroll amortization method that is currently part of the funding policy, the amortization payment is determined based on an assumption that total payroll will increase each year (by 3.75% under the assumptions in place as of the prior valuation). The amortization payment is recalculated each year, based on the unfunded liability determined as of the valuation date, and then divided by the current year projected payroll to compute the amortization amount as a percentage of pay.

If – as was the case this year – pay does *not* increase by the projected salary growth assumed in the amortization calculation, the amortization payment will be larger as a percentage of pay, though the dollar amount is the same. This increased the employer contribution rate by 0.59% of pay.

The above sources of actuarial gains and losses combined to increase Plan cost by 0.45% of payroll from 2010 to 2011, as noted above.

In addition to the gains and losses described above, there were several other changes that affected Plan cost:

- EFI incorporated a short-term change to the payroll growth assumptions, reflecting an anticipated lack of base salary increases for the next three fiscal years. In addition, we have modeled the impact of a permanent 6% reduction to the pay of all employees. The lack of expected wage growth during this time period resulted in a reduction in the projected future benefits and therefore in the actuarial accrued liability of the Plan and an improvement in the funded ratio of approximately 3.1%.

The application of the assumed three year pay freeze and 6% pay reductions decreased the employer contribution rate by 0.95% of payroll, and reduced the dollar amount of the actuarial cost by approximately \$3.4 million.

- A rolling amortization period continued to be utilized.

As part of the June 30<sup>th</sup>, 2009 valuation, the Board elected to amortize the unfunded actuarial accrued liability over 25 years as a level percentage of payroll, for all employers. It was stated at the time that the amortization period would stay at this level until the Board elects to make a change to this policy. The impact of the rolling amortization policy on this valuation was to reduce the current cost by 0.29% of pay. Going forward, the Board has elected to change this to a closed period and the amortization period for the next valuation will be 24 years.

With a level percentage of pay amortization policy and a period of 17 or more years, the amortization payment in the current year will be less than the interest on the unfunded amount – no payment towards “principal” is made. This is sometimes referred to as negative amortization.

- The asset valuation method was reset.

In our memorandum to the Administrator dated February 1, 2012, we recommended that the asset valuation method be reset so that the Actuarial Value of Assets would equal the Market Value of Assets as of June 30, 2011. This was done in order to minimize unnecessary fluctuations in the employer contribution rate in the future. Prior to this change, the Actuarial Value of Assets was very close to the Market Value of Assets: \$1,419,410,035 (actuarial) vs. \$1,418,745,946 (market). As such, this change resulted in a slight increase to the current cost of 0.02% of pay.

## Future Cost Trends and Other Issues

There are a number of factors that can be expected to impact costs in the future:

- The Government Account Standards Board (GASB) is considering changes to the accounting standards governing the financial statements of public pension plans and the employers. Some of the major changes being considered include putting the unfunded liability on the employer's balance sheet, shortening amortization periods (or eliminating amortization for changes in the retiree liabilities) and changes to the allowable actuarial cost methods. Note these changes would not necessarily impact Plan funding, as they are accounting standards only.

- Investments consultants generally seem to be reducing their return expectations for the next ten years. A trend is developing of Boards reducing their return assumptions below 8%. The Board will need to address this issue in the coming years.
- One of the most important measures of a plan's risk is the ratio of plan assets to payroll. The table below shows StanCERA assets as a percentage of active member payroll. This ratio indicates the sensitivity of the plan to the returns earned on plan assets. We note in the table that plan assets currently are over 6 times covered payroll for the Plan; as funding improves and the Plan reaches 100% funding, the ratio of asset to payroll will increase to almost 8 times payroll, perhaps higher depending on the plan's demographic makeup.

June 30, 2011	
Active Member Payroll	221,541,008
Assets (Market Value Net of Non-Valuation Reserves)	1,372,046,240
Ratio of Assets to Payroll	6.19
Ratio with 100% Funding	7.93

To appreciate the impact of the ratio of assets to payroll on plan cost, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the plan cost is nil, because the assets are so small.

On the other hand, consider the situation for StanCERA. Suppose StanCERA's assets lose 10% of their value in a year. Since they were assumed to earn 8.0%, there is an actuarial loss of 18.0% of plan assets. Based on the current ratio of asset to payroll (619%), that means the loss in assets is about 111% of active payroll (619% of the 18.0% loss). There is only one place for the loss to come from: The employers. Consequently, barring future offsetting investment gains, the employer has to make up the asset loss in future contributions. This shortfall will require an amortization payment in the vicinity of 7.7% of member pay, which translates to an increase of roughly 43% of pay in yearly employer contributions for the multiple years of the amortization period.

## Actuarial Certification

This report presents the results of the annual actuarial review of the StanCERA Retirement Plan (the Plan) as of June 30, 2011. The prior review was conducted as of June 30, 2010.

In this study, financial information and data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited. However, we conducted an examination of all participant data for reasonableness and consistency. The financial information included the Statement of Changes in Plan Net Assets Available for Benefits and Statement of Plan Net Assets Available for Benefits, both of which are included in the Comprehensive Annual Financial Report.

Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the unfunded actuarial accrued liability (UAAL). As of the valuation date, the amortization period is 25 years.

The funding objective of the Plan is to establish contribution rates that, over time, are likely to remain as a level percentage of payroll unless Plan benefit provisions are changed. For actuarial valuation purposes, Plan assets are valued at Actuarial Value. Under this method, the assets used to determine employer contribution rates take into account market value by spreading all investment gains and losses (returns above or below expected returns) over a period of five years. As of June 30, 2011, the Actuarial Value of has been reset to equal the market value.

Our firm has prepared all of the schedules presented in the actuarial report. We reviewed the actuarial assumptions shown in the schedules and found them to be reasonably appropriate for use under the Plan. The assumptions used in this report reflect the results of an Experience Study performed by EFI covering the period from July 1, 2006 through June 30, 2009, and approved by the Board. The assumptions used in the most recent valuation are intended to produce results that, in the aggregate, reasonably approximate the anticipated future experience of the Plan. The next experience analysis is expected to cover the years through 2012.

GASB Statement No. 25 requires preparation of trend data schedules of funding status and employer contributions. To produce the required schedules, we have relied upon information from our files and contained in the reports of other actuaries employed by the sponsor in completing the schedules.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully Submitted,



Robert T. McCrory, FSA  
(206) 328-8628



Graham A. Schmidt, ASA  
(415) 439-5313

## **Section 1:**

### **Summary of Plan Provisions, Member Statistics, and Actuarial Assumptions**

## 1.1: Brief Outline of Plan Provisions

### Definitions

#### *Compensation*

Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

#### *Credited Service*

In general, Credited Service is earned for the period during which Member Contributions are paid. Since Tier 3 Members participate in a non-contributory Plan, their Credited Service is calculated based on their date of Membership only.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services that credit may be purchased for are listed below:

- **Prior Part-time Service:** If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.
- **Intermittent Part-time Service**
- **Prior full time Service:** Member may buyback full time service that may have been cashed out upon termination.
- **Leave of Absence (Including absence with State Disability or Worker's Compensation):** No unpaid leave of absence can be bought back except for absence due to medical reasons of up to one year.
- **Public Service:** Only Tier 1 and 4 Members may buy back this service.
- **Military Time:** Only Tier 1 and 4 Members may buy back this service.
- **Enhance Prior Tier Service:** Applies to certain active and deferred Members with Tier 1, 2 or 3 service.
- **Military "call up"**
- **AB 2766:** Only Safety Employees can buy back this service.

A percentage of credited sick leave may be credited according to the Member's applicable bargaining unit.

### ***Final Compensation***

For Members belonging to Tier 2 and Tier 3, Final Compensation means the highest Compensation earned during any thirty six consecutive months of the Member's employment. For all others, it is the highest Compensation earned during any twelve months of employment.

### ***General Member***

Any Member who is not a Safety Member is a General Member.

### ***Safety Member***

Any sworn Member engaged in law enforcement, probation, or fire suppression is a Safety Member.

## **Membership**

### ***Eligibility***

All full-time, permanent employees of Stanislaus County, City of Ceres, Stanislaus County Superior Court, Salida Sanitary District, East Side Mosquito Abatement, Keyes Community Services, Hills Ferry Cemetery and StanCOG hired on or after October 1, 1988 become Members on their date of appointment. All others hired before October 1, 1988 became Members on the first day of the calendar month following their date of appointment.

Detailed membership eligibility according to Tier and membership date is shown in Table 1.

## **Service Retirement**

### ***Eligibility***

Tier 3 General Members are eligible to retire at age 55 if they have earned ten years of Credited Service. All other General Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, General Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement.

### ***Benefit Amount***

The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 1 and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1.

For Tier 3 Members with Credited Service up to thirty five years, the percentage of Final Compensation may not exceed 70% and for those with more than thirty five years, it may not

exceed 80%. For all other Members, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security (other than Tier 3), Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

**Table 1: Member Group Descriptions**

Group	Open or Closed	FAP	COLA	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier 1	Closed	1	3	31676.12	2% at 57	62	2.00%
General Tier 2	Open	3	3	31676.1	2% at 62	65	1.67%
General Tier 3	Closed	3	0	31499.14	Non-Contributory	65	First 35 Years: 2.0% of FAS less 1/35 <sup>th</sup> of Social Security benefit at age 65. Next 10 Years: 1% of FAS
General Tier 4	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier 5	Closed	1	3	31676.14	2% at 55	65	1.67%
Safety Tier 2	Open	3	3	31664	2% at 50	50	2.00%
Safety Tier 4	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier 5	Closed	1	3	31664.1	3% at 50	50	3.00%

**Table 2: Age Factors**

Age	Safety 2% at Age 50 CERL \$: 31664	Safety 3% at Age 50 CERL \$: 31664.1	General 2% at Age 62 CERL \$: 31676.1	General 2% at Age 57 CERL \$: 31676.12	General 2% at Age 55 CERL \$: 31676.14	General 2% at Age 65 CERL \$: 31499.14
41.00	0.6258	0.6258	N/A	N/A	N/A	N/A
42.00	0.6625	0.6625	N/A	N/A	N/A	N/A
43.00	0.7004	0.7004	N/A	N/A	N/A	N/A
44.00	0.7397	0.7397	N/A	N/A	N/A	N/A
45.00	0.7805	0.7805	N/A	N/A	N/A	N/A
46.00	0.8226	0.8226	N/A	N/A	N/A	N/A
47.00	0.8678	0.8678	N/A	N/A	N/A	N/A
48.00	0.9085	0.9085	N/A	N/A	N/A	N/A
49.00	0.9522	0.9522	N/A	N/A	N/A	N/A
50.00	1.0516	1.0000	0.7091	0.6681	0.8850	N/A
51.00	1.1078	1.0000	0.7457	0.7056	0.9399	N/A
52.00	1.1692	1.0000	0.7816	0.7454	1.0000	N/A
53.00	1.2366	1.0000	0.8181	0.7882	1.0447	N/A
54.00	1.3099	1.0000	0.8556	0.8346	1.1048	N/A
55.00	1.3099	1.0000	0.8954	0.8850	1.1686	0.3900
56.00	1.3099	1.0000	0.9382	0.9399	1.2365	0.4300
57.00	1.3099	1.0000	0.9846	1.0000	1.3093	0.4700
58.00	1.3099	1.0000	1.0350	1.0447	1.3608	0.5100
59.00	1.3099	1.0000	1.0899	1.1048	1.4123	0.5600
60.00	1.3099	1.0000	1.1500	1.1686	1.4638	0.6100
61.00	1.3099	1.0000	1.1947	1.2365	1.5153	0.6700
62.00	1.3099	1.0000	1.2548	1.3093	1.5668	0.7400
63.00	1.3099	1.0000	1.3186	1.3093	1.5668	0.8200
64.00	1.3099	1.0000	1.3865	1.3093	1.5668	0.9000
65.00	1.3099	1.0000	1.4593	1.3093	1.5668	1.0000

### Form of Benefit

The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to



beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, benefits for all retired members other than those in Tier 3 are adjusted to reflect changes in the CPI for the San Francisco Bay Area since the prior year. Benefits may be increased or decreased, but the cumulative changes shall never reduce the benefit below the original monthly allowance. Annual increases may not exceed the COLA figures shown in Table 1, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than the figures shown.

In addition, ad hoc cost of living adjustments have been granted in the past and may be granted in the future.

A lump sum benefit of \$5,000 will be payable upon the death of a retired member. No death benefit is payable for Tier 3 retired members.

## **Service-Connected Disability**

### ***Eligibility***

All non-Tier 3 Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty. Tier 3 Members are not eligible to receive disability benefits.

### ***Benefit Amount***

The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

### ***Form of Benefit***

The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

## **Nonservice-Connected Disability**

### ***Eligibility***

Tier 3 Members are not eligible to receive disability benefits. All other Members are eligible for Nonservice-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service.

### ***Benefit Amount***

The Nonservice-Connected Disability Retirement Benefit payable to Tier 1 General Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 62, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Tiers 2, 4 and 5 General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

### ***Form of Benefit***

The Nonservice-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

## **Death Benefit**

### ***Eligibility***

A Tier 3 Member's survivors are not eligible to receive death benefits. All other Members' survivors are eligible to receive different Death benefits dependent on the Member's cause of death and retirement eligibility.

### ***Benefit Amount***

In the event the Member's death resulted from injury or illness sustained in connection with the Member's duties, the Death Benefit payable to a surviving spouse, domestic partner or eligible dependent children will be the greater of 50% of the Member's Final Compensation at the time of death or the Service Retirement Benefit.

In the event the Member's death did not result from injury or illness sustained in connection with the Member's duties and at the time of death, the Member was eligible for Service Retirement or Non-Service Connected Disability (i.e. the employee was employed at least five years), the Death Benefit payable to the spouse, partner or children will be 60% of the survivor benefit based on benefit due on Member's date of death.

In all other cases, the designated beneficiary (not necessarily a spouse/partner/child) will receive a refund of the Member's contributions with interest plus one month of Final Compensation for each year of service to a maximum of six years.

### ***Form of Benefit***

Annuity death benefits will be paid monthly beginning at the Member's death and for the life of the surviving spouse/partner or to the age of majority of dependent minor children if there is no spouse/partner. Lump sum benefits will be paid as described above.

COLA adjustments (as described for the annuity benefits) are also available.

## **Withdrawal Benefit**

### ***Eligibility***

Tier 3 Members are not eligible to receive withdrawal benefits. All other Members are eligible for a Withdrawal Benefit upon termination of employment, if not eligible to receive or electing to waive a monthly benefit.

### ***Benefit Amount***

The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit the Member forfeits all Credited Service.

### ***Form of Benefit***

The Withdrawal Benefit is paid in a lump sum upon election by the Member.

### **Deferred Vested Benefit**

#### ***Eligibility***

A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

#### ***Benefit Amount***

The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

### ***Form of Benefit***

The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

### **Reciprocal Benefit**

#### ***Eligibility***

A Member is eligible for a Reciprocal Benefit upon termination of employment after earning five years of Credited Service and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

### ***Benefit Amount***

The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

### ***Form of Benefit***

The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available.

A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

### **Optional Benefit Forms**

Prior to retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below.

1. A reduced retirement allowance payable during his life with the provision that on his death the excess, if any, of his accumulated deductions at the time of retirement over the annuity payments made to him will be paid to his designated beneficiary or estate; or
2. A reduced retirement allowance payable during his life with the provision that after his death the reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; or
3. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement.

In addition, a member participating in Social Security may elect to receive an increased monthly allowance before age 62 (earliest possible receipt of Social Security benefits) and then take a reduced monthly allowance at age 62 and after. This option will not affect any monthly payments payable to a beneficiary. This option is not available to those receiving a disability benefit.

### **Member Contributions**

All non Tier 3 Members contribute a percentage of Compensation to the Plan through payroll deduction. The percentage contributed depends on the Member's nearest age upon joining the Plan. Members do not contribute after earning 30 years of Credited Service.

City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

Interest is credited semiannually to each Member's accumulated contributions. The crediting rate is set by the Board; the current annual rate is 0.00%.

The employee contribution rates are shown in the Appendix II.

### **Changes in Plan Provisions**

There have been no changes in Plan provisions since the prior review.

## 1.2: Participant Data as of July 1, 2011

Schedule of Active Member Valuation Data					
Valuation Date	Plan Type	Number	Annual Salary	Average Annual Salary	% Increase in Average Salary
6/30/2003	General	3,626	163,505,000	45,092	6.76%
	Safety	637	34,159,000	53,625	3.98%
	Total	4,263	197,664,000	46,367	5.23%
6/30/2004	General	3,618	164,462,000	45,457	0.81%
	Safety	630	35,501,000	56,351	5.08%
	Total	4,248	199,963,000	47,072	1.52%
6/30/2005	General	3,651	173,399,000	47,494	4.48%
	Safety	687	38,282,000	55,723	(1.11%)
	Total	4,338	211,681,000	48,797	3.66%
6/30/2006	General	3,702	179,767,000	48,559	2.24%
	Safety	689	40,001,000	58,057	4.19%
	Total	4,391	219,768,000	50,050	2.57%
6/30/2008	General	3,719	230,942,000	62,098	27.88%
	Safety	731	44,638,000	61,064	5.18%
	Total	4,450	275,580,000	61,928	23.73%
6/30/2009	General	3,627	201,144,000	55,457	(10.69%)
	Safety	739	47,172,000	63,832	4.53%
	Total	4,366	248,316,000	56,875	(8.16%)
6/30/2010	General	3,464	202,200,198	58,372	5.26%
	Safety	685	46,630,275	68,073	6.64%
	Total	4,149	248,830,473	59,974	5.45%
6/30/2011	General	3,232	184,906,498	57,211	(1.99%)
	Safety	637	41,800,298	65,621	(3.60%)
	Total	3,869	226,706,796	58,596	(2.30%)
Actuarial valuation was not performed for fiscal year June 30, 2007					

	General		Safety		Total	
	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11
<b>Active Participants</b>						
Number	3,464	3,232	685	637	4,149	3,869
Average Age	46.10	46.52	38.59	39.59	44.86	45.38
Average Service	11.15	11.80	10.17	11.22	10.99	11.70
Average Pay (does not reflect impact of furloughs)	\$58,372	\$57,211	\$68,073	\$65,621	\$59,974	\$58,596
<b>Service Retired</b>						
Number	1,904	2,052	256	272	2,160	2,324
Average Age	69.19	69.09	64.22	64.33	68.60	68.53
Average Annual Total Benefit	\$24,197	\$24,766	\$50,039	\$49,097	\$27,260	\$27,614
<b>Beneficiaries</b>						
Number	288	311	79	77	367	388
Average Age	72.97	73.46	66.24	66.48	71.52	72.07
Average Annual Total Benefit	\$13,681	\$14,084	\$25,048	\$25,661	\$16,128	\$16,381
<b>Duty Disabled</b>						
Number	114	110	108	109	222	219
Average Age	63.46	64.39	55.02	55.83	59.36	60.13
Average Annual Total Benefit	\$20,824	\$21,304	\$31,811	\$32,380	\$26,169	\$26,817
<b>Ordinary Disabled</b>						
Number	74	78	7	6	81	84
Average Age	63.82	63.51	53.90	55.15	62.96	62.92
Average Annual Total Benefit	\$13,151	\$13,682	\$16,167	\$18,488	\$13,412	\$14,025
<b>Total In Pay</b>						
Number	2,380	2,551	450	464	2,830	3,015
Average Age	69.20	69.25	62.20	62.57	68.09	68.22
Average Annual Total Benefit	\$ 22,420	\$ 22,976	\$ 40,750	\$ 40,885	\$ 25,334	\$ 25,732
<b>Terminated Vested</b>						
Number	557	536	105	108	662	644
Average Age	49.77	49.90	43.12	43.19	48.71	48.77
Average Service	7.62	7.53	6.27	6.36	7.41	7.33
<b>Transfers</b>						
Number	146	148	64	76	210	224
Average Age	47.40	47.53	35.42	35.44	43.75	43.43
Average Service	5.74	5.99	4.52	4.75	5.37	5.57
<b>Total Inactive</b>						
Number	703	684	169	184	872	868
Average Age	49.28	49.38	40.21	39.99	47.52	47.39
Average Service	7.23	7.20	5.60	5.69	6.91	6.88



## County, Ceres and Other Districts

### Active and Vested Participant Data as of July 1, 2011

	County						Ceres and Other Districts						Total County, Ceres and Other Districts	
	<u>General</u>		<u>Safety</u>		<u>Total</u>		<u>General</u>		<u>Safety</u>		<u>Total</u>		7/1/10	7/1/11
	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11		
<b>Active Participants</b>														
Number	3,338	3,114	605	556	3,943	3,670	126	118	80	81	206	199	4,149	3,869
Average Age	46.11	46.56	38.91	39.99	45.01	45.56	45.75	45.64	36.12	36.87	42.01	42.07	44.86	45.38
Average Service	11.16	11.80	10.34	11.42	11.03	11.75	10.83	11.57	8.92	9.81	10.09	10.86	10.99	11.70
Average Pay*	\$ 58,316	\$ 57,126	\$ 65,986	\$ 63,114	\$ 59,493	\$ 58,033	\$ 59,857	\$ 59,452	\$ 83,858	\$ 82,823	\$ 69,178	\$ 68,965	\$ 59,974	\$ 58,596
<b>Terminated Vested</b>														
Number	539	520	92	95	631	615	18	16	13	13	31	29	662	644
Average Age	49.75	49.90	43.36	43.29	48.82	48.88	50.15	49.73	41.44	42.44	46.50	46.46	48.71	48.77
Average Service	7.65	7.58	6.28	6.38	7.45	7.39	6.58	5.92	6.20	6.20	6.42	6.04	7.41	7.33
<b>Transfers</b>														
Number	137	136	58	68	195	204	9	12	6	8	15	20	210	224
Average Age	48.08	47.96	35.13	34.95	44.23	43.63	37.08	42.59	38.21	39.60	37.53	41.39	43.75	43.43
Average Service	5.84	6.06	4.35	4.55	5.40	5.56	4.12	5.18	6.15	6.43	4.94	5.68	5.37	5.57
<b>Total Inactive</b>														
Number	676	656	150	163	826	819	27	28	19	21	46	49	872	868
Average Age	49.41	49.50	40.18	39.81	47.74	47.57	45.79	46.67	40.42	41.36	43.57	44.39	47.52	47.39
Average Service	7.29	7.26	5.53	5.62	6.97	6.94	5.76	5.60	6.18	6.28	5.94	5.89	6.91	6.88

\*All payroll figures shown are annual

## County

### Active and Vested Participant Data as of July 1, 2011

	General										Safety			
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		Tier 1/4		Tier 2/5	
	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11
<b>Active Participants</b>														
Number	0	0	0	4	22	22	127	93	3,189	2,995	3	2	602	554
Average Age	0.00	0.00	0	41.76	49.89	50.89	57.69	57.90	45.62	46.18	55.86	55.37	38.83	39.93
Average Service	0.00	0.00	0.00	0.32	13.48	14.44	29.76	29.97	10.40	11.24	24.49	22.61	10.27	11.38
Average Pay*	\$ 0	\$ 0	\$ 0	\$79,469	\$50,234	\$48,668	\$72,549	\$67,545	\$57,805	\$56,835	\$75,709	\$71,968	\$65,938	\$63,082
<b>Terminated Vested</b>														
Number	57	47	197	193	31	27	3	3	251	250	6	4	86	91
Average Age	58.63	59.24	50.20	51.02	52.03	51.98	58.46	61.14	47.01	46.92	54.83	57.58	42.56	42.66
Average Service	9.75	10.19	4.97	4.96	10.51	10.77	12.00	14.61	8.88	8.68	7.98	9.02	6.16	6.26
<b>Transfers</b>														
Number	15	16	23	17	13	10	1	2	85	91	0	0	58	68
Average Age	57.84	59.37	54.72	54.29	48.63	45.58	50.83	54.11	44.44	44.90	0	0	35.13	34.95
Average Service	6.13	6.00	4.01	4.19	12.69	10.75	3.23	14.33	5.27	5.72	0.00	0.00	4.35	4.55
<b>Total Inactive</b>														
Number	72	63	220	210	44	37	4	5	336	341	6	4	144	159
Average Age	58.46	59.28	50.67	51.29	51.03	50.25	56.55	58.33	46.36	46.38	54.83	57.58	39.57	39.37
Average Service	8.99	9.13	4.87	4.89	11.15	10.76	9.82	14.50	7.97	7.89	7.98	9.02	5.43	5.53

\*All payroll figures shown are annual

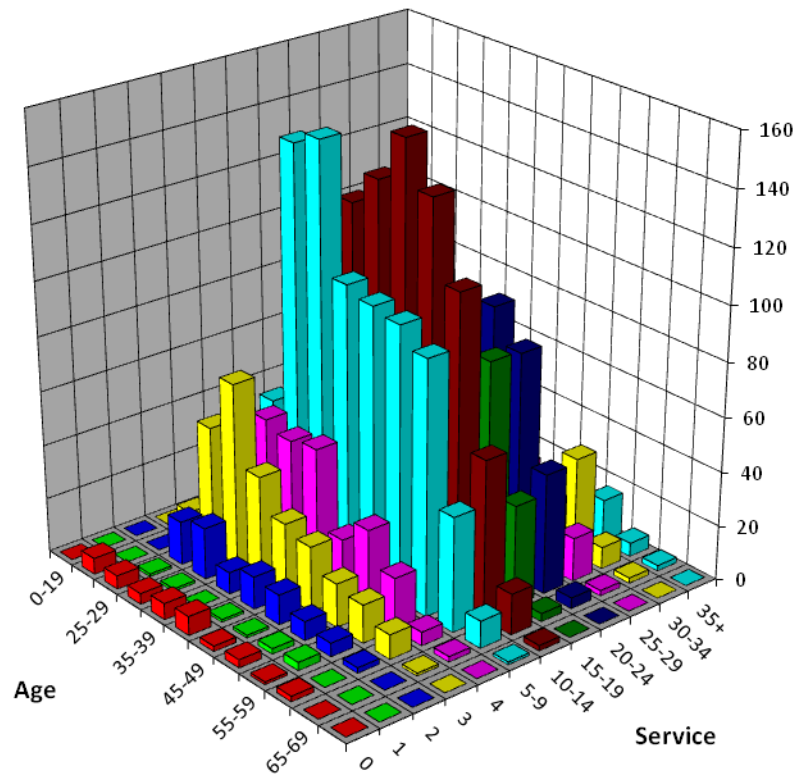
## Ceres and Other Districts

### Active and Vested Participant Data as of July 1, 2011

	General										Safety			
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		Tier 1/4		Tier 2/5	
	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11	7/1/10	7/1/11
<b>Active Participants</b>														
Number	1	1	5	5	0	0	5	4	115	108	1	1	79	80
Average Age	72.28	73.28	43.12	44.12	0.00	0	58.40	59.99	45.09	44.92	53.59	54.59	35.90	36.64
Average Service	35.35	36.43	5.90	6.95	0.00	0.00	33.46	35.60	9.84	10.67	30.17	31.24	8.65	9.55
Average Pay*	\$ 51,948	\$ 52,418	\$ 40,044	\$ 39,518	\$ 0	\$ 0	\$ 61,920	\$ 63,430	\$ 60,697	\$ 60,293	\$ 130,861	\$ 145,515	\$ 83,263	\$ 82,039
<b>Terminated Vested</b>														
Number	2	1	10	10	0	0	0	0	6	5	0	0	13	13
Average Age	56.42	57.13	47.54	48.54	0.00	0.00	0.00	0.00	52.42	50.64	0.00	0.00	41.44	42.44
Average Service	7.20	5.32	5.29	5.29	0.00	0.00	0.00	0.00	8.53	7.30	0.00	0.00	6.20	6.20
<b>Transfers</b>														
Number	0	0	2	2	0	0	0	0	7	10	0	0	6	8
Average Age	0.00	0.00	47.30	48.30	0.00	0.00	0.00	0.00	34.16	41.45	0.00	0.00	38.21	39.60
Average Service	0.00	0.00	3.12	3.12	0.00	0.00	0.00	0.00	4.41	5.59	0.00	0.00	6.15	6.43
<b>Total Inactive</b>														
Number	2	1	12	12	0	0	0	0	13	15	0	0	19	21
Average Age	56.42	57.13	47.50	48.50	0.00	0.00	0.00	0.00	42.59	44.51	0.00	0.00	40.42	41.36
Average Service	7.20	5.32	4.93	4.93	0.00	0.00	0.00	0.00	6.31	6.16	0.00	0.00	6.18	6.28

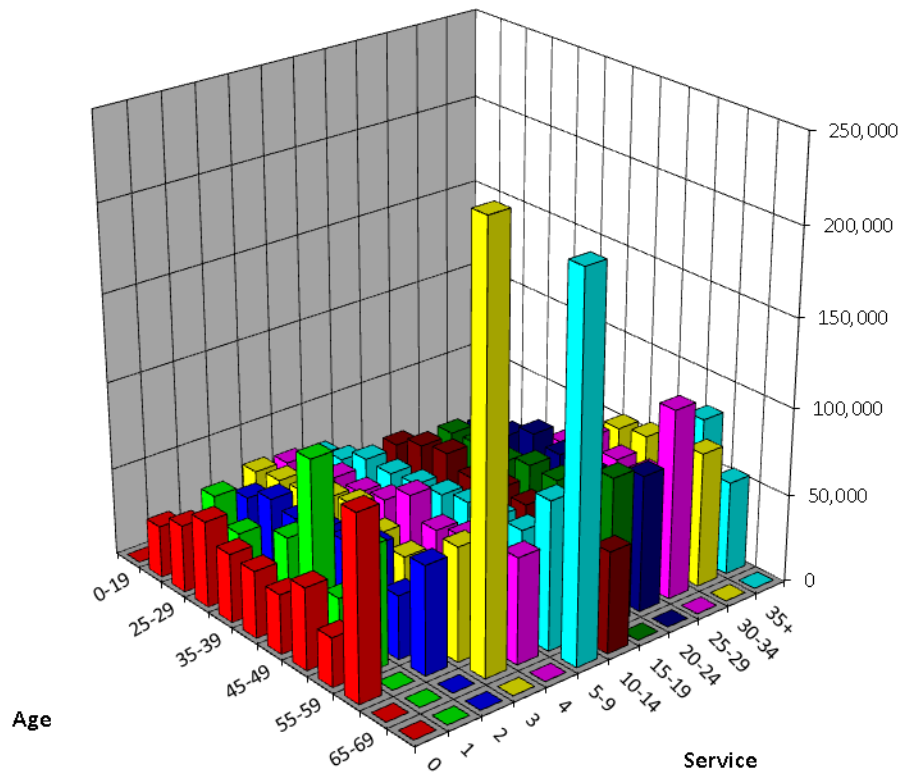
\*All payroll figures shown are annual

**County  
General Active Members  
by Age and Service  
as of July 1, 2011**



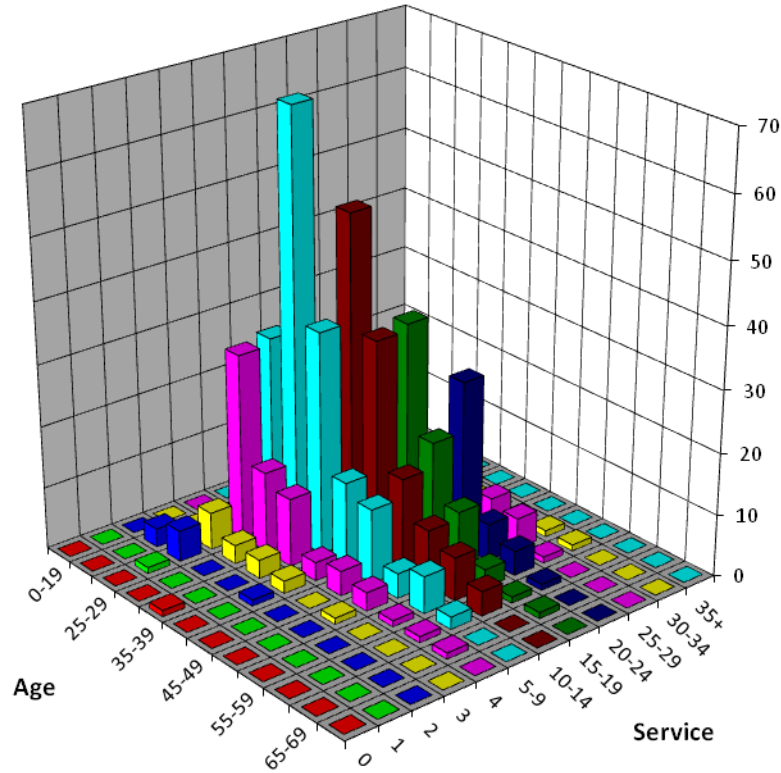
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	6	0	0	10	4	1	0	0	0	0	0	0	21
25-29	5	1	16	47	45	49	0	0	0	0	0	0	163
30-34	4	1	19	68	51	146	43	1	0	0	0	0	333
35-39	6	0	8	39	48	151	126	19	1	0	0	0	398
40-44	7	1	12	27	50	105	138	71	20	0	0	0	431
45-49	2	1	11	24	22	102	156	83	67	15	0	0	483
50-54	3	2	7	16	31	100	140	75	95	33	20	1	523
55-59	1	3	5	14	19	93	112	84	83	24	36	16	490
60-64	2	0	2	9	5	42	58	37	44	16	8	5	228
65-69	0	0	0	1	2	10	15	3	4	2	2	2	41
70+	0	0	0	0	0	1	2	0	0	0	0	0	3
<b>Total</b>	<b>36</b>	<b>9</b>	<b>80</b>	<b>255</b>	<b>277</b>	<b>800</b>	<b>790</b>	<b>373</b>	<b>314</b>	<b>90</b>	<b>66</b>	<b>24</b>	<b>3,114</b>

**County  
General Active Members  
Payroll by Age and Service  
as of July 1, 2011**



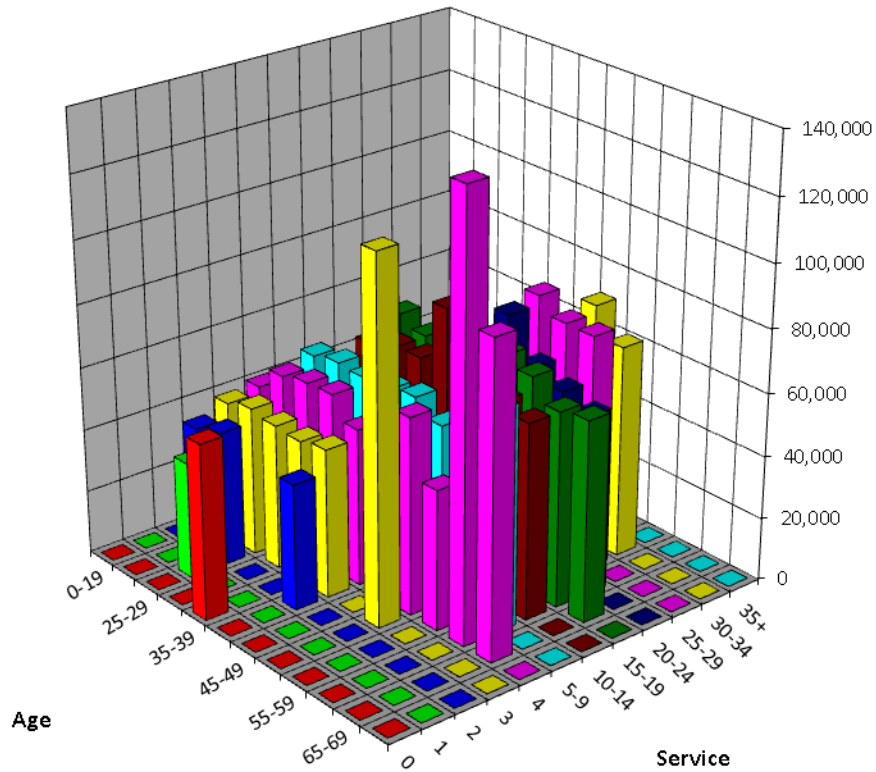
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	29,563	0	0	41,268	39,821	37,682	0	0	0	0	0	0	37,477
25-29	38,430	48,604	40,723	44,185	41,685	42,947	0	0	0	0	0	0	42,633
30-34	49,159	35,254	48,251	45,773	47,296	51,192	53,057	37,148	0	0	0	0	49,447
35-39	39,203	0	45,455	50,417	46,691	50,806	60,320	61,269	58,166	0	0	0	53,519
40-44	38,233	49,914	47,590	54,731	50,525	52,617	63,778	62,633	61,127	0	0	0	57,745
45-49	33,855	102,115	49,365	46,560	61,368	54,829	57,441	60,063	69,833	57,937	0	0	58,523
50-54	46,710	33,306	55,334	41,957	49,910	58,781	59,752	66,275	65,756	69,247	67,707	49,827	61,114
55-59	27,937	69,927	36,228	38,107	54,482	58,748	58,615	65,651	63,253	64,089	70,730	60,663	60,889
60-64	104,905	0	61,928	64,819	45,187	59,658	59,534	62,639	62,100	63,776	71,643	81,826	62,080
65-69	0	0	0	245,000	60,287	84,528	47,004	83,224	77,404	107,799	76,578	53,075	71,954
70+	0	0	0	0	0	215,156	57,592	0	0	0	0	0	110,113
Average	42,072	56,920	46,730	47,830	48,713	54,141	59,300	63,501	65,281	65,871	70,102	63,988	57,126

**County  
Safety Active Members  
by Age and Service  
as of July 1, 2011**



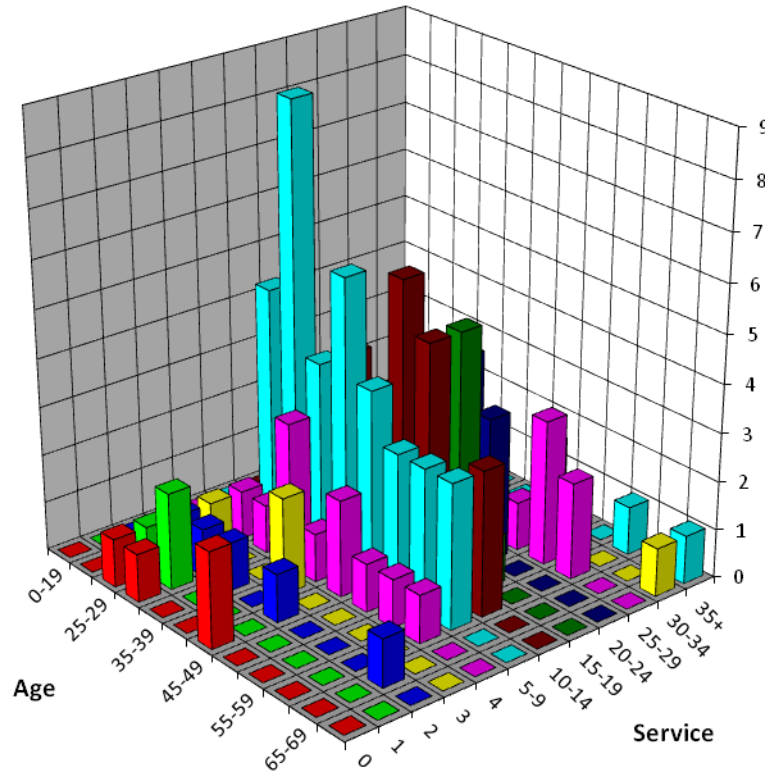
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	3	1	1	0	0	0	0	0	0	0	5
25-29	0	1	5	6	30	31	0	0	0	0	0	0	73
30-34	0	0	0	3	13	69	16	1	0	0	0	0	102
35-39	1	0	0	3	11	36	53	14	0	0	0	0	118
40-44	0	0	1	2	3	14	35	36	11	0	0	0	102
45-49	0	0	0	0	4	12	15	19	27	6	0	0	83
50-54	0	0	0	1	3	4	9	10	6	5	1	0	39
55-59	0	0	0	0	1	6	7	3	4	1	1	0	23
60-64	0	0	0	0	1	2	4	1	1	0	0	0	9
65-69	0	0	0	0	1	0	0	1	0	0	0	0	2
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>16</b>	<b>68</b>	<b>174</b>	<b>139</b>	<b>85</b>	<b>49</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>556</b>

**County  
Safety Active Members  
Payroll by Age and Service  
as of July 1, 2011**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	40,191	44,853	46,783	0	0	0	0	0	0	0	42,442
25-29	0	37,024	43,114	47,372	54,347	57,480	0	0	0	0	0	0	54,097
30-34	0	0	0	46,246	56,350	59,359	62,228	68,406	0	0	0	0	59,129
35-39	55,931	0	0	45,641	56,950	58,824	65,122	65,229	0	0	0	0	61,878
40-44	0	0	40,177	47,370	50,068	59,319	65,767	71,054	63,248	0	0	0	65,403
45-49	0	0	0	0	52,054	61,078	85,097	62,548	76,528	79,358	0	0	71,668
50-54	0	0	0	115,624	62,633	56,367	62,880	71,301	64,182	74,537	76,813	0	67,757
55-59	0	0	0	0	44,529	73,057	64,694	68,819	60,529	74,425	67,481	0	66,357
60-64	0	0	0	0	138,832	69,751	62,226	62,098	57,221	0	0	0	71,840
65-69	0	0	0	0	99,119	0	0	63,697	0	0	0	0	81,408
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Average	55,931	37,024	41,813	50,944	56,838	59,552	66,857	67,920	70,335	76,938	72,147	0	63,114

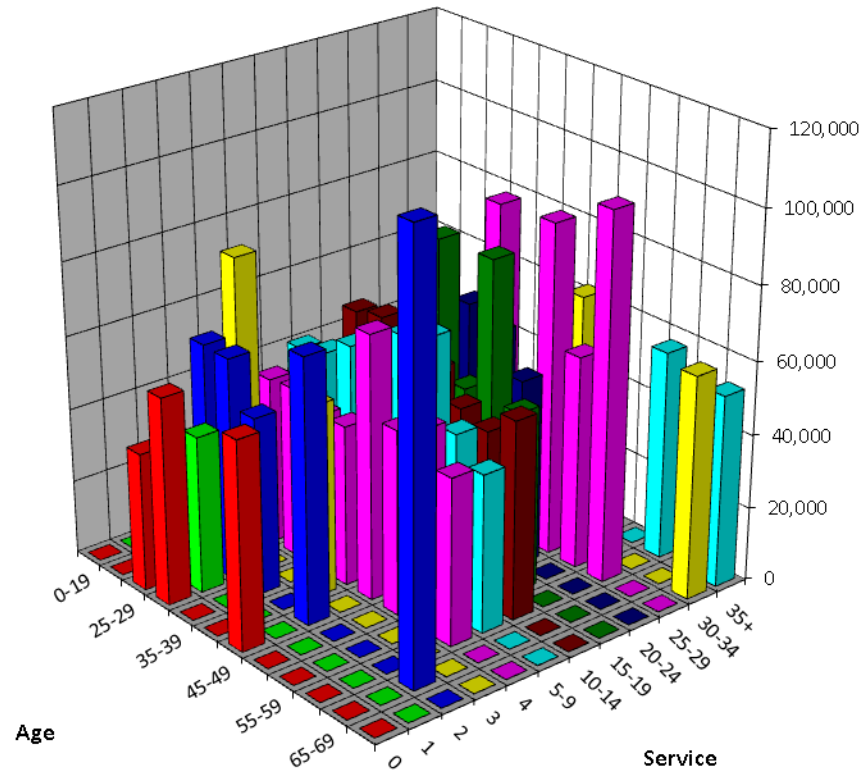
**Ceres**  
**General Active Members**  
**by Age and Service**  
**as of July 1, 2011**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	1	1	1	1	1	5	0	0	0	0	0	0	10
30-34	1	2	1	0	1	9	2	0	0	0	0	0	16
35-39	0	0	1	0	3	4	4	1	0	0	0	0	13
40-44	0	0	0	2	1	6	3	2	1	1	0	0	16
45-49	2	0	1	0	2	4	6	1	4	0	0	0	20
50-54	0	0	0	0	1	3	5	5	3	1	2	0	20
55-59	0	0	0	0	1	3	2	1	0	3	0	0	10
60-64	0	0	0	0	1	3	3	0	0	2	0	1	10
65-69	0	0	1	0	0	0	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	1	1	2
<b>Total</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>11</b>	<b>37</b>	<b>25</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>118</b>

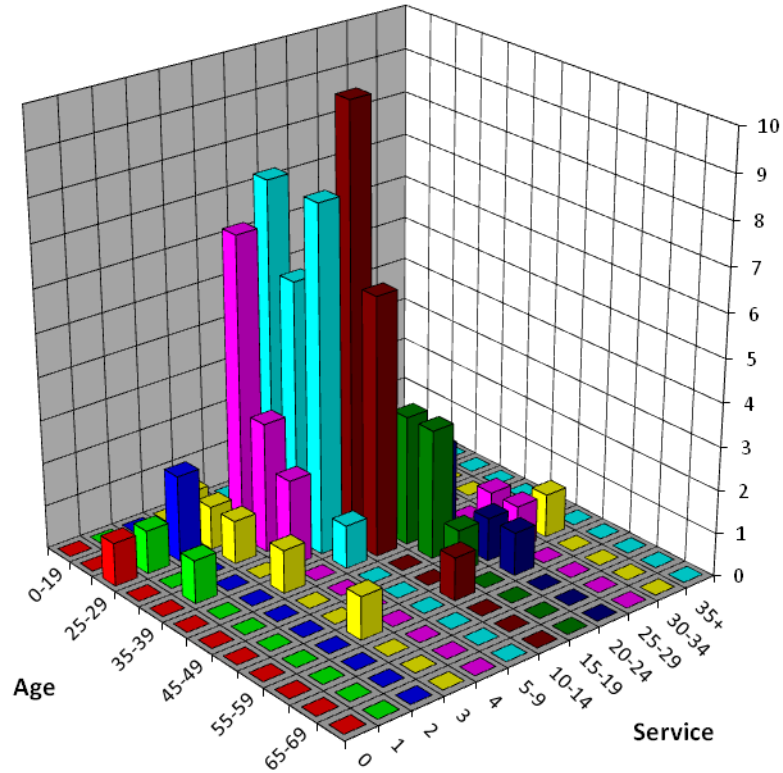


**Ceres**  
**General Active Members**  
**Payroll by Age and Service**  
**as of July 1, 2011**



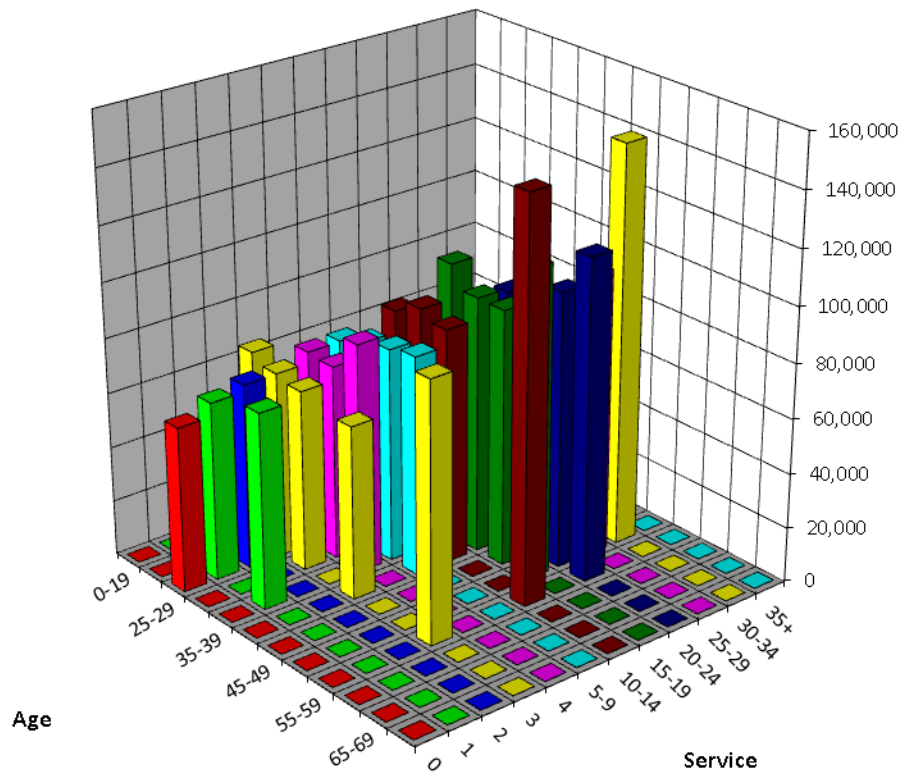
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	37,512	36,914	61,050	81,481	45,664	51,345	0	0	0	0	0	0	51,935
30-34	56,446	42,729	60,793	0	46,527	53,577	61,975	0	0	0	0	0	53,460
35-39	0	0	48,420	0	43,032	58,856	63,766	67,306	0	0	0	0	56,562
40-44	0	0	0	52,276	43,680	57,360	61,053	85,229	65,116	89,252	0	0	62,524
45-49	56,683	0	71,949	0	71,886	68,584	56,673	48,424	60,805	0	0	0	61,755
50-54	0	0	0	0	50,208	71,603	49,788	86,211	51,005	90,419	68,028	0	66,225
55-59	0	0	0	0	54,221	49,761	47,334	49,100	0	58,041	0	0	52,140
60-64	0	0	0	0	45,346	42,901	53,916	0	0	100,018	0	56,896	59,273
65-69	0	0	118,023	0	0	0	0	0	0	0	0	0	118,023
70+	0	0	0	0	0	0	0	0	0	0	60,768	52,418	56,593
Average	51,831	40,791	72,047	62,011	50,774	56,368	56,303	76,634	57,669	79,119	65,608	54,657	59,452

**Ceres**  
**Safety Active Members**  
**by Age and Service**  
**as of July 1, 2011**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	1	0	0	0	0	0	0	0	0	1
25-29	1	1	2	1	7	8	0	0	0	0	0	0	20
30-34	0	0	0	1	3	6	4	0	0	0	0	0	14
35-39	0	1	0	0	2	8	10	1	0	0	0	0	22
40-44	0	0	0	1	0	1	6	3	2	0	0	0	13
45-49	0	0	0	0	0	0	0	3	0	1	0	0	4
50-54	0	0	0	0	0	0	0	1	1	1	1	0	4
55-59	0	0	0	1	0	0	1	0	1	0	0	0	3
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>12</b>	<b>23</b>	<b>21</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>81</b>

**Ceres**  
**Safety Active Members**  
**Payroll by Age and Service**  
**as of July 1, 2011**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	70,932	0	0	0	0	0	0	0	0	70,932
25-29	60,329	65,232	67,683	67,849	71,744	71,944	0	0	0	0	0	0	70,327
30-34	0	0	0	66,101	71,015	76,068	83,580	0	0	0	0	0	76,420
35-39	0	71,437	0	0	83,688	78,051	88,854	101,285	0	0	0	0	84,229
40-44	0	0	0	63,219	0	80,105	85,872	93,500	91,811	0	0	0	86,360
45-49	0	0	0	0	0	0	0	93,469	0	86,195	0	0	91,651
50-54	0	0	0	0	0	0	0	112,546	100,469	102,758	145,515	0	115,322
55-59	0	0	0	94,562	0	0	146,027	0	117,134	0	0	0	119,241
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Average	60,329	68,335	67,683	72,533	73,552	75,499	89,720	96,842	100,306	94,477	145,515	0	82,823

### Changes in Plan Membership: County General

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2010	3,338	137	174	539	74	109	1,872	288	6,531
New Entrants	38	-	-	-	-	-	-	-	38
Rehires	4	(1)	(2)	(1)	-	-	-	-	0
Duty Disabilities	-	-	-	-	-	-	-	-	0
Ordinary Disabilities	(5)	-	-	-	5	-	-	-	0
Retirements	(143)	(10)	-	(37)	-	-	190	-	0
Retirements from Safety with General Service	-	-	-	-	-	-	2	-	2
Vested Terminations	(34)	(1)	-	35	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	(1)	-	-	-	-	(24)	26	0
Died, Without Beneficiary, and Other Terminations	(42)	-	38	-	(2)	(4)	(26)	(4)	(40)
Transfers	5	12	-	(5)	-	-	-	-	12
Beneficiary Deaths	-	-	-	-	-	-	-	(8)	(8)
Domestic Relations Orders	-	-	-	-	-	-	-	9	9
Withdrawals Paid	(46)	-	(26)	(10)	-	-	-	-	(82)
Member Reclassifications	-	-	(4)	(1)	1	-	(1)	-	(5)
July 1, 2011	3,114	136	180	520	78	105	2,013	311	6,457

### Changes in Plan Membership: County Safety

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2010	605	58	32	92	7	102	251	79	1,226
New Entrants	-	-	-	-	-	-	-	-	0
Rehires	-	-	-	-	-	-	-	-	0
Duty Disabilities	(2)	-	-	-	-	2	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	(11)	(3)	-	(5)	-	-	19	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	(9)	-	-	9	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	(1)	-	(1)	2	0
Died, Without Beneficiary, and Other Terminations	(7)	(1)	7	-	-	(1)	(2)	-	(4)
Transfers	(13)	16	(2)	(1)	-	-	-	-	0
Beneficiary Deaths	-	-	-	-	-	-	-	(4)	(4)
Domestic Relations Orders	-	-	-	-	-	-	-	-	0
Withdrawals Paid	(7)	(2)	(6)	-	-	-	-	-	(15)
Member Reclassifications	-	-	-	-	-	-	-	-	0
July 1, 2011	556	68	31	95	6	103	267	77	1,203

### Changes in Plan Membership: Ceres and Other Districts General

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2010	126	9	6	18	0	5	32	0	196
New Entrants	4	-	-	-	-	-	-	-	4
Rehires	1	-	-	(1)	-	-	-	-	0
Duty Disabilities	-	-	-	-	-	-	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	(4)	-	-	(3)	-	-	7	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	(2)	-	-	2	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(1)	-	1	-	-	-	-	-	0
Transfers	(2)	3		(1)	-	-	-	-	0
Beneficiary Deaths	-	-	-	-	-	-	-	-	0
Domestic Relations Orders	-	-	-	-	-	-	-	-	0
Withdrawals Paid	(4)		(1)	-	-	-	-	-	(5)
Member Reclassifications	-	-	-	1	-	-	-	-	1
July 1, 2011	118	12	6	16	0	5	39	0	196

### Changes in Plan Membership: Ceres and Other Districts Safety

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2010	80	6	1	13	0	6	5	0	111
New Entrants	1	-	-	-	-	-	-	-	1
Rehires	1	-	-	-	-	-	-	-	1
Duty Disabilities	-	-	-	-	-	-	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	-	-	-	-	-	-	-	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	-	-	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	-	-	0
Transfers	-	1	-	-	-	-	-	-	1
Beneficiary Deaths	-	-	-	-	-	-	-	-	0
Domestic Relations Orders	-	-	-	-	-	-	-	-	0
Withdrawals Paid	(1)	-	-	-	-	-	-	-	(1)
Member Reclassifications	-	1	-	-	-	-	-	-	1
July 1, 2011	81	8	1	13	0	6	5	0	114

### Changes in Plan Membership: All Groups

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2010	<b>4,149</b>	<b>210</b>	<b>213</b>	<b>662</b>	<b>81</b>	<b>222</b>	<b>2,160</b>	<b>367</b>	<b>8,064</b>
New Entrants	43	0	0	0	0	0	0	0	43
Rehires	6	(1)	(2)	(2)	0	0	0	0	1
Duty Disabilities	(2)	0	0	0	0	2	0	0	0
Ordinary Disabilities	(5)	0	0	0	5	0	0	0	0
Retirements	(158)	(13)	0	(45)	0	0	216	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	2	0	2
Vested Terminations	(45)	(1)	0	46	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	(1)	(1)	0	0	(1)	0	(25)	28	0
Died, Without Beneficiary, and Other Terminations	(50)	(1)	46	0	(2)	(5)	(28)	(4)	(44)
Transfers	(10)	32	(2)	(7)	0	0	0	0	13
Beneficiary Deaths	0	0	0	0	0	0	0	(12)	(12)
Domestic Relations Orders	0	0	0	0	0	0	0	9	9
Withdrawals Paid	(58)	(2)	(33)	(10)	0	0	0	0	(103)
Member Reclassifications	0	1	(4)	0	1	0	(1)	0	(3)
July 1, 2011	<b>3,869</b>	<b>224</b>	<b>218</b>	<b>644</b>	<b>84</b>	<b>219</b>	<b>2,324</b>	<b>388</b>	<b>7,970</b>



### Service Retired

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
40-44	0	\$0	1	\$50,344	0	\$0	0	\$0	1	\$50,344
45-49	0	\$0	4	\$59,951	0	\$0	0	\$0	4	\$59,951
50-54	75	\$16,467	32	\$40,710	0	\$0	1	\$107,276	108	\$24,491
55-59	233	\$28,844	48	\$51,006	9	\$22,343	3	\$95,072	293	\$32,953
60-64	494	\$30,965	70	\$58,641	14	\$33,211	1	\$64,111	579	\$34,423
65-69	425	\$26,336	53	\$46,810	8	\$23,733	0	\$0	486	\$28,526
70-74	287	\$19,849	28	\$49,085	5	\$18,767	0	\$0	320	\$22,390
75-79	185	\$20,360	13	\$33,351	3	\$44,973	0	\$0	201	\$21,567
80-84	158	\$20,595	10	\$29,129	0	\$0	0	\$0	168	\$21,103
85-89	92	\$17,524	8	\$21,463	0	\$0	0	\$0	100	\$17,839
90-94	55	\$15,388	0	\$0	0	\$0	0	\$0	55	\$15,388
95+	9	\$12,744	0	\$0	0	\$0	0	\$0	9	\$12,744
<b>All Ages</b>	<b>2,013</b>	<b>\$24,707</b>	<b>267</b>	<b>\$48,307</b>	<b>39</b>	<b>\$27,812</b>	<b>5</b>	<b>\$91,320</b>	<b>2,324</b>	<b>\$27,614</b>

### Duty Disabled

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
25-29	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
30-34	0	\$0	1	\$33,234	0	\$0	0	\$0	1	\$33,234
35-39	1	\$13,200	7	\$27,852	0	\$0	0	\$0	8	\$26,021
40-44	2	\$19,860	6	\$33,230	0	\$0	1	\$26,139	9	\$29,471
45-49	2	\$24,085	13	\$28,808	1	\$25,849	0	\$0	16	\$28,032
50-54	8	\$19,100	21	\$28,915	0	\$0	1	\$30,823	30	\$26,362
55-59	21	\$20,713	22	\$35,913	1	\$20,250	3	\$34,664	47	\$28,709
60-64	28	\$22,272	17	\$34,908	1	\$18,384	0	\$0	46	\$26,857
65-69	11	\$18,798	9	\$29,619	2	\$18,565	1	\$69,992	23	\$25,238
70-74	15	\$24,883	3	\$31,299	0	\$0	0	\$0	18	\$25,953
75-79	10	\$19,175	4	\$36,296	0	\$0	0	\$0	14	\$24,067
80-84	6	\$23,403	0	\$0	0	\$0	0	\$0	6	\$23,403
85-89	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
90-94	1	\$17,182	0	\$0	0	\$0	0	\$0	1	\$17,182
95+	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>All Ages</b>	<b>105</b>	<b>\$21,351</b>	<b>103</b>	<b>\$32,024</b>	<b>5</b>	<b>\$20,323</b>	<b>6</b>	<b>\$38,491</b>	<b>219</b>	<b>\$26,817</b>

### Ordinary Disabled

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
40-44	2	\$15,103	1	\$19,576	0	\$0	0	\$0	3	\$16,594
45-49	6	\$14,238	0	\$0	0	\$0	0	\$0	6	\$14,238
50-54	8	\$15,472	1	\$22,331	0	\$0	0	\$0	9	\$16,234
55-59	11	\$15,215	3	\$17,114	0	\$0	0	\$0	14	\$15,622
60-64	20	\$13,984	0	\$0	0	\$0	0	\$0	20	\$13,984
65-69	10	\$16,479	1	\$17,679	0	\$0	0	\$0	11	\$16,588
70-74	10	\$11,128	0	\$0	0	\$0	0	\$0	10	\$11,128
75-79	4	\$9,268	0	\$0	0	\$0	0	\$0	4	\$9,268
80-84	5	\$11,273	0	\$0	0	\$0	0	\$0	5	\$11,273
85-89	2	\$5,606	0	\$0	0	\$0	0	\$0	2	\$5,606
90-94	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
95+	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>All Ages</b>	<b>78</b>	<b>\$13,682</b>	<b>6</b>	<b>\$18,488</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>84</b>	<b>\$14,025</b>

### Surviving Beneficiaries (all benefit types)

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
0-24	0	\$0	1	\$9,026	0	\$0	0	\$0	1	\$9,026
25-29	1	\$32,157	0	\$0	0	\$0	0	\$0	1	\$32,157
30-34	2	\$7,432	0	\$0	0	\$0	0	\$0	2	\$7,432
35-39	1	\$5,142	1	\$34,079	0	\$0	0	\$0	2	\$19,610
40-44	6	\$12,936	2	\$19,131	0	\$0	0	\$0	8	\$14,485
45-49	5	\$7,912	2	\$45,023	0	\$0	0	\$0	7	\$18,515
50-54	13	\$10,539	9	\$15,877	0	\$0	0	\$0	22	\$12,723
55-59	21	\$10,465	10	\$23,417	0	\$0	0	\$0	31	\$14,643
60-64	41	\$13,479	9	\$29,445	0	\$0	0	\$0	50	\$16,353
65-69	32	\$18,583	9	\$29,600	0	\$0	0	\$0	41	\$21,001
70-74	36	\$19,428	15	\$29,369	0	\$0	0	\$0	51	\$22,352
75-79	38	\$16,039	8	\$30,564	0	\$0	0	\$0	46	\$18,565
80-84	40	\$14,378	5	\$20,729	0	\$0	0	\$0	45	\$15,083
85-89	48	\$12,062	2	\$17,774	0	\$0	0	\$0	50	\$12,291
90-94	23	\$8,622	3	\$17,237	0	\$0	0	\$0	26	\$9,616
95+	4	\$11,344	1	\$20,074	0	\$0	0	\$0	5	\$13,090
<b>All Ages</b>	<b>311</b>	<b>\$14,084</b>	<b>77</b>	<b>\$25,661</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>388</b>	<b>\$16,381</b>

### Benefit Form Elections

	County		Ceres and Other Districts		Total
	<u>General</u>	<u>Safety</u>	<u>General</u>	<u>Safety</u>	
<b>Service Retired</b>					
Option #0 (Unmodified 60% to Spouse)	1,705	241	32	5	1,983
Option #1 (Cash Refund)	130	2	1	0	133
Option #2 (100% Continuance)	153	24	6	0	183
Option #3 (50% Continuance)	25	0	0	0	25
<b>Total Service Retired</b>	2,013	267	39	5	2,324
<b>Ordinary Disability</b>					
Option #0 (Unmodified 60% to Spouse)	74	4	0	0	78
Option #1 (Cash Refund)	2	2	0	0	4
Option #2 (100% Continuance)	2	0	0	0	2
Option #3 (50% Continuance)	0	0	0	0	0
<b>Total Ordinary Disability</b>	78	6	0	0	84
<b>Duty Disability</b>					
Option #0 (Unmodified 100% to Spouse)	95	93	5	5	198
Option #1 (Cash Refund)	1	0	0	0	1
Option #2 (100% Continuance)	6	9	0	1	16
Option #3 (50% Continuance)	3	1	0	0	4
<b>Total Duty Disability</b>	105	103	5	6	219
<b>Total</b>	2,196	376	44	11	2,627

## **1.3: Actuarial Methods and Assumptions**

### **Actuarial Method**

Annual contributions to the Stanislaus County Employees' Retirement Association (the Plan) are computed under the Entry Age Normal Actuarial Cost Method, computed to each decrement.

Under this Cost Method, the Normal Cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Accrued Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future Normal Cost contributions.

The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and the liability for each valuation group is amortized as a level percentage of payroll over a closed period (25 years).

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments or changes in actuarial assumptions.

The total Plan cost is the sum of the Normal Cost (computed on an Aggregate basis) and the amortization of the Unfunded Actuarial Accrued Liability.

### **Actuarial Value of Plan Assets**

The actuarial value of Plan assets is modified market-related value. The market value of assets is adjusted to recognize, over a five-year period, differences between actual investment earnings and the assumed investment return. The actuarial value of assets is limited to no less than 80% and no more than 120% of the market value. As of June 30, 2011, the actuarial value has been reset to equal market value.

The detailed calculations of the actuarial value of Plan assets are shown in Section 2.

### **Actuarial Assumptions**

The assumptions shown below are based on an experience studies conducted as of June 30, 2009 for the period covering July 1, 2006 till June 30, 2009, performed by EFI.

## Summary of Actuarial Assumptions

Valuation Date	All assets and liabilities are computed as of June 30, 2011.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 8.00%, net of investment and administrative expenses.
Interest Credited to Employee Accounts	The employee accounts are credited with 0.00% interest annually.
Cost of Living	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.50% per year.
Increases in Pay	<p>Current Rate: 3.75% Base salary increases.</p> <p>Assumed pay increases for active Members consist of increases due to base salary adjustments (as noted above), plus service-based increases due to longevity and promotion, as shown below.</p>

Service	General	Safety
0	4.00%	8.00%
1	4.00%	7.00%
2	4.00%	6.00%
3	4.00%	5.00%
4	4.00%	4.00%
5-9	2.00%	2.00%
10-19	1.00%	1.00%
20-29	0.50%	1.00%
30+	0.50%	0.50%

# Mortality Improvement

No mortality improvement is explicitly assumed; however we build a margin in our mortality assumption between the actual and expected number of deaths in order to assume some future mortality improvements. The experience study report for the period covering July 1, 2006 to June 30, 2009 contains a full description of these margins.

# Active Member Mortality

Rates of mortality for active Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Duty related mortality rates are only applicable for Safety Active Members. Sample rates are as follows:

## Representative Rates

Age	<u>Duty Death</u>	<u>Ordinary Death – General and Safety</u>	
	Safety All	Female	Male
20	0.0150%	0.0138%	0.0235%
25	0.0189%	0.0156%	0.0308%
30	0.0254%	0.0216%	0.0402%
35	0.0357%	0.0381%	0.0699%
40	0.0564%	0.0522%	0.0919%
45	0.0885%	0.0814%	0.1161%
50	0.0703%	0.1189%	0.1487%
55	0.1055%	0.2314%	0.2469%
60	0.0000%	0.4573%	0.4887%
65	0.0000%	0.8780%	0.9607%
70	0.0000%	1.5145%	1.6413%

### Retired Member Mortality

Rates of mortality for retired Members and their beneficiaries are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Sample rates are shown below.

Age	Female	Male
45	0.081%	0.116%
50	0.119%	0.149%
55	0.231%	0.247%
60	0.457%	0.489%
65	0.868%	0.961%
70	1.514%	1.641%
75	2.393%	2.854%
80	3.987%	5.265%
85	6.866%	9.624%
90	12.400%	16.928%

### Disabled Member Mortality

Rates of mortality for disabled Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) set forward 7 years. Sample rates are as follows:

#### Representative Rates

Age	Female	Male
45	0.152%	0.178%
50	0.315%	0.333%
55	0.602%	0.647%
60	1.100%	1.237%
65	1.832%	2.016%
70	2.963%	3.611%
75	4.892%	6.854%
80	8.892%	12.062%
85	14.843%	20.397%
90	21.098%	28.808%

Service Retirement Retirement is assumed to occur among eligible members in accordance with the table below.

Age	Safety	General
40-44	5.00%	0.00%
45-49	5.00%	0.00%
50	15.00%	5.00%
51	15.00%	4.00%
52	15.00%	4.00%
53	15.00%	5.00%
54	15.00%	6.00%
55	30.00%	10.00%
56	30.00%	10.00%
57	30.00%	10.00%
58	30.00%	12.00%
59	30.00%	15.00%
60	100.00%	18.00%
61	100.00%	18.00%
62	100.00%	30.00%
63	100.00%	25.00%
64	100.00%	25.00%
65	100.00%	40.00%
66	100.00%	30.00%
67	100.00%	30.00%
68	100.00%	30.00%
69	100.00%	30.00%
70	100.00%	100.00%



Service-Connected  
 Disability

Separate rates of duty disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. Below are sample rates:

**Representative Rates**

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	0.0759%	0.0007%	0.0065%
25	0.1932%	0.0013%	0.0153%
30	0.3457%	0.0025%	0.0316%
35	0.5309%	0.0071%	0.0426%
40	0.7426%	0.0168%	0.0602%
45	1.1297%	0.0303%	0.0920%
50	1.5092%	0.0486%	0.1345%
55	1.7230%	0.0746%	0.1840%
60	0.0000%	0.1048%	0.2456%
65	0.0000%	0.0000%	0.0000%

### Non Service- Connected Disability

Separate rates of ordinary disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. The rates shown are applied after five Years of Service. Below are sample rates:

Age	Safety	General	
	All	Female	Male
20	0.0173%	0.0025%	0.0130%
25	0.0409%	0.0050%	0.0307%
30	0.0421%	0.0100%	0.0316%
35	0.0568%	0.0281%	0.0426%
40	0.0802%	0.0446%	0.0602%
45	0.1227%	0.0808%	0.0920%
50	0.1793%	0.1295%	0.1345%
55	0.2453%	0.1990%	0.1840%
60	0.0000%	0.2794%	0.2456%
65	0.0000%	0.0000%	0.0000%

### Withdrawal

Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Separate rates of withdrawal are assumed among Safety and General Members, and are based on service. The rates do not overlap with the service retirement rates.

Service	Safety	General
0	8.000%	13.500%
1	6.000%	9.000%
2	5.000%	6.375%
3	4.000%	4.875%
4	3.000%	4.125%
5	1.238%	2.025%
10	0.945%	1.470%
15	0.680%	0.850%
20	0.000%	0.336%
25	0.000%	0.072%
30	0.000%	0.000%

**Vested Termination** Rates of vested termination apply to active Members who terminate their employment after five years of service and leave their member contributions on deposit with the Plan. Alternatively, those who terminate their employment with less than five years of service can leave their member contributions with the Plan and transfer to a reciprocal employer, therefore retaining entitlement to future Plan benefits.

Vested terminated Tier 3 General Members are assumed to begin receiving benefits at age 65 while all other General Members are assumed to begin at age 58; terminated Safety Members are assumed to begin receiving benefits at age 53. 25% of vested terminated General Members are assumed to be reciprocal; 50% of vested terminated Safety Members are assumed to be reciprocal.

Separate rates of termination are assumed among Safety and General Members. The rates shown do not overlap with the service retirement rates.

Service	Safety	General
0	5.000%	5.000%
1	4.500%	5.000%
2	4.000%	3.000%
3	3.500%	3.000%
4	3.000%	3.000%
5	2.500%	3.000%
10	2.500%	2.000%
15	1.250%	2.000%
20	0.000%	1.200%
25	0.000%	1.200%
30+	0.000%	0.000%

**Family Composition** 50% of female members and 90% of male members are assumed to be married at retirement. Male spouses are assumed to be three years older than their wives.

**Accumulated Vacation Time Load** Active members' service retirement and disability benefits are loaded by 1.0% for Safety Members and 3.5% for General Members for conversion of vacation time.

## **Participant Data**

Data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

## 1.4: Glossary of Actuarial Terms

### Actuarial Accrued Liability

A plan's actuarial accrued liability is the level of assets estimated by the system actuary to be needed as of the valuation date to

- Finance all previously earned benefits for actively employed members of the plan (and their beneficiaries, if applicable) for when they eventually retire, die or terminate with deferred vested benefits, and
- Finance all currently payable benefits of current pensioners and their beneficiaries (if applicable).

It is important to note that the Actuarial Accrued Liability is not a debt; instead, it is an asset target set by the actuarial cost method to produce an orderly accumulation of assets to pay for the plan's obligations.

### Actuarial Assumptions

The actuarial assumptions are the actuary's anticipated rates of future termination, death, disability and retirement for each member of the plan as well as the actuary's anticipated rate of investment return on underlying assets. To the extent that these assumptions are not in exact accord with actual events (which they never are), actuarial gains and losses will materialize.

### Actuarial Funding Policy

The plan's actuarial funding policy is the scheduled program of accumulating assets to fund the plan's obligations, typically, but not necessarily, as a level percentage of payroll. The funding policy includes:

- The Normal Cost, and
- Amortization of the Unfunded or Overfunded Actuarial Accrued Liability (whichever is applicable).

### Actuarial Value of Assets

The actuarial value of assets, used for funding purposes, is computed using an asset smoothing technique in which investment gains and losses are not fully recognized in the year they occur, but are spread out. Use of an actuarial value of assets (rather than market value) helps avoid large fluctuations in recognized value of the underlying assets and, in turn, avoids large fluctuations in required contribution rates.

### Actuarial Present Value of Benefits

The actuarial present value of benefits is the Actuarial Accrued Liability plus actuarial present value of future Normal Costs. The actuarial present value of benefits is also the actuarial present value of all future benefits expected to be paid to the Plan's current members, whether accrued on the valuation data or after.

### Investment Gains and Losses

When the investment return on assets exceeds the assumed rate of return (the actuarial assumption as to investment return), this difference is identified as an investment gain. Correspondingly, when the returns are less than expected, this difference is identified as an investment loss. These investment gains and losses are either recognized immediately to produce the market value of assets or are spread out to produce the Actuarial Value of Assets.

### Normal Cost

The Normal Cost is calculated as the amount necessary to fund each Member's benefits from that Member's Plan entry date to the end of his or her projected working life.

### Unfunded Actuarial Accrued Liabilities

When the actuarial value of assets is below the Actuarial Accrued Liability, there is an Unfunded Actuarial Accrued Liability which must be paid off or amortized on a schedule. When the actuarial value of assets is in excess of the Actuarial Accrued Liability, this can lead to a reduction in future contributions on an amortization schedule.



## **Section 2:**

### **Asset Information**



## 2.1: Balance Sheet as of June 30, 2010 and June 30, 2011

	June 30, 2010	June 30, 2011
<b>Cash and Equivalents</b>	47,033,733	49,487,217
<b>Receivables</b>		
Interest and Dividends	6,632,608	7,068,358
Contributions	1,346,604	1,599,785
Income and Miscellaneous	35,103,659	11,139,390
Total Receivables	43,082,871	19,807,533
<b>Fixed Assets</b>		
Capitalized Software	850,778	725,153
Real Estate Occupied	1,802,782	1,783,805
Real Estate Leased	1,202,093	1,189,439
Other	68,692	62,179
Total Receivables	3,924,345	3,760,576
<b>Investments</b>		
Fixed Income	430,777,936	502,229,675
Equities	725,757,057	865,824,739
Collateral on Loaned Securities	72,148,237	138,824,720
Other	0	0
Total Investments	1,228,683,230	1,506,879,134
<b>Liabilities</b>		
Accounts Payable	(2,942,686)	(7,736,755)
Security Transactions Payable	(50,999,227)	(8,593,470)
Collateral Held for Loaned Securities	(78,152,869)	(144,453,289)
Other	(410,000)	(405,000)
Total Liabilities	(132,504,782)	(161,188,514)
<b>Market Value</b>	<b>\$1,190,219,397</b>	<b>\$1,418,745,946</b>

## 2.2: Computation of Actuarial Value of Assets as of June 30, 2011

	(a)	(b)	(c)	(d)	(e) = (d) - (c)	(f)	(g) = (e) x (f)
	Contributions	Benefits	Expected Return <sup>1</sup>	Actual Return	Additional Earnings	Percentage Not Recognized	Unrecognized Dollars
2008	43,244,855	70,227,537	(123,453,409)	(123,453,409)	0	20%	0
2009	44,333,858	74,399,189	(223,111,526)	(223,111,526)	0	40%	0
2010	42,506,605	73,196,706	162,746,408	162,746,408	0	60%	0
2011	45,453,781	76,732,557	259,805,325	259,805,325	0	80%	0
(1) Total Unrecognized Dollars							0
(2) Market Value of Assets as of June 30, 2011							1,418,745,946
(3) Actuarial Value of Assets as of June 30, 2011 [(2) - (1)]							1,418,745,946
(4) Corridor Limits							
a. 80% of Net Market Value							1,134,996,757
b. 120% of Net Market Value							1,702,495,135
(5) Actuarial Value of Assets after Corridor							1,418,745,946
(6) Ratio of Actuarial Value to Market Value [(5) ÷ (2)]							100.0%
(7) Special (Non Valuation) Reserves:							
\$5,000 Death Benefits							5,855,000
Health Insurance Reserve							11,966,689
Special COL Reserve							1,831,267
Legal Contingency Reserve							3,232,556
Tier 3 Disability Reserve							9,806
Contingency Reserve							<u>23,804,388</u>
Total Special Reserves (Market Value)							46,699,706
(8) Adjusted Total Special Reserves (100.0% of Market, Except Contingency)							46,699,706
(9) Pension Reserves at Actuarial Value (Valuation Assets) [(5) - (8)]							1,372,046,240

<sup>1</sup> The Actuarial Value of Assets was reset to equal the Market Value as of June 30, 2011. This was done by eliminating the prior gain/loss bases (i.e. by setting the expected returns equal to the actual returns). In the absence of this change, the Actuarial Value of Assets would have been \$1,419,410,035, or \$664,089 greater than the current Market Value.

## 2.3: Income Statement

### For the Years Ending June 30, 2010 and June 30, 2011

	June 30, 2010	June 30, 2011
<b><u>Additions</u></b>		
Contributions		
Employer's Contribution	\$21,814,194	\$26,256,729
Members' Contributions	20,746,411	19,197,052
Total Contributions	<b><u>\$42,560,605</u></b>	<b><u>\$45,453,781</u></b>
Investment Income		
Net Appreciation/(Depreciation) in Fair Value of Investments	132,734,348	229,909,853
Interest and Dividends	33,239,016	36,699,779
Commission Recapture	10,926	39,220
Other Investment Income	<u>680,579</u>	<u>16,849</u>
Total Investment Income	<b><u>\$166,664,869</u></b>	<b><u>\$266,665,701</u></b>
Investment Expenses	<u>(4,750,133)</u>	<u>(5,268,156)</u>
Net Investment Income	<b><u>\$161,914,736</u></b>	<b><u>\$261,397,545</u></b>
Securities Lending Activities		
Securities Lending Income	368,167	463,269
Depreciation in Securities Lending Collateral	2,856,751	122,907
Expenses from Securities Lending Activities	<u>(85,810)</u>	<u>(141,229)</u>
Net Securities Lending Income	<b><u>\$3,139,108</u></b>	<b><u>\$444,947</u></b>
Total Net Investment Income	<b><u>\$165,053,844</u></b>	<b><u>\$261,842,492</u></b>
<b>Total Additions</b>	<b><u>\$207,614,449</u></b>	<b><u>\$307,296,273</u></b>
<b><u>Deductions</u></b>		
Benefits	71,464,735	74,826,404
Other Benefits (Ventura)	0	0
Refunds	1,731,971	1,906,153
Administrative Costs	2,307,436	2,037,167
Other Admin Costs (Ventura)	<u>0</u>	<u>0</u>
Total Deductions	<b><u>\$75,504,142</u></b>	<b><u>\$78,769,724</u></b>
<b>Net increase (Decrease)</b>	<b><u>\$132,110,307</u></b>	<b><u>\$228,526,549</u></b>
Net Assets Beginning of Year	\$1,058,109,090	\$1,190,219,397
Net Assets End of Year	\$1,190,219,397	\$1,418,745,946

## 2.4: Historical Returns

Year Ended June 30	Annualized Rate of Return (Market Value)	Annualized Rate of Return (Actuarial Value)	Annualized Rate of Return (Valuation Assets)	Increase in CPI*
1996				2.8%
1997	20.4%			2.3%
1998	13.4%			1.7%
1999	10.6%			2.0%
2000	6.3%			3.7%
2001	7.0%			3.2%
2002	-4.5%			1.1%
2003	5.2%		4.9%	2.1%
2004	6.1%		6.3%	3.3%
2005	8.2%		5.5%	2.5%
2006	9.9%		10.8%	4.3%
2007	16.0%	10.8%	0.6%	2.7%
2008	-8.5%	8.0%	16.7%	5.0%
2009	-17.2%	-9.6%	-9.4%	-1.4%
2010	15.6%	13.0%	14.7%	1.1%
2011	22.1%	3.5%	4.2%	3.6%
Compounded 15 Year Average	6.8%	N / A	N / A	2.5%
Compounded 10 Year Average	4.6%	N / A	N / A	2.4%
Compounded 5 Year Average	4.4%	4.8%	4.9%	2.2%

\* Based on All Urban Consumers - U.S. City Average, June indices.

### **Section 3:**

### **Actuarial Computations**

### 3.1: Computation of Annual Contribution Rate as of June 30, 2010

	Final Valuation
Active Fully Projected Liability	1,158,196,720
Active Entry Age Normal Accrued Liability	866,922,869
Inactive Fully Projected Liability	870,900,944
Total Fully Projected Liability	2,029,097,664
Total Actuarial Accrued Liability	1,737,823,813
Valuation Assets	1,325,801,248
Total Unfunded Actuarial Accrued Liability (UAAL)	412,022,565
Ceres / Other District UAAL	21,802,143
County UAAL	390,220,422
Projected Pay (Ceres / Other Districts)	13,946,567
Projected Pay (County)	217,591,631
Projected Pay (Total Current Members)	231,538,198
Total Normal Cost (% of Payroll)	14.60%
Employer Normal Cost	6.60%
Ceres / Other District UAAL Amortization	9.91%
County UAAL Amortization	11.37%
Ceres / Other District Employer Contribution	2,478,506
County Employer Contribution	40,580,840
Total Employer Contribution	43,059,346
<b>Total Employer Cost (% Pay)</b>	<b>18.60%</b>

### 3.2: Computation of Annual Contribution Rate as of June 30, 2011

	Final Valuation
Active Fully Projected Liability	1,044,489,233
Active Entry Age Normal Accrued Liability	796,900,503
Inactive Fully Projected Liability	960,817,008
Total Fully Projected Liability	2,005,306,241
Total Actuarial Accrued Liability	1,757,717,511
Valuation Assets	1,372,046,240
Total Unfunded Actuarial Accrued Liability (UAAL)	385,671,271
Ceres / Other District UAAL	23,286,239
County UAAL	362,385,032
Projected Pay (Ceres / Other Districts)	13,443,396
Projected Pay (County)	208,097,612
Projected Pay (Total Current Members)	221,541,008
Total Normal Cost (% of Payroll)	14.22%
Employer Normal Cost	5.82%
Ceres / Other District UAAL Amortization	11.95%
County UAAL Amortization	12.02%
Ceres / Other District Employer Contribution	2,585,737
County Employer Contribution	36,925,174
Total Employer Contribution	39,510,911
<b>Total Employer Cost (% Pay)</b>	<b>17.83%</b>

### 3.3: Computation of Funding Ratios as of June 30, 2011

Actuarial Accrued Liabilities For						Portion of Accrued Liabilities Covered by Valuation Assets		
Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active and Terminated Members	Actuarial Accrued Liabilities	Valuation Assets	(1)	(2)	(3)
6/30/2003	\$176,622,000	\$455,784,000	\$325,689,000	\$958,095,000	\$928,022,000	100%	100%	91%
6/30/2004	\$166,806,000	\$518,922,000	\$349,617,000	\$1,035,345,000	\$993,180,000	100%	100%	88%
6/30/2005	\$205,556,000	\$551,810,000	\$358,994,000	\$1,116,310,000	\$1,049,691,000	100%	100%	81%
6/30/2006	\$219,907,000	\$619,109,000	\$355,888,000	\$1,194,904,000	\$1,154,048,000	100%	100%	89%
6/30/2006 <sup>2</sup>	\$219,907,000	\$614,576,000	\$494,892,000	\$1,329,375,000	\$1,154,048,000	100%	100%	65%
6/30/2008	\$272,657,000	\$739,838,000	\$536,329,000	\$1,548,824,000	\$1,267,167,000	100%	100%	47%
6/30/2008 <sup>3</sup>	\$272,657,000	\$739,838,000	\$536,329,000	\$1,548,824,000	\$1,317,167,000	100%	100%	57%
6/30/2009	\$298,342,000	\$781,082,000	\$574,292,000	\$1,653,716,000	\$1,171,767,000	100%	100%	16%
6/30/2010	\$323,940,000	\$829,323,000	\$584,561,000	\$1,737,824,000	\$1,325,801,000	100%	100%	30%
6/30/2011	\$337,201,000	\$897,384,000	\$523,133,000	\$1,757,718,000	\$1,372,046,000	100%	100%	26%

<sup>2</sup> Results recalculated, reflecting Level 1 assumption changes (new retirement, termination and withdrawal decrements) & new EFI EAN methodology.

<sup>3</sup> Reflects transfer as of June 30, 2008 of \$50 million from Non-Valuation to Valuation Reserves.



### 3.4: Actuarial Analysis of Financial Experience

<u>Actuarial (Gains)/Losses (Change in UAAL beyond expected)</u>					
Valuation Date	Asset Sources	Liability Sources	Total	Changes in Plan Provisions	Changes in Assumptions / Methods
6/30/2003	\$33,037,561	\$9,931,697	\$42,969,258	\$0	(\$2,088,246)
6/30/2004	\$8,536,049	\$12,492,070	\$21,028,119	\$0	\$0
6/30/2005	\$26,573,640	\$11,238,430	\$37,812,070	\$0	\$0
6/30/2006	(\$27,756,878)	\$21,366,204	\$21,366,204	\$0	(\$14,845,293)
6/30/2007 <sup>4</sup>	\$86,178,774	\$0	\$86,178,774	\$0	\$134,470,779
6/30/2008	(\$50,709,169)	\$67,324,195	\$67,324,195	\$0	\$0
6/30/2009	\$228,905,354	\$12,996,828	\$241,902,182	\$0	\$0
6/30/2010	(\$76,507,113)	\$37,492,978	\$37,492,978	\$0	(\$51,743,766)
6/30/2011	\$49,205,018	(\$2,387,353)	\$46,817,665	\$0	(\$72,085,966)

<sup>4</sup> Actuarial valuation was not performed for fiscal year ending June 30, 2007

### 3.5: Detailed Calculation of Costs as of June 30, 2011 - By Class and Tier

	General Tiers					Safety Tiers					
Tier:	1	2	3	4	5	4	5	2	General	Safety	Total
Total PVB	195,815,119	52,256,185	3,619,202	288,357,098	950,093,439	156,209,929	336,428,868	22,526,401	1,490,141,043	515,165,198	2,005,306,241
Total AAL	195,815,026	51,697,282	3,466,271	286,832,351	772,306,898	156,178,106	269,043,456	22,378,121	1,310,117,828	447,599,683	1,757,717,511
Assets									1,028,562,695	343,483,545	1,372,046,240
Total UAL									281,555,133	104,116,138	385,671,271
Ceres/Other UAL									9,891,020	13,395,220	23,286,239
County UAL									271,664,113	90,720,919	362,385,032
PV Payroll	25,346	3,886,375	7,067,918	24,522,944	1,363,942,390	604,677	323,983,748	435,496	1,399,444,973	325,023,921	1,724,468,894
PVFNC	93	558,903	152,931	1,524,747	177,786,541	31,823	67,385,412	148,280	180,023,215	67,565,515	247,588,730
Total NC	0.37%	14.38%	2.16%	6.22%	13.03%	5.26%	20.80%	34.05%	12.75%	20.72%	14.22%
Ceres Pay	26,340	194,016	-	211,570	6,395,287	122,609	6,493,574	-	6,827,213	6,616,183	13,443,396
Ceres PVPay	25,346	1,652,192	-	918,053	52,996,207	296,199	56,865,104	-	55,591,798	57,161,303	112,753,101
Ceres UAL Payment									682,567	924,387	1,606,954
Ceres UAL %									10.00%	13.97%	11.95%
Ceres Total Rate	10.36%	24.38%	0.00%	16.22%	23.03%	19.23%	34.77%	0.00%	22.81%	27.19%	18.46%
Ceres PVEECont	-	114,814	-	-	4,128,165	-	6,492,412	-	4,242,979	6,492,412	10,735,391
Ceres EECont	0.00%	6.95%	0.00%	0.00%	7.79%	0.00%	11.42%	0.00%	7.49%	11.21%	9.32%
Ceres ER Cont	10.36%	17.43%	0.00%	16.22%	15.24%	19.23%	23.35%	0.00%	15.32%	19.56%	19.13%
Ceres ER Cont	2,730	33,816	-	34,307	974,830	23,583	1,516,470	-	1,045,683	1,540,054	2,585,737
County Pay	-	296,771	1,003,821	5,879,389	166,585,080	127,220	34,153,261	52,070	173,765,061	34,332,551	208,097,612
County PVPay	-	2,234,183	7,067,918	23,604,891	1,310,946,183	308,478	267,118,643	435,496	1,343,853,175	267,862,618	1,611,715,793
County UAL Payment									18,747,196	6,260,536	25,007,732
County UAL %									10.79%	18.23%	12.02%
County Total Rate	0.00%	25.17%	12.95%	17.01%	23.82%	23.50%	39.03%	52.28%	23.53%	82.73%	22.66%
County PVEECont	-	183,813	-	307,435	104,786,969	12,371	30,702,854	60,264	105,278,217	30,775,489	136,053,706
County EECont	0.00%	8.23%	0.00%	1.30%	7.99%	4.01%	11.49%	13.84%	7.72%	11.47%	8.34%
County ER Cont	0.00%	16.94%	12.95%	15.70%	15.83%	19.49%	27.54%	38.45%	15.81%	43.66%	17.73%
County ER Cont	-	50,281	130,020	923,301	26,370,986	24,792	9,405,776	20,019	27,474,588	9,450,587	36,925,175
Total ER Contribution	2,730	84,097	130,020	957,608	27,345,816	48,375	10,922,247	20,019	28,520,271	10,990,640	39,510,911
Total ER Rate	10.36%	17.14%	12.95%	15.72%	15.81%	19.36%	26.87%	38.45%	15.79%	26.84%	17.83%

### 3.6: Actuarial Balance Sheet

	<b>Assets</b>	
1.	Actuarial value of assets	\$1,418,746,000
2.	Present value of future contributions by members	146,789,000
3.	Present value of future employer contributions for normal cost	100,800,000
4.	Present value of other future employer contributions (UAAL)	385,671,000
5.	<b>Total actuarial assets</b>	<b>\$2,052,006,000</b>
	<b>Liabilities</b>	
6.	Present value of retirement allowances payable to retired/disabled members and their survivors	\$897,384,000
7.	Present value of service retirement allowances payable to presently active members and their survivors	937,325,000
8.	Present value of allowances payable to current and future vested terminated and their survivors	83,606,000
9.	Present value of disability retirement allowances payable to presently active members and their survivors	59,569,000
10.	Present value of death benefits payable on behalf of presently active members	17,977,000
11.	Present value of members' contributions to be returned upon withdrawal	9,445,000
12.	Special Reserves (Actuarial Value)	46,700,000
13.	<b>Total actuarial liabilities</b>	<b>\$2,052,006,000</b>



## **Section 4:**

### **Disclosure Information**

## 4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities on a public employer's financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for a public employer who seeks compliance with generally accepted accounting principles (GAAP) on behalf of its public employee retirement system.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information. The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of other actuaries employed by the employer in completing the schedules. While we have no reason to believe the information in our files or in other actuaries' reports is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in Plan or employer financial statements.

Actuarial Valuation Date	Valuation Assets <sup>5</sup>	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
6/30/2000	679,421	666,114	(13,307)	102.0%	157,010	(8.5%)
6/30/2001	784,114	781,495	(2,619)	100.3%	174,595	(1.5%)
6/30/2002	878,821	870,768	(8,053)	100.9%	196,471	(4.1%)
6/30/2003	937,797	958,095	20,298	97.9%	197,664	10.3%
6/30/2004	993,180	1,035,345	42,165	95.9%	199,963	21.1%
6/30/2005	1,049,691	1,116,310	66,619	94.0%	211,681	31.5%
6/30/2006	1,154,048	1,194,904	40,856	96.6%	219,768	18.6%
6/30/2006 (Rev)	1,154,048	1,329,375 <sup>6</sup>	175,327	86.8%	212,011	82.7%
6/30/2008	1,317,167 <sup>7</sup>	1,548,824	231,657	85.0%	242,009	95.7%
6/30/2009	1,171,767	1,653,716	481,949	70.9%	248,316	194.1%
6/30/2010	1,325,801	1,737,824	412,023	76.3%	231,538	178.0%
6/30/2011	1,372,046	1,757,717	385,671	78.1%	221,541	174.1%

<sup>5</sup> Excludes value of non-valuation reserves.

<sup>6</sup> The Accrued Liability as of June 30, 2006 was recomputed to reflect the change in Actuary and in the retirement, termination and refund assumptions.

<sup>7</sup> Includes \$50 million transferred from Non-Valuation to Valuation Reserves as of 6/30/2008.

<b>Schedule of Employer Contributions (Dollar Amounts in Thousands)</b>			
<b>Year Ending</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
6/30/2000	5,899	5,899	100%
6/30/2001	7,509	7,509	100%
6/30/2002	11,341	11,341	100%
6/30/2003	16,208	16,208	100%
6/30/2004	17,114	17,114	100%
6/30/2005	19,793	19,793	100%
6/30/2006	22,549	22,549	100%
6/30/2007	32,563	32,563	100%
6/30/2008	22,555	22,555	100%
6/30/2009	23,411	23,411	100%
6/30/2010	31,814	31,814 <sup>8</sup>	100%
6/30/2011	47,657	47,657 <sup>9</sup>	100%

<sup>8</sup> The Actual Contribution was comprised of a \$21,814,194 payment by the employers, plus an additional \$10,000,000 in assets transferred from the non-valuation to valuation reserves.

<sup>9</sup> The Actual Contribution was comprised of a \$26,256,729 payment by the employers, plus an additional \$21,400,000 in assets transferred from the non-valuation to valuation reserves.

The table below summarizes certain information about this actuarial report.

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Normal to Decrement
	Aggregate Normal Cost
Amortization method	Level % of Pay, Closed
Remaining amortization period	25 Years
Asset valuation method	Actuarial value: Excess earnings smoothed over five years, 80%/120% corridor around market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	3.75%, plus service-based rates
*Includes inflation at	3.50%
Cost of living adjustments	100% of CPI up to 3% annually with banking
Mortality improvement	No mortality improvement is explicitly assumed; however we build a margin in our mortality assumption between the actual and expected number of deaths in order to assume some future mortality improvements. The experience study report for the period covering July 1, 2006 to June 30, 2009 contains a full description of these margins.



## **Appendix I:**

### **Employer Contribution Rates**

### Employer Contribution Rates for County / Former County Members

Separate rates for General and Safety members by Tier are shown below.

	<u>General</u>					<u>Safety</u>		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 2	Tier 4	Tier 5
<b>Employer Normal Cost</b>	N / A	6.15%	2.16%	4.91%	5.04%	20.22%	1.26%	9.31%
<b>UAAL Amortization Cost</b>	N / A	10.79%	10.79%	10.79%	10.79%	18.23%	18.23%	18.23%
<b>Total Cost</b>	N / A	16.94%	12.95%	15.70%	15.83%	38.45%	19.49%	27.54%

### Employer Contribution Rates for Ceres / Other District Members

	<u>General</u>					<u>Safety</u>		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 2	Tier 4	Tier 5
<b>Employer Normal Cost</b>	0.36%	7.43%	N/A	6.22%	5.24%	N / A	5.26%	9.38%
<b>UAAL Amortization Cost</b>	10.00%	10.00%	N/A	10.00%	10.00%	N / A	13.97%	13.97%
<b>Total Cost</b>	10.36%	17.43%	N/A	16.22%	15.24%	N / A	19.23%	23.35%

## **Appendix II:**

### **Employee Contribution Rates**

## Employee Contribution Rates

Employee contribution rates vary by member Group and Tier. The rates were changed following an experience study. The current employee contribution rates are shown in the following tables.

The rates were determined by EFI based on an interest rate of 8.00% per annum, an average salary increase of 3.75% per year, and the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) with no age adjustment. The rates are blended a male/female weighting of 25% male / 75% female for General members, and 80% male / 20% female for Safety members.

## General Tier 1

### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	2.04%	3.06%	1.02%	1.53%
17	2.04%	3.06%	1.02%	1.53%
18	2.04%	3.06%	1.02%	1.53%
19	2.04%	3.06%	1.02%	1.53%
20	2.04%	3.06%	1.02%	1.53%
21	2.06%	3.09%	1.03%	1.55%
22	2.08%	3.12%	1.05%	1.57%
23	2.10%	3.15%	1.06%	1.60%
24	2.12%	3.17%	1.08%	1.62%
25	2.13%	3.20%	1.10%	1.64%
26	2.14%	3.22%	1.11%	1.67%
27	2.16%	3.23%	1.13%	1.69%
28	2.17%	3.25%	1.15%	1.72%
29	2.17%	3.26%	1.16%	1.75%
30	2.18%	3.27%	1.18%	1.77%
31	2.23%	3.34%	1.20%	1.80%
32	2.28%	3.41%	1.22%	1.84%
33	2.33%	3.49%	1.25%	1.87%
34	2.38%	3.57%	1.27%	1.91%
35	2.43%	3.65%	1.30%	1.95%
36	2.49%	3.74%	1.33%	1.99%
37	2.55%	3.82%	1.36%	2.04%
38	2.61%	3.91%	1.39%	2.08%
39	2.67%	4.00%	1.42%	2.13%
40	2.72%	4.07%	1.45%	2.18%
41	2.67%	4.01%	1.47%	2.21%
42	2.72%	4.09%	1.49%	2.24%
43	2.78%	4.16%	1.51%	2.27%
44	2.83%	4.24%	1.53%	2.29%
45	2.88%	4.33%	1.55%	2.32%
46	2.94%	4.41%	1.56%	2.34%
47	3.00%	4.50%	1.57%	2.36%
48	3.07%	4.60%	1.58%	2.38%
49	3.13%	4.70%	1.59%	2.39%
50	3.17%	4.76%	1.59%	2.39%
51	3.22%	4.83%	1.58%	2.37%
52	3.26%	4.90%	1.56%	2.34%
53	3.32%	4.97%	1.51%	2.26%
54	3.37%	5.06%	1.47%	2.20%
55	3.37%	5.06%	1.43%	2.15%
56	3.38%	5.06%	1.36%	2.05%
57	3.38%	5.07%	1.32%	1.98%
58	3.38%	5.07%	1.28%	1.92%
59+	3.38%	5.07%	1.25%	1.87%

## General Tier 2

### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	3.19%	4.79%	0.83%	1.25%
17	3.19%	4.79%	0.83%	1.25%
18	3.19%	4.79%	0.83%	1.25%
19	3.19%	4.79%	0.83%	1.25%
20	3.19%	4.79%	0.83%	1.25%
21	3.23%	4.84%	0.84%	1.26%
22	3.25%	4.88%	0.85%	1.28%
23	3.28%	4.92%	0.86%	1.29%
24	3.31%	4.96%	0.87%	1.31%
25	3.33%	5.00%	0.88%	1.32%
26	3.35%	5.03%	0.89%	1.34%
27	3.37%	5.05%	0.91%	1.36%
28	3.38%	5.08%	0.92%	1.38%
29	3.40%	5.09%	0.93%	1.40%
30	3.40%	5.11%	0.95%	1.42%
31	3.48%	5.22%	0.96%	1.45%
32	3.56%	5.34%	0.98%	1.47%
33	3.64%	5.46%	1.00%	1.50%
34	3.72%	5.58%	1.02%	1.53%
35	3.81%	5.71%	1.04%	1.56%
36	3.89%	5.84%	1.07%	1.60%
37	3.98%	5.97%	1.09%	1.64%
38	4.07%	6.10%	1.12%	1.67%
39	4.15%	6.22%	1.14%	1.71%
40	4.23%	6.34%	1.17%	1.75%
41	4.26%	6.38%	1.19%	1.78%
42	4.34%	6.50%	1.20%	1.81%
43	4.42%	6.63%	1.22%	1.83%
44	4.50%	6.76%	1.23%	1.85%
45	4.59%	6.89%	1.25%	1.87%
46	4.68%	7.02%	1.26%	1.89%
47	4.78%	7.17%	1.27%	1.91%
48	4.87%	7.30%	1.28%	1.93%
49	4.94%	7.41%	1.29%	1.94%
50	5.01%	7.51%	1.30%	1.95%
51	5.07%	7.61%	1.30%	1.95%
52	5.15%	7.72%	1.30%	1.95%
53	5.20%	7.79%	1.29%	1.93%
54	5.22%	7.83%	1.27%	1.90%
55	5.22%	7.83%	1.24%	1.87%
56	5.22%	7.84%	1.19%	1.78%
57	5.23%	7.84%	1.15%	1.73%
58	5.43%	8.14%	1.12%	1.68%
59+	5.63%	8.45%	1.09%	1.64%

## General Tier 4

### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	1.89%	2.84%	1.08%	1.62%
17	1.89%	2.84%	1.08%	1.62%
18	1.89%	2.84%	1.08%	1.62%
19	1.89%	2.84%	1.08%	1.62%
20	1.89%	2.84%	1.08%	1.62%
21	1.90%	2.85%	1.10%	1.64%
22	1.91%	2.87%	1.11%	1.67%
23	1.92%	2.88%	1.13%	1.69%
24	1.93%	2.89%	1.15%	1.72%
25	1.93%	2.90%	1.16%	1.74%
26	1.98%	2.96%	1.18%	1.77%
27	2.02%	3.03%	1.20%	1.79%
28	2.07%	3.10%	1.21%	1.82%
29	2.11%	3.17%	1.23%	1.85%
30	2.16%	3.24%	1.25%	1.88%
31	2.21%	3.31%	1.27%	1.91%
32	2.26%	3.39%	1.29%	1.94%
33	2.31%	3.47%	1.32%	1.98%
34	2.37%	3.55%	1.34%	2.01%
35	2.41%	3.62%	1.37%	2.05%
36	2.37%	3.56%	1.40%	2.10%
37	2.42%	3.63%	1.43%	2.14%
38	2.46%	3.69%	1.46%	2.19%
39	2.51%	3.77%	1.49%	2.24%
40	2.56%	3.84%	1.52%	2.28%
41	2.61%	3.92%	1.54%	2.31%
42	2.66%	4.00%	1.56%	2.34%
43	2.72%	4.08%	1.58%	2.37%
44	2.78%	4.17%	1.59%	2.39%
45	2.82%	4.23%	1.61%	2.41%
46	2.86%	4.28%	1.62%	2.42%
47	2.90%	4.35%	1.62%	2.43%
48	2.94%	4.41%	1.63%	2.44%
49	2.99%	4.49%	1.62%	2.44%
50	2.99%	4.49%	1.62%	2.42%
51	3.00%	4.49%	1.60%	2.39%
52	3.00%	4.50%	1.57%	2.36%
53	3.00%	4.50%	1.52%	2.28%
54+	3.00%	4.50%	1.48%	2.21%

## General Tier 5

### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	3.78%	5.67%	1.08%	1.62%
17	3.78%	5.67%	1.08%	1.62%
18	3.78%	5.67%	1.08%	1.62%
19	3.78%	5.67%	1.08%	1.62%
20	3.78%	5.67%	1.08%	1.62%
21	3.80%	5.71%	1.10%	1.64%
22	3.83%	5.74%	1.11%	1.67%
23	3.84%	5.76%	1.13%	1.69%
24	3.85%	5.78%	1.15%	1.72%
25	3.86%	5.80%	1.16%	1.74%
26	3.95%	5.93%	1.18%	1.77%
27	4.04%	6.06%	1.20%	1.79%
28	4.13%	6.20%	1.21%	1.82%
29	4.22%	6.34%	1.23%	1.85%
30	4.32%	6.48%	1.25%	1.88%
31	4.42%	6.63%	1.27%	1.91%
32	4.52%	6.78%	1.29%	1.94%
33	4.62%	6.94%	1.32%	1.98%
34	4.73%	7.10%	1.34%	2.01%
35	4.82%	7.23%	1.37%	2.05%
36	4.74%	7.12%	1.40%	2.10%
37	4.83%	7.25%	1.43%	2.14%
38	4.93%	7.39%	1.46%	2.19%
39	5.02%	7.53%	1.49%	2.24%
40	5.12%	7.68%	1.52%	2.28%
41	5.22%	7.83%	1.54%	2.31%
42	5.33%	7.99%	1.56%	2.34%
43	5.44%	8.16%	1.58%	2.37%
44	5.56%	8.34%	1.59%	2.39%
45	5.63%	8.45%	1.61%	2.41%
46	5.71%	8.57%	1.62%	2.42%
47	5.79%	8.69%	1.62%	2.43%
48	5.88%	8.83%	1.63%	2.44%
49	5.99%	8.98%	1.62%	2.44%
50	5.99%	8.98%	1.62%	2.42%
51	5.99%	8.99%	1.60%	2.39%
52	5.99%	8.99%	1.57%	2.36%
53	6.00%	8.99%	1.52%	2.28%
54+	6.00%	9.00%	1.48%	2.21%



## Safety Tier 2

### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	4.69%	7.03%	1.70%	2.55%
21	4.77%	7.16%	1.73%	2.59%
22	4.86%	7.29%	1.77%	2.66%
23	4.95%	7.42%	1.81%	2.71%
24	5.04%	7.56%	1.83%	2.75%
25	5.13%	7.70%	1.86%	2.80%
26	5.23%	7.84%	1.89%	2.84%
27	5.33%	7.99%	1.92%	2.89%
28	5.43%	8.14%	1.96%	2.93%
29	5.53%	8.29%	1.99%	2.98%
30	5.63%	8.45%	2.02%	3.03%
31	5.72%	8.58%	2.06%	3.09%
32	5.83%	8.75%	2.10%	3.15%
33	5.95%	8.92%	2.14%	3.21%
34	6.07%	9.10%	2.19%	3.28%
35	6.19%	9.28%	2.23%	3.35%
36	6.32%	9.48%	2.28%	3.42%
37	6.45%	9.68%	2.33%	3.49%
38	6.58%	9.86%	2.38%	3.56%
39	6.69%	10.03%	2.43%	3.64%
40	6.78%	10.18%	2.48%	3.72%
41	6.89%	10.34%	2.51%	3.77%
42	7.01%	10.51%	2.55%	3.82%
43	7.10%	10.65%	2.57%	3.86%
44	7.14%	10.71%	2.59%	3.88%
45	7.13%	10.69%	2.59%	3.89%
46	7.07%	10.60%	2.55%	3.83%
47	6.96%	10.45%	2.52%	3.78%
48	7.22%	10.83%	2.49%	3.74%
49+	7.49%	11.24%	2.47%	3.70%

### Safety Tier 4

#### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	2.47%	3.70%	2.22%	3.32%
21	2.51%	3.77%	2.25%	3.38%
22	2.56%	3.84%	2.32%	3.48%
23	2.61%	3.91%	2.35%	3.53%
24	2.66%	3.99%	2.38%	3.58%
25	2.71%	4.06%	2.41%	3.62%
26	2.76%	4.13%	2.44%	3.66%
27	2.81%	4.21%	2.47%	3.70%
28	2.86%	4.29%	2.49%	3.73%
29	2.91%	4.37%	2.51%	3.77%
30	2.97%	4.45%	2.54%	3.81%
31	3.00%	4.49%	2.57%	3.85%
32	3.05%	4.58%	2.61%	3.92%
33	3.11%	4.67%	2.66%	3.99%
34	3.18%	4.76%	2.71%	4.07%
35	3.24%	4.86%	2.77%	4.15%
36	3.31%	4.96%	2.82%	4.23%
37	3.38%	5.07%	2.88%	4.31%
38	3.45%	5.18%	2.93%	4.40%
39	3.53%	5.30%	3.00%	4.49%
40	3.59%	5.38%	3.06%	4.59%
41	3.64%	5.46%	3.05%	4.57%
42	3.70%	5.56%	3.04%	4.56%
43	3.77%	5.66%	3.03%	4.55%
44	3.86%	5.78%	3.03%	4.55%
45	3.88%	5.82%	3.03%	4.54%
46	3.88%	5.83%	2.98%	4.47%
47	3.86%	5.79%	2.93%	4.40%
48	3.82%	5.72%	2.90%	4.35%
49+	3.75%	5.62%	2.87%	4.31%

### Safety Tier 5

#### Employee Contribution Rates

Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	4.94%	7.41%	2.22%	3.32%
21	5.03%	7.54%	2.25%	3.38%
22	5.12%	7.68%	2.32%	3.48%
23	5.22%	7.83%	2.35%	3.53%
24	5.31%	7.97%	2.38%	3.58%
25	5.41%	8.12%	2.41%	3.62%
26	5.51%	8.27%	2.44%	3.66%
27	5.62%	8.42%	2.47%	3.70%
28	5.72%	8.58%	2.49%	3.73%
29	5.83%	8.74%	2.51%	3.77%
30	5.94%	8.91%	2.54%	3.81%
31	5.99%	8.99%	2.57%	3.85%
32	6.11%	9.16%	2.61%	3.92%
33	6.23%	9.34%	2.66%	3.99%
34	6.35%	9.53%	2.71%	4.07%
35	6.48%	9.72%	2.77%	4.15%
36	6.61%	9.92%	2.82%	4.23%
37	6.76%	10.13%	2.88%	4.31%
38	6.91%	10.36%	2.93%	4.40%
39	7.07%	10.60%	3.00%	4.49%
40	7.17%	10.76%	3.06%	4.59%
41	7.28%	10.93%	3.05%	4.57%
42	7.41%	11.11%	3.04%	4.56%
43	7.55%	11.32%	3.03%	4.55%
44	7.71%	11.57%	3.03%	4.55%
45	7.77%	11.65%	3.03%	4.54%
46	7.77%	11.65%	2.98%	4.47%
47	7.72%	11.59%	2.93%	4.40%
48	7.63%	11.45%	2.90%	4.35%
49+	7.49%	11.24%	2.87%	4.31%