



**Board of Trustees**  
**San Luis Obispo County Pension Trust**  
1000 Mill Street  
San Luis Obispo, CA 93408

Date: June 27, 2011

To: Board of Trustees

From: Tony Petruzzi - Executive Secretary  
Carl Nelson – Deputy Executive Secretary

**Agenda Item Number 6: January 1, 2011 Actuarial Valuation Report**

**Recommendation:**

It is recommended that your Board take the following actions:

1. Approve the January 1, 2011 Actuarial Valuation.
2. Approve the transfer of \$203,772 from the Current Reserve to the Retiree Reserve.

**Discussion:**

At the Regular Meeting held May 23, 2011, your Board received a presentation from Leslie Thompson, EA, FSA, (Gabriel, Roeder, Smith and Company) of the results of the January 1, 2011 Actuarial Valuation, which was commissioned by your Board pursuant to Section 16.04: Actuarial Investigations of the Retirement Plan. In her presentation, Ms. Thompson reviewed the major findings and results of the valuation as follows:

1. The Total Annual Required Contribution Rate, required as of July 1, 2011, was 34.27%. This rate assumes:
  - a. a 29 year amortization period on the UAL
  - b. 10 year smoothing of the 2008 asset losses (8 years remaining) – but with an additional \$10 million of the 2008 loss recognized in the calculation of the January 1, 2011 Actuarial Value of Assets
  - c. a July1, 2011 implementation date.

2. Charged Rates as of January 1, 2011

County Rate (from SLOCPT)	18.56%	(average combined rate)
Member Rate (from SLOCPT)	<u>15.90%</u>	“ “ “
Total Collected Rate	34.46%	(total average rate)

**Based on these findings there is no recommendation to increase (or decrease) the total required rate of appropriation or contribution to the Retirement Plan.** While this is welcome news from the perspective of all the stakeholders in the Trust, there is no certainty that these results will continue into the future.

Ms. Thompson attributed these results to several factors –

- A. Substantial Market Rebound in 2009 and 2010 from 2008.
- B. Significant restraint on salary growth as a result of actions taken by the County and its employees during the collective bargaining process.
- C. Smoothing the 2008 Investment loss over 10 years instead of 5. However, the results of the January 1, 2011 valuation include a contribution margin adequate to allow an additional \$10 million of recognition of the 2008 losses in this valuation in addition to the 10 year amortization of the 2008 losses.
- D. Reducing the amortization period for the UAAL to 29 years from the 30 years used in the previous valuation.
- E. Actuarial Experience on other variables (e.g., retirement rates, mortality, etc.) that came in very close to the assumed or expected experience.

Due to the significant losses experienced in 2008, and despite the decision to recognize those losses over a 10 year period, there is still significant upward pressure on the current rates being charged to the Employers and the employees.

Respectfully Submitted,

Tony Petruzzi  
Executive Secretary

Carl Nelson  
Deputy Executive Secretary

**SAN LUIS OBISPO COUNTY PENSION TRUST**  
*ACTUARIAL VALUATION REPORT*  
*FOR THE YEAR BEGINNING JANUARY 1, 2011*

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June 16, 2011

San Luis Obispo County Pension Trust  
1000 Mill Street  
San Luis Obispo, CA 93408

Members of the Board:

Submitted in this report are the results of the regular Annual Actuarial Valuation as of January 1, 2011 of the San Luis Obispo County Pension Trust (SLOCPT). The valuation is intended to provide a measure of the funding status of the pension trust. This valuation provides information relative to the employer appropriation rates for the County's fiscal year beginning July 1, 2011.

The member statistical data on which the valuation was based was furnished by the staff of the SLOCPT, together with pertinent data on financial operations. Data was reviewed for reasonableness, but was not audited by the actuary.

The valuation results are developed using the Entry Age Cost Method. Under this method, normal cost is calculated as a constant percentage of the member's year-by-year projected, covered pay. The amortization of the unfunded actuarial accrued liabilities is done as a level percent of payroll over 29 years (30 years was used in the prior valuation) for funding computations. In addition, the 2008 asset losses are recognized over 10 years, with recognition accelerated if a contribution margin develops.

In the January 1, 2011 valuation, the Trust's funded status increased from 76.1% to 78.0%. The total annual required contribution is 34.27% as of January 1, 2011, compared to total charged rates of 34.46%. Therefore, no increase in the charged rates is recommended at this time.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. In our opinion, the combined operation of the assumptions and the methods applied in this valuation fairly represent past and anticipated future experience of the SLOCPT and meet the parameters required by GASB Statement No. 25. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The senior consultant is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein. We look forward to reviewing this report at your next meeting and to answering any questions.

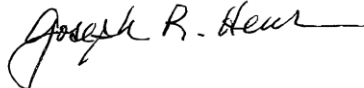
The cooperation of the Pension Trust Office in furnishing materials requested for this valuation is deeply acknowledged with appreciation.

San Luis Obispo County Pension Trust  
June 16, 2011  
Page 2

Respectfully submitted,  
**Gabriel, Roeder, Smith & Company**



Leslie L. Thompson, FSA, FCA, EA, MAAA  
Senior Consultant



Joseph R. Herm  
Senior Analyst

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**SECTION A**

**VALUATION COMMENTS & RECOMMENDATIONS**

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## VALUATION COMMENTS & RECOMMENDATIONS

**COMMENT A:** There were no assumption or benefit provision changes since the prior valuation. The Tier 2 provisions have been adopted for members hired on or after December 26, 2010 for some Miscellaneous bargaining units. However, since there are no members in Tier 2 as of the valuation date of January 1, 2011, the provisions are not reflected in this report. The provisions and the impact of new members entering Tier 2 will begin to appear in the January 1, 2012 valuation.

**COMMENT B:** The total normal cost remained stable, increasing slightly from 24.90% to 24.93%. Employee contribution rates were increased for most bargaining units increasing the weighted average employee rate from 13.89% to 14.71%. This decreased the County share of the normal cost from 11.01% to 10.22%. Overall, the computed County Employer actuarial appropriation rate for the Pension Trust decreased from 20.14% to 19.56% effective for the fiscal year beginning July 1, 2011. The funded ratio under the Entry Age Normal funding method increased from 77.1% to 78.0%.

**COMMENT C:** The rates actually being charged as of January 1, 2011 were 18.56% for the County and 15.90% for the members for a total charged rate of 34.46%. The total annual required contribution is 34.27% as of January 1, 2011, therefore no change in the charged rates is recommended at this time.

**COMMENT D:** As of the January 1, 2010 valuation, the total required contribution was based on smoothing the 2008 asset loss over a 10 year schedule. The funding policy of the Board is to accelerate the remaining deferred losses from the 2008 asset loss each valuation if a contribution margin develops between the actuarially determined rate and the charged rate. As of January 1, 2011, a margin has developed and an additional \$10 million of the 2008 loss has been accelerated and recognized this year.

**COMMENT E:** The plan experienced a loss from investments and a net gain from demographic sources. Key sources of the gains and losses were:

- An actuarial loss of \$16.7 million from investments (described as the return on the actuarial value of assets less than the assumed 7.75% yield). The actuarial asset yield of 5.98% did not exceed the 7.75% benchmark. In addition, the actuarial value of assets is 114% of the market value of assets, and there are \$119.24 million in deferred losses yet to be recognized. The return on the market value of assets was 14.33% using the same methodology as used to calculate the 5.98% return on the actuarial value of assets. The return on the market value of assets as calculated by the SLOCPT investment consultants was 14.2%.
- A \$22.7 million gain due to compensation increases for continuing active members being less than the expected increase. A continuing active member is a member who was active as of the last valuation date, and is active as of this valuation date. The average increase for continuing active members was 3.08%. The assumption for pay increases was changed before the 2008 valuation to reflect the generally higher than anticipated

## VALUATION COMMENTS & RECOMMENDATIONS

increases the plan had experienced over the prior ten years. The experience last year reflects the current economic environment that led to lower than expected compensation increases.

- A \$21.8 thousand gain due to retirement. This gain reflects a lesser number of retirements than anticipated.
- A \$4.8 million loss on retiree mortality, meaning that retired participants in pay status lived slightly longer than assumed.

**COMMENT F:** The Pension Trust adopted a closed amortization period of 30 years as of January 1, 2010. Payments on the unfunded accrued liability are amortized over 29 years as of the January 1, 2011 valuation.

**COMMENT G:** We recommend that the reserve for Retirees and Beneficiaries be updated to reflect the computed liability in the most recent valuation. With the Trust's current accounting (the County pays for all COLA benefits), this can only be done for non-COLA benefits. The COLA reserve includes amounts attributable to current active and deferred vested members. According to the financial statements as of December 31, 2010, the reserve for retirees and beneficiaries is \$470,090,282. The non-COLA liabilities calculated were \$470,294,054. Accordingly, we recommend that the Trust transfer this \$203,772 difference out of the Current Reserve and back into the Retiree Reserve.

**COMMENT H:** Member rates change regularly as a result of collective bargaining negotiations. See Appendix A in Section M for a complete description of these rates for all bargaining units.

**COMMENT I:** Total pension costs also include the debt financing related to the 2003 pension obligation bond of \$135 million. The annual debt financing payment for calendar year 2011 is approximately \$8.0 million -- 4.92% of active member payroll (based on the payment made June 2011). When this percent is added to the valuation computed appropriation rate of 19.56%, the total rate of 24.48% more accurately reflects total County pension costs.

**COMMENT J:** Barring continued recovery in the equity markets to offset the large losses realized in 2008, additional rate increases will most likely be necessary in the next few years as the rest of the investment losses are recognized. There is no rate increase required for this 2011 valuation year.

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## SECTION B

### EXECUTIVE SUMMARY AND RATE RECONCILIATION

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## EXECUTIVE SUMMARY

Valuation Date:	January 1, 2011	January 1, 2010
<b>Membership</b>		
• Number of		
- Active Members	2,479	2,506
- Retirees and Beneficiaries	1,946	1,890
- Inactive, Vested	475	476
- Total	4,900	4,872
• Total Payroll (000s)	\$ 161,783	\$ 160,444
• Average Pay	\$ 65,262	\$ 64,024
<b>Assets</b>		
• Market Value (000s)	\$ 880,953	\$ 764,989
• Actuarial Value (000s)	\$ 1,000,169	\$ 937,279
• Return on Market Value	14.33%	23.48%
• Return on Actuarial Value	5.98%	5.72%
<b>Actuarial Liabilities and Funded Ratio</b>		
• Actuarial Accrued Liability (000s)		
- Active Members	\$ 606,293	\$ 581,383
- Retirees and Beneficiaries	\$ 620,202	\$ 582,968
- Inactive, Vested	\$ 55,564	\$ 51,802
- Total	\$ 1,282,059	\$ 1,216,153
• Unfunded Actuarial Accrued Liability (UAAL) (000s)	\$ 281,889	\$ 278,874
• Funded Ratio	78.0%	77.1%
<b>Annual Required Contribution</b>		
• Total Normal Cost	24.93%	24.90%
• Member Contributions	14.71%	13.89%
• County Normal Cost	10.22%	11.01%
• Amortization Payment	9.34%	9.13%
• Total County Cost (ARC)	19.56%	20.14%

## RECONCILIATION OF CHARGED RATES AND TOTAL ARC

	January 1, 2011	January 1, 2010
Total Annual Required Contribution (ARC) as of:	34.27%	34.03%
County Charged Rate	18.56%	20.66%
Member Charged Rate	<u>15.90%</u>	<u>14.38%</u>
Total Charged Rate as of:	34.46%	35.04%
Less Temporary Charged Rate (6 months)	0.00%	-0.96%
Total Charged Rate as of July 1	34.46%	34.08%
Required Rate Increase as of July 1	0.00%	0.00%

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SECTION C  
FUNDING PROGRESS

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## FUNDING OBJECTIVE

The funding objective of the Pension Trust is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately, level from year to year and will not have to be increased for future generations of citizens.

### CONTRIBUTION RATES

The Pension Trust is supported by member contributions, County appropriations, and investment income from Pension Trust assets.

Contributions and appropriations which satisfy the funding objective are determined by the annual actuarial valuation and are intended to finance over a period of future years the actuarial present value of benefits not covered by valuation assets as a level percentage of future payroll. The allocation of the contributions and appropriations between the County and employees is determined by negotiations between the County and the recognized bargaining units.

Computed contributions and appropriations as of the January 1, 2011 valuation are shown in the following section.

### FUNDING POLICY

The policy adopted by the Board is to recommend the full funding of the Total Annual Required Contribution. This includes a 30 year closed amortization of the unfunded accrued liability. In addition, the 2008 asset loss was originally amortized over 10 years, with the understanding that, as contribution margin develops (the contribution margin is the difference between the charged rate and the total annual required contribution) then the recognition of the remaining deferred losses from the 2008 asset loss will be accelerated. As of this valuation, an additional \$10 million of the deferred losses have been accelerated and recognized this year and the remaining losses will continue to be smoothed over the original 10 year period (8 years remaining as of January 1, 2011).

### Schedule of Recognition of 2008 Asset Loss

Plan Year	Original Schedule			Updated Schedule		
	Remaining Loss at Beginning of Plan Year	Amount Recognized	Remaining Loss at End of Plan Year	Remaining Loss at Beginning of Plan Year	Amount Recognized	Remaining Loss at End of Plan Year
2009	\$ 299,363,960	\$ 29,936,396	\$ 269,427,564	\$ 299,363,960	\$ 29,936,396	\$ 269,427,564
2010	269,427,564	29,936,396	239,491,168	269,427,564	29,936,396	239,491,168
2011	239,491,168	29,936,396	209,554,772	239,491,168	29,936,396	199,554,772
2012	209,554,772	29,936,396	179,618,376	199,554,772	29,936,396	169,618,376
2013	179,618,376	29,936,396	149,681,980	169,618,376	29,936,396	139,681,980
2014	149,681,980	29,936,396	119,745,584	139,681,980	29,936,396	109,745,584
2015	119,745,584	29,936,396	89,809,188	109,745,584	29,936,396	79,809,188
2016	89,809,188	29,936,396	59,872,792	79,809,188	29,936,396	49,872,792
2017	59,872,792	29,936,396	29,936,396	49,872,792	29,936,396	19,936,396
2018	29,936,396	29,936,396	0	19,936,396	19,936,396	0

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SECTION D

VALUATION RESULTS

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ELEMENTS OF NORMAL COST  
January 1, 2011

MISCELLANEOUS VALUATION GROUPS

	Other	Management			SLOCEA				TOTAL MISC.	
	BU #21-22	Non Court	Court BU #18	Court BU #24-27	Total Mgmt	Non Court	Court BU #19	Court BU #20		Total SLOCEA
Service Retirement	16.58%	19.51%	20.56%	22.91%	19.78%	18.12%	15.95%	16.41%	18.03%	18.54%
Vesting	2.61%	2.93%	2.06%	2.13%	2.85%	2.51%	3.12%	2.67%	2.52%	2.62%
Death-In-Service	0.23%	0.38%	0.28%	0.34%	0.38%	0.30%	0.16%	0.17%	0.30%	0.32%
Disability	0.70%	0.81%	0.74%	0.82%	0.80%	0.72%	0.78%	0.68%	0.72%	0.74%
Refunds	<u>1.60%</u>	<u>1.87%</u>	<u>1.67%</u>	<u>1.44%</u>	<u>1.83%</u>	<u>1.85%</u>	<u>1.42%</u>	<u>1.72%</u>	<u>1.84%</u>	<u>1.83%</u>
<b>Total Normal Cost</b>	21.72%	25.50%	25.31%	27.64%	25.64%	23.50%	21.43%	21.65%	23.41%	24.05%
<b>Less</b>										
Employee Contribution Rate	9.94%	14.92%	13.85%	12.61%	14.72%	14.59%	10.36%	10.91%	14.38%	14.42%
<b>Equals</b>										
<b>County Normal Cost</b>	11.78%	10.58%	11.46%	15.03%	10.92%	8.91%	11.07%	10.74%	9.03%	9.63%

ELEMENTS OF NORMAL COST

January 1, 2011

	Probation			Safety				GRAND TOTAL	
	Mgmt	Non	Total	Management		Non-Mgmt			Total
		Mgmt	Probation	Sworn	Non-Sworn	Sworn	Non-Sworn		Safety
Service Retirement	13.49%	15.17%	15.03%	15.85%	15.96%	17.13%	17.94%	17.43%	<b>18.24%</b>
Vesting	5.87%	4.90%	4.98%	3.34%	2.86%	2.55%	1.99%	2.33%	<b>2.67%</b>
Death-In-Service	0.49%	0.35%	0.36%	0.55%	0.32%	0.54%	0.47%	0.51%	<b>0.35%</b>
Disability	0.70%	0.73%	0.72%	7.46%	7.84%	8.54%	9.67%	9.00%	<b>1.93%</b>
Refunds	<u>3.06%</u>	<u>2.49%</u>	<u>2.54%</u>	<u>1.48%</u>	<u>1.28%</u>	<u>1.16%</u>	<u>0.78%</u>	<u>1.00%</u>	<u><b>1.74%</b></u>
<b>Total Normal Cost</b>	23.61%	23.64%	23.63%	28.68%	28.26%	29.92%	30.85%	30.27%	<b>24.93%</b>
				<b>Less</b>					
Employee Contribution Rate	18.01%	16.73%	16.83%	22.77%	17.40%	18.38%	11.55%	15.47%	<b>14.71%</b>
				<b>Equals</b>					
<b>County Normal Cost</b>	5.60%	6.91%	6.80%	5.91%	10.86%	11.54%	19.30%	14.80%	<b>10.22%</b>

**COMPUTED COUNTY APPROPRIATION RATES  
TOTAL (EXPRESSED AS PERCENTS OF ACTIVE PAYROLL)**

<b>County Appropriations</b>	<b>Miscellaneous</b>		<b>Probation</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Total normal costs	9.63%	10.25%	6.80%	6.89%
Amortization (29 years)	<u>8.35%</u>	<u>8.27%</u>	<u>9.96%</u>	<u>9.44%</u>
Total Cost	17.98%	18.52%	16.76%	16.33%
Unfunded Liability (000's)	\$ 205,900	\$ 204,895	\$ 12,291	\$ 12,055

<b>County Appropriations</b>	<b>Safety</b>		<b>Total Plan</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Total normal costs	14.80%	16.42%	10.22%	11.01%
Amortization (29 years)	<u>14.83%</u>	<u>13.75%</u>	<u>9.34%</u>	<u>9.13%</u>
Total Cost	29.63%	30.17%	19.56%	20.14%
Unfunded Liability (000's)	\$ 63,698	\$ 61,925	\$ 281,889	\$ 278,874

Breakdown of Total normal cost between the Basic Allowance and Cost of Living

<u>County Appropriations</u>	<u>MISC</u>	<u>PROB</u>	<u>SAFETY</u>	<u>2011</u>	<u>2010</u>
Basic Allowance	4.03%	1.17%	7.00%	4.29%	5.13%
Cost of Living	<u>5.60%</u>	<u>5.63%</u>	<u>7.80%</u>	<u>5.93%</u>	<u>5.88%</u>
Total Normal Costs	9.63%	6.80%	14.80%	10.22%	11.01%

**UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**DECEMBER 31, 2010**

The actuarial gains or losses realized in the operation of the Pension Trust provide an experience test. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) and sizable year-to-year fluctuations are common. Detail on the derivation of the actuarial gain (loss) is shown below.

(1) UAAL at beginning of the year	\$278,874,299
(2) County normal cost	17,706,737
(3) County contributions made during year	32,148,424
(4) Interest accrual $[(1) + ((2) - (3))/2] * 7.75\%$	21,053,143
(5) Increase in UAAL due to methodology changes	0
(6) Increase in UAAL due to provision changes	0
(7) Expected UAAL at end of year	\$285,485,755
$[(1) + (2) - (3) + (4) + (5) + (6)]$	
(8) Actual UAAL at end of year	\$281,889,485
(9) Experience Gain/(Loss): (7) - (8)	\$3,596,270
(10) Gain (loss) as percentage of actuarial accrued liabilities at beginning of year	
\$1,216,153,057	0.30%

**Estimated Components of Experience Gain/(Loss)**

Gain/(Loss) due to compensation increases	\$22,668,810
Gain/(Loss) due to investment experience	(6,670,867)
Gain/(Loss) due to accelerated recognition of 2008 loss	(10,000,000)
Gain/(Loss) due to retirement incidence	21,838
Gain/(Loss) due to termination experience	(1,789,526)
Gain/(Loss) due to active mortality experience	373,753
Gain/(Loss) due to disability experience	(38,891)
Gain/(Loss) due to retiree & beneficiary mortality experience and miscellaneous retiree data changes	(4,748,133)
Gain/(Loss) due to new members	(1,207,040)
Gain/(Loss) due to active data changes and miscellaneous factors	4,986,326
Total Estimated Experience Gain/(Loss)	<u>\$3,596,270</u>

**EXPERIENCE GAIN (LOSS) – COMPARATIVE SCHEDULE**  
**JANUARY 1, 2011**

Percentage of Accrued Liabilities

Valuation Date	Actuarial Gain (Loss)	Beginning of Year Accrued Liabilities	Gain (Loss) Percentage Attributable to Investments	Gain (Loss) Percentage Not Attributable to Investments	Total Gain (Loss) Percentage
1/1/2002	(\$7,090,396)	\$446,333,883	(0.30)%	(1.29)%	(1.59)%
1/1/2003	(31,319,034)	492,795,245	(2.79)%	(3.57)%	(6.36)%
1/1/2004	(19,544,002)	556,320,953	(1.45)%	(2.06)%	(3.51)%
1/1/2005	(10,820,472)	642,734,312	(1.15)%	(0.53)%	(1.68)%
1/1/2006	(36,097,371)	715,084,943	(1.34)%	(3.71)%	(5.05)%
1/1/2007	(12,682,702)	831,289,683	0.01 %	(1.54)%	(1.53)%
1/1/2008	(8,713,157)	962,827,691	0.50 %	(1.40)%	(0.90)%
1/1/2009	(39,999,218)	1,057,124,348	(3.09)%	(0.70)%	(3.78)%
1/1/2010	3,281,208	1,150,214,145	(1.55)%	1.84 %	0.29 %
1/1/2011	3,596,270	1,216,153,057	(0.55)%	0.85 %*	0.30 %

\*The Board elected to accelerate recognition of \$10 million of the 2008 loss base for the year ending December 31, 2010.

## ACTUARIAL BALANCE SHEET JANUARY 1, 2011

### Present Resources and Expected Future Resources

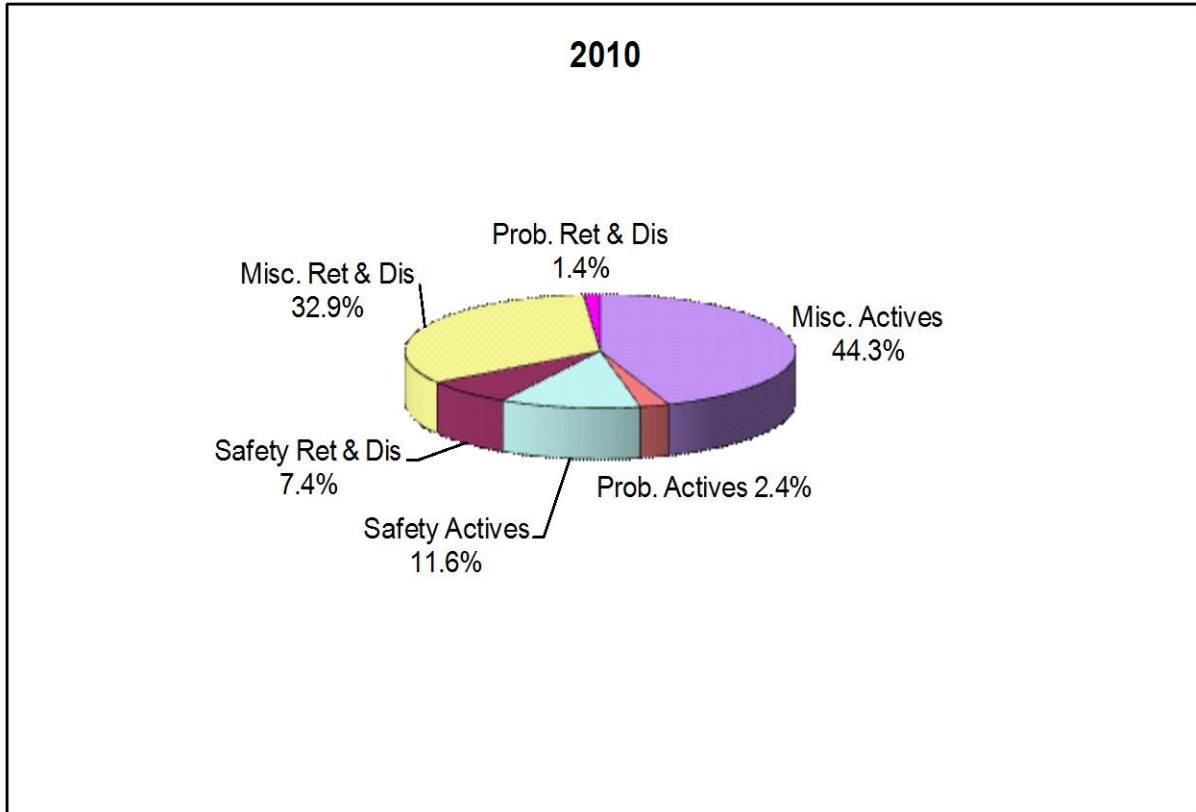
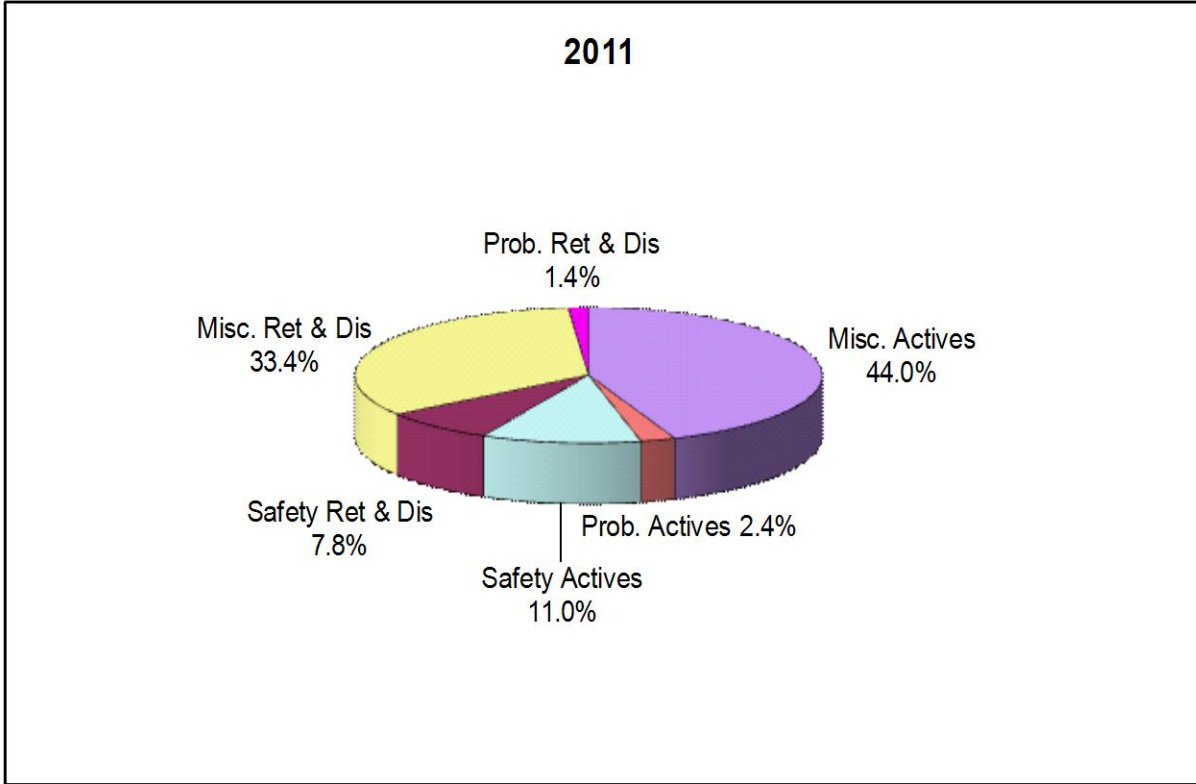
	(thousands*)			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
A. Actuarial value of system assets	\$794,684	\$33,859	\$171,626	\$1,000,169
B. Present value of expected future County appropriations				
1. Unfunded past service	205,900	12,291	63,698	281,889
2. Expected future service	<u>83,859</u>	<u>3,640</u>	<u>29,609</u>	<u>117,107</u>
3. Total future County appropriations	\$289,759	\$15,931	\$93,307	\$398,996
C. Present value of expected future member contributions	<u>144,624</u>	<u>10,000</u>	<u>33,532</u>	<u>188,157</u>
D. Total Present and Expected Future Resources	<u>\$1,229,067</u>	<u>\$59,790</u>	<u>\$298,465</u>	<u>\$1,587,322</u>

### Present Value of Expected Future Benefit Payments and Reserve

	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
A. To Retirees and Beneficiaries	\$479,403	\$21,339	\$119,460	\$620,202
B. To Deferred and Reciprocal	50,207	895	4,462	55,564
C. Active members				
1. Service rendered prior to valuation date	470,975	23,916	111,402	606,293
2. Expected future service	<u>228,482</u>	<u>13,640</u>	<u>63,141</u>	<u>305,263</u>
D. Total Present Value of Expected Future Benefits	<u>\$1,229,067</u>	<u>\$59,790</u>	<u>\$298,465</u>	<u>\$1,587,322</u>

\* Grand Total may not add due to rounding.

**PRESENT VALUE OF BENEFIT ALLOCATION**



## FUNDING PROGRESS INDICATORS HISTORIC COMPARISON

(\$ in Thousands)

Valuation Date	Valuation Assets <sup>1</sup>	Actuarial Liability <sup>1</sup>	Funded Ratio	Unfunded		Ratio to Payroll
				Actuarial Liability	Member Payroll	
12/31/2000	\$371,648	\$379,100	98.0%	\$7,452	\$109,981	6.8%
12/31/2000 <sup>3</sup>	371,648	416,395	89.3%	44,747	109,981	40.7%
12/31/2000 <sup>2,3</sup>	371,648	408,991	90.9%	37,343	109,981	34.0%
12/31/2000 <sup>2,3,4</sup>	371,648	446,334	83.3%	74,686	109,981	67.9%
12/31/2001	404,751	492,795	92.1%	88,044	120,637	73.0%
12/31/2002	430,351	556,321	77.4%	125,970	131,997	95.4%
12/31/2003	604,808	619,257	97.7%	14,449	136,364	10.6%
12/31/2003 <sup>5</sup>	604,808	637,075	94.9%	32,267	136,364	23.7%
12/31/2003 <sup>2,5</sup>	604,808	642,734	94.1%	37,926	136,364	27.8%
12/31/2004 <sup>2</sup>	651,751	713,683	91.3%	61,932	135,189	45.8%
12/31/2004 <sup>6</sup>	651,751	715,085	91.1%	63,334	135,189	46.8%
12/31/2005	700,060	803,124	87.2%	103,064	143,902	71.6%
12/31/2005 <sup>7</sup>	700,060	818,864	85.5%	118,804	143,902	82.6%
12/31/2005 <sup>2,7</sup>	700,060	831,290	84.2%	131,230	143,902	91.2%
12/31/2006	759,758	912,458	83.3%	152,700	152,117	100.4%
12/31/2006 <sup>2</sup>	759,758	920,285	82.6%	160,527	152,117	105.5%
12/31/2006 <sup>2,8</sup>	759,758	994,861	76.4%	235,103	152,117	154.6%
12/31/2006 <sup>9</sup>	759,758	962,828	78.9%	278,874	152,117	183.3%
12/31/2007	829,764	1,055,868	78.6%	226,104	162,436	139.2%
12/31/2007 <sup>10</sup>	829,764	1,057,124	78.5%	227,360	162,436	140.0%
12/31/2008	875,602	1,150,214	76.1%	274,612	168,677	162.8%
12/31/2009	937,279	1,216,153	77.1%	278,874	160,444	173.8%
12/31/2010	1,000,169	1,282,058	78.0%	281,889	161,783	174.2%

<sup>1</sup> Assets and liabilities do not include Employee Additional Reserve amounts (in \$) of:

12/31/2010	\$8,558,571	12/31/2006	\$12,181,467	12/31/2002	\$13,510,256
12/31/2009	9,341,043	12/31/2005	12,773,875	12/31/2001	13,734,603
12/31/2008	10,397,974	12/31/2004	13,601,745	12/31/2000	13,584,256
12/31/2007	11,507,242	12/31/2003	13,558,875		

<sup>2</sup> Reflects assumption changes.

<sup>3</sup> Reflects change to Entry Age Normal Funding.

<sup>4</sup> Reflects benefit increases for most Miscellaneous and Probation active members.

<sup>5</sup> Reflects benefit increases for all management employees, excluding Court management.

<sup>6</sup> Reflects benefit increases for Safety management; and Court employees in BU #19 and BU #24-#27.

<sup>7</sup> Reflects benefit increases for Safety non-management; Miscellaneous "Other" and SLOCEA Non-Court.

<sup>8</sup> Reflects benefit increases for Probation and Safety members.

<sup>9</sup> Reflects assumption change to 7.75%.

<sup>10</sup> Reflects benefit increases for Miscellaneous Court employees in BU #18 and BU #20.

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SECTION E

SUMMARY OF BENEFIT PROVISIONS

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**BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED  
EFFECTIVE JANUARY 1, 2011**

1. Membership Requirements - All regular permanent employees of the County or district covered by the County or agencies that have contracted with the County to participate in the Pension Trust.
  
2. Final Compensation - Highest one-year average and “Pick Up” included as compensation for various management employees. Bargaining Units #4, 7, 8, 9, 10, 11, 12, 17, 24-27

Pick Up Percentage included in final average compensation:

<u>Bargaining Unit</u>	<u>Pick Up</u>
4,7,8,9,11,12	9.29%
10	13.55%
17	13.59%
17C	7.74%
24-27	7.74%

3. Service Retirement
  - A. Eligibility - Age 50 with 5 years of service.
  
  - B. Benefit Formula - Final Compensation multiplied by Years of Credited Service multiplied by Retirement Age Factor.
  
  - C. Retirement Age Factors

	All			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety*</u>	<u>Safety#</u>
50	1.426%	2.300%	2.300%	3.000%
51	1.541	2.440	2.440	3.000
52	1.656	2.580	2.580	3.000
53	1.770	2.720	2.720	3.000
54	1.885	2.860	2.860	3.000
55	2.000	3.000	3.000	3.000
56	2.117	3.000	3.000	3.000

BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED  
EFFECTIVE JANUARY 1, 2011

	All			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety*</u>	<u>Safety#</u>
57	2.233	3.000	3.000	3.000
58	2.350	3.000	3.000	3.000
59	2.466	3.000	3.000	3.000
60	2.583	3.000	3.000	3.000
61	2.699	3.000	3.000	3.000
62	2.816	3.000	3.000	3.000
63	2.932	3.000	3.000	3.000
64	3.049	3.000	3.000	3.000
65+	3.165	3.000	3.000	3.000

\* Safety Bargaining Units 6 & 7 and Non-Sworn Bargaining Units 3, 14, 15  
# Safety Bargaining Units 10 & 16 and Sworn Bargaining Units 15, 27, 28

- D. Maximum Benefit
- 80% of Final Compensation for SLOCEA, and Misc. Other.  
90% of Final Compensation for Safety and Probation.  
100% of Final Compensation for Miscellaneous Management.
4. Ordinary Disability
- A. Eligibility - Five years of service and less than 65 years old.  
B. Benefit Formula - Greater of (1) 1.5% of Final Compensation times Credited Service, (2) 1/3 of Final Compensation if Credited Service is between 10 and 22.222 years, or (3) the earned Service Retirement Allowance (if eligible).
5. Line-of-Duty Disability
- A. Eligibility - No age or service requirement for Safety members.  
B. Benefit Formula - Greater of (1) 50% of Final Compensation, or (2) Service Retirement Allowance (if eligible).

BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED  
EFFECTIVE JANUARY 1, 2011

6. Ordinary Death Before Eligible for Retirement (Basic Death Benefit)  
Refund of employee contributions with interest plus lump sum of one and one-half month's compensation for each year of service to a maximum of eighteen months' Compensation.
7. Ordinary Death After Eligible for Retirement  
50% of earned benefit payable to surviving eligible spouse or children until age 18, or benefit in (6) above if greater. Spouse can elect an actuarially-reduced 100% Joint and Survivor benefit.
8. Line-of-Duty Death (Safety only)  
50% of Final Compensation. Benefit increased to 62.5%, 70% or 75% respectively if violent death and 1, 2, or 3 children.
9. Death After Retirement  
50% of member's unmodified allowance continued to eligible spouse.  
\$1,000 payable in lump sum to the beneficiary or the estate of the retiree.
10. Withdrawal Benefits
  - A. Less than Five Years of Service  
Refund of accumulated employee contributions with interest.
  - B. Five or More Years of Service  
If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire.
11. Post-Retirement Cost-of-Living Benefits  
Based on changes in Consumer Price Index to a maximum of 3% per year.

BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED  
EFFECTIVE JANUARY 1, 2011

12. Member Contributions

Please refer to Appendix A. Employee contribution rates used in the January 1, 2011 valuation have increased from the January 1, 2010 valuation.

13. Deferred Retirement Option Program (DROP): A member may elect to participate in the Pension Trust's DROP. A member age 50 or more with 5 or more years of service may participate. An amount equal to the amount that would have been paid had the member retired, is deposited into a DROP account. The annual addition to the DROP account is increased each year by the Cost of Living Adjustment approved by the Board of trustees not to exceed 3% per year. Deposits into the DROP account and participation in DROP cease at the earlier of 5 years of DROP participation or separation from service. Upon actual retirement the member may receive the DROP account balance in the form of a lump sum or as an annuity payment.

**NOTE:** The summary of major plan provisions is designed to outline principal plan benefits. If the County should find the plan summary not in accordance with the actual provisions, the County should alert the actuary **IMMEDIATELY** so proper provisions are valued.

**SUMMARY OF REPORTED ASSET INFORMATION  
SUBMITTED FOR THE JANUARY 1, 2011 VALUATION**

Market Value of Reported Assets			
as of January 1, 2011		Reserves as of January 1, 2011	
Cash/Short-term	\$33,288,746	Member Deposit Reserve	\$240,341,697
Receivables	21,220,143	Appropriation Reserves	166,776,848
Mutual Funds	494,011,777	Retired Members Reserve	470,090,282
Bonds	256,952,816	Cost-of Living	240,905,449
Mortgages	12,329,010	Contingency Reserves	(364,922,877)
Alternative Investments	47,320,916	Market Value Adjustments	<u>127,762,017</u>
Real Estate	59,674,059		
Other	<u>1,662,838</u>		
	\$926,460,305		
Liabilities	<u>(45,506,891)</u>		
Total Market Value	\$880,953,414	Total Reserves	\$880,953,416

**REVENUES AND DISBURSEMENTS**

Total Reserves	
<b>Beginning of Year</b>	<b>\$ 764,988,635</b>
<b>Revenues</b>	
Employer Contributions	\$ 32,148,424
Employee Contributions	24,548,625
Interest	7,910,118
Dividends	11,439,489
Real Estate Income	(76,563)
Realized Gains and Losses	(34,024,324)
Unrealized Gains and Losses	128,399,426
Investment Expenses	<u>(3,593,724)</u>
<b>Total Revenues</b>	<b>\$ 166,751,471</b>
<b>Disbursements</b>	
Benefit Payments	\$ 46,801,041
Refunds of Member Contributions	1,642,293
Death Benefits	362,380
Administration	<u>1,980,978</u>
<b>Total Disbursements</b>	<b>\$ 50,786,692</b>
Net Increase	\$ 115,964,779
<b>Total Reserves - End of year</b>	<b>\$ 880,953,414</b>

**San Luis Obispo County Pension Trust**  
**Development of Funding Value of Assets - January 1, 2011**

	<u>Plan Year Ended</u> <u>December 31, 2005</u>	<u>Plan Year Ended</u> <u>December 31, 2006</u>	<u>Plan Year Ended</u> <u>December 31, 2007</u>	<u>Plan Year Ended</u> <u>December 31, 2008</u>	<u>Plan Year Ended</u> <u>December 31, 2009</u>	<u>Plan Year Ended</u> <u>December 31, 2010</u>
A. Funding Value Beginning of Year	\$651,750,502	\$700,059,687	\$759,758,136	\$829,763,572	\$875,602,263	\$937,278,758
B. Gross Market Value End of Year*	705,837,483	788,996,990	832,236,083	610,286,800	764,988,635	880,953,414
C. Gross Market Value Beginning of Year	667,538,911	705,837,483	788,996,990	832,236,083	610,286,800	764,988,635
D. Non-Investment Cash Flow	6,282,009	4,581,817	5,380,162	12,619,013	10,219,995	5,910,357
E. Investment Income						
E1. Market Total =B-C-D	32,016,563	78,577,690	37,858,931	(234,568,296)	144,481,840	110,054,422
E2 Immediate Recognition	50,754,092	54,432,171	59,089,737	64,795,664	68,255,200	72,868,130
E3. Phased-in Recognition	(18,737,529)	24,145,519	(21,230,806)	(299,363,960)	76,226,640	37,186,292
F. Phased-in Recognition						
F1. Current Year=E3x20%	(3,747,506)	4,829,104	(4,246,161)	(29,936,396)	15,245,328	7,437,258
F2. First Prior Year	415,705	(3,747,506)	4,829,104	(4,246,161)	(29,936,396)	15,245,328
F3. Second Prior Year	7,610,170	415,705	(3,747,506)	4,829,104	(4,246,161)	(39,936,396) **
F4. Third Prior Year	(9,015,420)	7,610,170	415,705	(3,747,506)	4,829,104	(4,246,161)
F5. Fourth Prior Year	(4,817,735)	(9,015,420)	7,610,170	415,705	(3,747,506)	4,829,104
F6. Total Recognized Gain/(Loss)	(9,554,786)	92,053	4,861,312	(32,685,254)	(17,855,631)	(16,670,867)
G. Preliminary Funding Value						
=A+D+E2+F6	699,231,817	759,165,728	829,089,347	874,492,995	936,221,827	999,386,378
H. Excludable Assets						
H1. End of Year	12,773,875	12,181,467	11,507,242	10,397,974	9,341,043	8,558,571
H2. Beginning of Year	13,601,745	12,773,875	12,181,467	11,507,242	10,397,974	9,341,043
H3. Change=H1-H2	(827,870)	(592,408)	(674,225)	(1,109,268)	(1,056,931)	(782,472)
I. Final Funding Value=G-H3	\$700,059,687	\$759,758,136	\$829,763,572	\$875,602,263	\$937,278,758	\$1,000,168,850
J. Investment Return=(E2+F6)/(A+D/2)	6.42%	7.76%	8.39%	3.84%	5.72%	5.98%

\* Starting in the 12/31/03 Plan year, Gross Market Values will be net of payables and Excludable Assets will NOT include payables.

\*\*The Board elected to accelerate recognition of \$10 million of the 2008 loss base for the year ending December 31, 2010.

**Allocation of Valuation Assets  
January 1, 2011 Valuation**

	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
1) Valuation Assets as of December 31, 2009	<b>\$745,232,206</b>	<b>\$31,349,098</b>	<b>\$160,697,454</b>	<b>\$937,278,758</b>
	80%	3%	17%	
2) Preliminary member contributions including pickups by group	\$19,630,591	\$1,135,835	\$3,657,752	\$24,424,179
<b>3) Member contributions from financials, subgroups split in proportion to (2)</b>	<b>\$19,730,613</b>	<b>\$1,141,622</b>	<b>\$3,676,390</b>	<b>\$24,548,625</b>
4) Preliminary employer contributions by group	\$24,958,145	\$1,015,243	\$6,097,917	\$32,071,304
<b>5) Employer contributions from financials, subgroups split in proportion to (4)</b>	<b>\$25,018,160</b>	<b>\$1,017,684</b>	<b>\$6,112,580</b>	<b>\$32,148,424</b>
6) Benefit Payments based on data - avg LY & TY	\$37,302,523	\$1,446,005	\$7,937,459	\$46,685,987
<b>7) Benefit payments from financials, subgroups split in proportion to (6)</b>	<b>\$38,996,204</b>	<b>\$1,511,659</b>	<b>\$8,297,851</b>	<b>\$48,805,714</b>
<b>8) Subtotal = (1) + (3) + (5) - (7)</b>	<b>\$750,984,775</b>	<b>\$31,996,745</b>	<b>\$162,188,573</b>	<b>\$945,170,093</b>
9) Valuation Assets as of December 31, 2010				1,000,168,850
10) Residual to allocate among groups (9) - (8)				54,998,757
<b>11) Allocation of residual in proportion to (8)</b>	<b>43,699,255</b>	<b>1,861,867</b>	<b>9,437,635</b>	<b>54,998,757</b>
<b>12) Valuation Assets Allocated by group: (8) + (11)</b>	<b>\$794,684,030</b>	<b>\$33,858,612</b>	<b>\$171,626,208</b>	<b>\$1,000,168,850</b>

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## SECTION F

### SUMMARY OF MEMBER DATA

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RECONCILIATION OF MEMBERS FROM  
JANUARY 1, 2010 TO JANUARY 1, 2011

	Actives	Disability	Terminated		DROP	Beneficiary	Total
			Vested	Retiree			
Counts as of January 1, 2010	2,506	132	476	1,568	24	166	<b>4,872</b>
Actives	<b>4</b>		(4)				0
Disability	(1)	<b>1</b>					0
Terminated Vested	(21)		<b>21</b>				0
Terminated Nonvested	(48)		(2)				(50)
Retiree	(63)		(17)	<b>83</b>	(3)		0
DROP	(11)				<b>11</b>		0
Beneficiary							0
Deceased	(2)	(4)		(43)		(10)	(59)
New Beneficiaries						19	19
New Actives	110						110
Data Correction	5			1			6
Not in last year's file			1	1			2
Counts as of January 1, 2011	<b>2,479</b>	<b>129</b>	<b>475</b>	<b>1,610</b>	<b>32</b>	<b>175</b>	<b>4,900</b>

**SUMMARY OF ACTIVE MEMBERS INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION**

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Miscellaneous Members</b>					
1/1/2011	2,120	\$132,161,598	\$62,340	48.1	10.5
1/1/2010	2,131	\$130,075,492	\$61,040	47.8	10.1
Percent Increase	-0.5%	1.6%	2.1%		
<b>Probation Members</b>					
1/1/2011	99	\$6,610,843	\$66,776	41.6	10.5
1/1/2010	102	\$6,708,426	\$65,769	41.1	9.8
Percent Increase	-2.9%	-1.5%	1.5%		
<b>Safety Members</b>					
1/1/2011	260	\$23,010,832	\$88,503	42.2	13.2
1/1/2010	273	\$23,660,021	\$86,667	41.5	12.5
Percent Increase	-4.8%	-2.7%	2.1%		
<b>All Active Members</b>					
1/1/2011	2,479	\$161,783,273	\$65,262	47.2	10.8
1/1/2010	2,506	\$160,443,939	\$64,024	46.8	10.3
Percent Increase	-1.1%	0.8%	1.9%		

For affected Management employees, pick ups are not included as valuation compensation in these figures, even though such pick ups are used to determine their benefits.

Payroll represents the total pay of all covered members. Payroll changes year by year based on new hires, departures, and pay for continuing actives. The assumption for payroll growth is used in amortizing the UAL.

Salaries represent the pay earned by an individual member in the system. The salary growth assumption is an assumption for an individual member's increase in salary.

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Miscellaneous Members</b>					
1 Other - Units # 14, 21, 22					
	1/1/2011 22	\$1,630,221	\$74,101	45.2	9.4
	1/1/2010 23	\$1,677,416	\$72,931	43.6	8.4
2 Management Non-Court - Units # 4, 7, 8, 9, 10, 11, 12, 17					
	1/1/2011 387	\$35,898,663	\$92,761	49.9	13.0
	1/1/2010 375	\$34,903,070	\$93,075	49.8	12.9
3 Management Court - Unit # 18					
	1/1/2011 18	\$1,416,750	\$78,708	47.2	7.3
	1/1/2010 19	\$1,428,294	\$75,173	48.8	7.2
4 Management Court - Units # 24, 25, 26, 27					
	1/1/2011 29	\$2,812,659	\$96,988	51.2	10.4
	1/1/2010 30	\$2,862,652	\$95,422	50.8	10.6
5 SLOCEA Non-Court - Units # 1, 2, 5, 13, 31					
	1/1/2011 1,567	\$85,742,124	\$54,717	47.9	10.0
	1/1/2010 1,582	\$84,512,948	\$53,422	47.6	9.6
6 SLOCEA Court - Unit # 19					
	1/1/2011 11	\$704,267	\$64,024	52.2	17.4
	1/1/2010 11	\$685,630	\$62,330	51.2	16.1
7 SLOCEA Court - Unit # 20					
	1/1/2011 86	\$3,956,914	\$46,011	44.2	8.1
	1/1/2010 91	\$4,005,482	\$44,016	42.7	7.6

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Probation Members</b>					
8 Probation Management - Units # 8, 9, 29					
1/1/2011	5	\$557,835	\$111,567	47.3	18.7
1/1/2010	5	\$521,290	\$104,258	46.3	17.7
9 Probation Non-Management - Units # 31, 32					
1/1/2011	94	\$6,053,008	\$64,394	41.3	10.1
1/1/2010	97	\$6,187,136	\$63,785	40.8	9.4
<b>Safety Members</b>					
10 Safety Management - Units # 7, 10, 15, 16					
1/1/2011	7	\$954,366	\$136,338	49.7	24.4
1/1/2010	10	\$1,332,947	\$133,295	50.3	23.3
11 Safety Non-Management - Units # 3, 6, 14, 27, 28					
1/1/2011	253	\$22,056,466	\$87,180	42.0	12.9
1/1/2010	263	\$22,327,074	\$84,894	41.2	12.1

SUMMARY OF DEFERRED AND RECIPROCAL MEMBERS INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

	<u>No.</u>	<u>Member Contributions</u>	<u>Averages</u>			
			<u>Contribution Balance</u>	<u>Attained Age</u>	<u>Age at Termination</u>	<u>Service</u>
<b>Miscellaneous</b>						
Reciprocals	195	\$7,466,713	\$38,291	50.7	40.9	4.7
Deferred	<u>231</u>	<u>14,194,836</u>	61,450	50.6	41.8	9.5
Total	426	\$21,661,549	\$50,849	50.6	41.4	7.3
<b>Probation</b>						
Reciprocals	3	\$146,780	\$48,927	39.8	35.6	6.2
Deferred	<u>6</u>	<u>276,745</u>	46,124	43.8	37.3	7.3
Total	9	\$423,525	\$47,058	42.5	36.8	6.9
<b>Safety</b>						
Reciprocals	16	\$699,994	\$43,750	44.0	33.8	4.1
Deferred	<u>24</u>	<u>2,297,585</u>	95,733	43.7	37.4	9.5
Total	40	\$2,997,578	\$74,939	43.8	35.9	7.3
<b>Total</b>						
Reciprocals						
1/1/2011	214	\$8,313,486	\$38,848	50.1	40.3	4.7
1/1/2010	211	\$7,303,969	\$34,616	49.6	40.3	4.6
Percent Change	1.4%	13.8%	12.2%			
Deferred						
1/1/2011	261	\$16,769,166	\$64,250	49.8	41.3	9.4
1/1/2010	265	\$15,788,144	\$59,578	49.2	41.2	9.5
Percent Change	-1.5%	6.2%	7.8%			
<b>Grand Total 1/1/2011</b>	475	\$25,082,652	\$52,806	49.9	40.8	7.3
<b>Grand Total 1/1/2010</b>	476	\$23,092,113	\$48,513	49.4	40.8	7.3
Percent Change	-0.2%	8.6%	8.8%			

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

MISCELLANEOUS

	<u>No.</u>	<u>Annual Allowance</u>	<u>Averages</u>			<u>New Retirees Only</u>		
			<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2011	1,557	\$36,314,420	\$23,323	67.9	58.6	79	\$28,111	60.1
1/1/2010	1,521	\$34,042,421	\$22,382	67.6	58.6	161	\$31,496	60.5
Percent Change	2.4%	6.7%	4.2%				-10.7%	
<b>Beneficiaries</b>								
1/1/2011	154	\$2,269,986	\$14,740	73.8	N/A	N/A	N/A	N/A
1/1/2010	144	\$1,978,218	\$13,738	73.7	N/A	N/A	N/A	N/A
Percent Change	6.9%	14.7%	7.3%					
Total 1/1/2011	1,711	\$38,584,406	\$22,551	68.4	58.6	79	\$28,111	60.1
Total 1/1/2010	1,665	\$36,020,639	\$21,634	68.1	58.6	161	\$31,496	60.5
Percent Change	2.8%	7.1%	4.2%				-10.7%	

\* For retired and disabled members only; does not include beneficiaries.

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

PROBATION

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2011	38	\$1,411,479	\$37,144	60.8	55.2	3	\$33,223	47.1
1/1/2010	36	\$1,324,205	\$36,783	61.1	55.8	5	\$54,583	54.7
Percent Change	5.6%	6.6%	1.0%				-39.1%	
<b>Beneficiaries</b>								
1/1/2011	3	\$89,387	\$29,796	68.0	N/A	N/A	N/A	N/A
1/1/2010	2	\$66,939	\$33,470	68.2	N/A	N/A	N/A	N/A
Percent Change	50.0%	33.5%	-11.0%					
Total 1/1/2011	41	\$1,500,866	\$36,606	61.3	55.2	3	\$33,223	47.1
Total 1/1/2010	38	\$1,391,144	\$36,609	61.5	55.8	5	\$54,583	54.7
Percent Change	7.9%	7.9%	0.0%				-39.1%	

\* For retired and disabled members only; does not include beneficiaries.

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

SAFETY

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2011	176	\$8,083,285	\$45,928	62.3	52.0	11	\$64,999	52.9
1/1/2010	167	\$7,248,887	\$43,407	62.1	51.8	11	\$45,784	51.9
Percent Change	5.4%	11.5%	5.8%				42.0%	
<b>Beneficiaries</b>								
1/1/2011	18	\$263,061	\$14,615	73.5	N/A	N/A	N/A	N/A
1/1/2010	20	\$279,684	\$13,984	72.9	N/A	N/A	N/A	N/A
Percent Change	-10.0%	-5.9%	4.5%					
Total 1/1/2011	194	\$8,346,346	\$43,022	63.3	52.0	11	\$64,999	52.9
Total 1/1/2010	187	\$7,528,571	\$40,260	63.3	51.8	11	\$45,784	51.9
Percent Change	3.7%	10.9%	6.9%				42.0%	

\* For retired and disabled members only; does not include beneficiaries.

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2011 ACTUARIAL VALUATION

TOTAL

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2011	1,771	\$45,809,184	\$25,866	67.2	57.9	93	\$32,639	58.8
1/1/2010	1,724	\$42,615,513	\$24,719	66.9	57.9	177	\$33,036	59.8
Percent Change	2.7%	7.5%	4.6%				-1.2%	
<b>Beneficiaries</b>								
1/1/2011	175	\$2,622,434	\$14,985	73.7	N/A	N/A	N/A	N/A
1/1/2010	166	\$2,324,841	\$14,005	73.5	N/A	N/A	N/A	N/A
Percent Change	5.4%	12.8%	7.0%					
Total 1/1/2011	1,946	\$48,431,618	\$24,888	67.8	57.9	93	\$32,639	58.8
Total 1/1/2010	1,890	\$44,940,354	\$23,778	67.5	57.9	177	\$33,036	59.8
Percent Change	3.0%	7.8%	4.7%				-1.2%	

\* For retired and disabled members only; does not include beneficiaries.

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## SECTION G

### ACTIVE DATA TABLES

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ACTIVE MEMBERS JANUARY 1, 2011  
BY ATTAINED AGES AND YEARS OF SERVICE

MISCELLANEOUS MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	22	2	0	0	0	0	0	24	\$971,755
25-29	96	23	0	0	0	0	0	119	5,704,795
30-34	111	65	14	0	0	0	0	190	10,313,358
35-39	63	68	30	5	0	0	0	166	10,087,444
40-44	73	69	77	18	10	1	0	248	16,050,242
45-49	54	88	78	40	36	15	1	312	19,673,170
50-54	68	94	81	57	73	31	5	409	27,140,745
55-59	57	86	90	41	65	33	26	398	25,537,756
60-64	34	40	51	33	38	14	3	213	14,260,667
65-69	8	11	9	1	5	1	2	37	2,275,905
70-74	1	0	0	0	0	0	1	2	88,421
75+	0	2	0	0	0	0	0	2	57,340
Totals	587	548	430	195	227	95	38	2,120	\$132,161,598

While not used in the financial computations, the following averages are computed and shown for their general interest.

Averages

Age: 48.1  
Service: 10.5  
Compensation: \$62,340

ACTIVE MEMBERS JANUARY 1, 2011  
BY ATTAINED AGES AND YEARS OF SERVICE

PROBATION MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30+		
20-24	2	0	0	0	0	0	0	2	\$109,450
25-29	11	2	0	0	0	0	0	13	713,045
30-34	7	11	2	0	0	0	0	20	1,255,654
35-39	3	6	4	0	0	0	0	13	805,043
40-44	1	3	8	1	0	0	0	13	976,789
45-49	0	1	9	1	4	2	0	17	1,346,779
50-54	0	0	2	0	3	3	0	8	554,174
55-59	0	3	0	2	1	0	1	7	445,349
60-64	0	1	3	0	1	0	0	5	322,483
65-69	0	0	0	0	0	1	0	1	82,077
70-74	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0
Totals	24	27	28	4	9	6	1	99	\$6,610,843

While not used in the financial computations, the following averages are computed and shown for their general interest.

Averages

Age: 41.6  
Service: 10.5  
Compensation: \$66,776

ACTIVE MEMBERS JANUARY 1, 2011  
BY ATTAINED AGES AND YEARS OF SERVICE

SAFETY MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	3	0	0	0	0	0	0	3	\$236,870
25-29	14	8	0	0	0	0	0	22	1,797,515
30-34	12	18	6	0	0	0	0	36	2,955,472
35-39	6	11	13	4	0	0	0	34	2,946,632
40-44	6	7	11	22	11	0	0	57	4,985,323
45-49	0	2	10	15	30	5	0	62	5,794,568
50-54	1	1	7	7	13	3	0	32	2,940,642
55-59	0	0	5	3	3	0	0	11	1,072,094
60-64	0	1	0	0	1	1	0	3	281,715
65-69	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0
Totals	42	48	52	51	58	9	0	260	\$23,010,832

While not used in the financial computations, the following averages are computed and shown for their general interest.

Averages

Age: 42.2  
Service: 13.2  
Compensation: \$88,503

ACTIVE MEMBERS JANUARY 1, 2011  
BY ATTAINED AGES AND YEARS OF SERVICE

TOTAL MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	27	2	0	0	0	0	0	29	\$1,318,075
25-29	121	33	0	0	0	0	0	154	8,215,355
30-34	130	94	22	0	0	0	0	246	14,524,484
35-39	72	85	47	9	0	0	0	213	13,839,119
40-44	80	79	96	41	21	1	0	318	22,012,354
45-49	54	91	97	56	70	22	1	391	26,814,518
50-54	69	95	90	64	89	37	5	449	30,635,561
55-59	57	89	95	46	69	33	27	416	27,055,200
60-64	34	42	54	33	40	15	3	221	14,864,866
65-69	8	11	9	1	5	2	2	38	2,357,982
70-74	1	0	0	0	0	0	1	2	88,421
75+	0	2	0	0	0	0	0	2	57,340
Totals	653	623	510	250	294	110	39	2,479	\$161,783,274

While not used in the financial computations, the following averages are computed and shown for their general interest.

Averages

Age:	47.2
Service:	10.8
Compensation:	\$65,262

## AVERAGE PAY BY YEARS OF SERVICE

### MISCELLANEOUS MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	16	45	61	\$2,997,405	\$49,138
1	23	62	85	4,317,664	50,796
2	39	78	117	6,678,110	57,078
3	41	105	146	8,239,379	56,434
4	44	134	178	10,065,526	56,548
5	47	99	146	8,564,691	58,662
6	37	52	89	5,311,415	59,679
7	34	64	98	6,156,608	62,823
8	28	52	80	5,204,098	65,051
9	47	88	135	8,254,194	61,142
10	28	87	115	6,909,074	60,079
11	38	73	111	7,108,254	64,038
12	18	60	78	4,744,979	60,833
13	28	48	76	5,114,990	67,303
14	15	35	50	3,225,700	64,514
15 & Up	222	333	555	39,269,511	70,756
Totals	705	1,415	2,120	\$132,161,598	\$62,340

## AVERAGE PAY BY YEARS OF SERVICE

## PROBATION MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	1	0	1	\$43,763	\$43,763
1	1	1	2	87,526	43,763
2	3	2	5	254,093	50,819
3	7	3	10	561,475	56,148
4	3	3	6	333,091	55,515
5	4	2	6	376,626	62,771
6	3	2	5	338,187	67,637
7	0	4	4	273,728	68,432
8	5	2	7	489,528	69,933
9	1	4	5	326,914	65,383
10	1	3	4	274,747	68,687
11	1	0	1	34,216	34,216
12	6	4	10	779,459	77,946
13	3	3	6	371,904	61,984
14	4	3	7	492,669	70,381
15 & Up	11	9	20	1,572,917	78,646
Totals	54	45	99	\$6,610,843	\$66,776

## AVERAGE PAY BY YEARS OF SERVICE

### SAFETY MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	0	0	0	\$0	\$0
1	0	0	0	0	0
2	5	0	5	343,824	68,765
3	21	0	21	1,709,614	81,410
4	14	2	16	1,304,347	81,522
5	10	4	14	1,202,157	85,868
6	9	0	9	739,024	82,114
7	6	0	6	526,074	87,679
8	9	0	9	760,594	84,510
9	7	3	10	869,814	86,981
10	7	2	9	800,654	88,962
11	7	2	9	798,512	88,724
12	9	2	11	958,672	87,152
13	12	1	13	1,114,922	85,763
14	9	1	10	907,088	90,709
15 & Up	104	14	118	10,975,536	93,013
Totals	229	31	260	\$23,010,832	\$88,503

## AVERAGE PAY BY YEARS OF SERVICE

### TOTAL MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	17	45	62	\$3,041,168	\$49,051
1	24	63	87	4,405,190	50,634
2	47	80	127	7,276,027	57,292
3	69	108	177	10,510,469	59,381
4	61	139	200	11,702,964	58,515
5	61	105	166	10,143,474	61,105
6	49	54	103	6,388,626	62,025
7	40	68	108	6,956,409	64,411
8	42	54	96	6,454,219	67,231
9	55	95	150	9,450,922	63,006
10	36	92	128	7,984,475	62,379
11	46	75	121	7,940,982	65,628
12	33	66	99	6,483,110	65,486
13	43	52	95	6,601,816	69,493
14	28	39	67	4,625,457	69,037
15 & Up	337	356	693	51,817,964	74,773
Totals	988	1,491	2,479	\$161,783,274	\$65,262

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## SECTION H

### RETIREE DATA TABLES

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RETIREES AND BENEFICIARIES JANUARY 1, 2011  
MISCELLANEOUS  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	670	\$14,982,633
Cash Refund	116	2,219,973
100% Continuance	306	8,567,000
75% Continuance	132	4,397,274
Benefits Coordinated with Social Security		
Unmodified	143	\$2,464,044
Cash Refund	34	561,793
100% Continuance	44	1,163,243
75% Continuance	<u>26</u>	<u>728,056</u>
<b>Total Service Retirement</b>	1,471	\$35,084,016
<b>DISABILITY RETIREMENT</b>		
Unmodified	44	\$651,331
Cash Refund	15	187,184
100% Continuance	20	282,080
75% Continuance	<u>7</u>	<u>109,808</u>
<b>Total Disability Retirement</b>	86	\$1,230,404
<b>BENEFICIARIES</b>	<u>154</u>	<u>\$2,269,986</u>
<b>Total Allowances</b>	<u><u>1,711</u></u>	<u><u>\$38,584,406</u></u>

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
 PROBATION  
 TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	8	\$244,315
Cash Refund	2	63,313
100% Continuance	17	803,949
75% Continuance	2	75,806
Benefits Coordinated with Social Security		
Unmodified	2	\$47,915
100% Continuance	1	31,680
75% Continuance	<u>2</u>	<u>39,667</u>
<b>Total Service Retirement</b>	34	\$1,306,644
<b>DISABILITY RETIREMENT</b>		
Unmodified	4	\$104,835
<b>BENEFICIARIES</b>	<u>3</u>	<u>\$89,387</u>
<b>Total Allowances</b>	<u><u>41</u></u>	<u><u>\$1,500,866</u></u>

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
SAFETY  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	33	\$1,624,249
Cash Refund	8	393,186
100% Continuance	40	2,376,725
75% Continuance	17	880,267
Benefits Coordinated with Social Security		
Unmodified	12	\$433,890
Cash Refund	1	46,362
100% Continuance	14	518,268
75% Continuance	12	509,292
<b>Total Service Retirement</b>	<b>137</b>	<b>\$6,782,238</b>
<b>DISABILITY RETIREMENT</b>		
Unmodified	24	\$835,248
Cash Refund	1	27,469
100% Continuance	11	346,597
75% Continuance	3	91,733
<b>Total Disability Retirement</b>	<b>39</b>	<b>\$1,301,047</b>
<b>BENEFICIARIES</b>	<b>18</b>	<b>\$263,061</b>
<b>Total Allowances</b>	<b>194</b>	<b>\$8,346,346</b>

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
TOTAL  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	711	\$16,851,197
Cash Refund	126	2,676,472
100% Continuance	363	11,747,673
75% Continuance	151	5,353,347
Benefits Coordinated with Social Security		
Unmodified	157	\$2,945,849
Cash Refund	35	608,156
100% Continuance	59	1,713,191
75% Continuance	<u>40</u>	<u>1,277,015</u>
<b>Total Service Retirement</b>	1,642	\$43,172,898
<b>DISABILITY RETIREMENT</b>		
Unmodified	72	\$1,591,414
Cash Refund	16	214,653
100% Continuance	31	628,678
75% Continuance	<u>10</u>	<u>201,541</u>
<b>Total Disability Retirement</b>	129	\$2,636,286
<b>BENEFICIARIES</b>	<u>175</u>	<u>\$2,622,434</u>
<b>Total Allowances</b>	<u><b>1,946</b></u>	<u><b>\$48,431,618</b></u>

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

MISCELLANEOUS

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 1991	0	2	1	4	3	29	125	47	211
1991	0	0	1	0	2	5	10	1	19
1992	0	0	1	0	4	8	15	1	29
1993	1	1	1	6	7	20	13	1	50
1994	1	0	2	0	7	7	6	0	23
1995	1	2	1	12	6	10	4	0	36
1996	0	1	3	8	7	12	4	2	37
1997	1	2	7	6	5	21	6	0	48
1998	1	3	16	10	20	6	12	0	68
1999	0	3	4	17	14	11	3	0	52
2000	1	1	12	9	9	4	1	1	38
2001	1	14	27	21	32	7	4	0	106
2002	3	15	15	22	16	1	5	0	77
2003	1	15	25	24	16	2	2	0	85
2004	3	30	37	29	12	4	1	4	120
2005	1	25	42	46	17	1	2	1	135
2006	1	49	42	28	8	0	1	0	129
2007	0	41	43	28	0	2	1	0	115
2008	1	30	40	21	2	1	2	0	97
2009	0	46	66	35	7	1	1	0	156
2010	1	39	26	11	3	0	0	0	80
TOTALS	18	319	412	337	197	152	218	58	1,711

Age at Retirement<sup>1</sup>: 58.6

Attained Age: 68.4

Average Annual Pension: \$22,551

<sup>1</sup> For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

PROBATION

Year <u>Retired</u>	<u>Age Groups</u>								<u>Totals</u>
	<u>0-49</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre 2001	0	0	0	4	1	0	0	0	5
2001	0	0	0	0	1	0	0	0	1
2002	0	0	1	3	0	0	0	0	4
2003	0	1	3	0	0	0	0	0	4
2004	0	1	1	1	0	0	0	0	3
2005	0	0	2	1	1	0	0	0	4
2006	0	1	1	0	0	0	0	0	2
2007	0	3	3	1	0	0	0	0	7
2008	0	2	0	1	0	0	0	0	3
2009	0	4	1	0	0	0	0	0	5
2010	1	2	0	0	0	0	0	0	3
<b>TOTALS</b>	<b>1</b>	<b>14</b>	<b>12</b>	<b>11</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>

Age at Retirement<sup>1</sup>: 55.2  
 Attained Age: 61.3  
 Average Annual Pension: \$36,606

<sup>1</sup> For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

SAFETY

Year <u>Retired</u>	Age Groups								<u>Totals</u>
	<u>0-49</u>	<u>50-59</u>	<u>60-64</u>	<u>65-69</u>	<u>70-74</u>	<u>75-79</u>	<u>80-89</u>	<u>90+</u>	
Pre 1991	0	2	3	6	8	6	6	1	32
1991	0	0	1	0	1	0	1	0	3
1992	0	0	0	2	0	0	0	0	2
1993	0	0	1	3	0	2	1	0	7
1994	0	3	0	2	3	0	1	0	9
1995	2	1	0	2	0	0	0	0	5
1996	0	0	1	4	3	1	0	0	9
1997	0	0	0	2	0	1	0	1	4
1998	1	0	2	2	0	1	0	0	6
1999	0	0	1	0	0	1	0	0	2
2000	0	0	0	3	1	1	1	0	6
2001	0	2	4	0	0	0	0	0	6
2002	0	1	3	1	1	0	0	0	6
2003	2	2	5	1	1	0	0	0	11
2004	2	2	4	1	2	0	0	0	11
2005	0	3	10	4	0	0	0	0	17
2006	0	3	1	1	0	0	0	0	5
2007	0	16	3	1	0	0	0	0	20
2008	1	6	2	1	0	0	0	0	10
2009	2	10	0	0	0	0	0	0	12
2010	0	11	0	0	0	0	0	0	11
TOTALS	10	62	41	36	20	13	10	2	194

Age at Retirement<sup>1</sup>: 52.0  
 Attained Age: 63.3  
 Average Annual Pension: \$43,022

<sup>1</sup> For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2011  
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

TOTAL

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 1991	0	4	4	10	11	35	131	48	243
1991	0	0	2	0	3	5	11	1	22
1992	0	0	1	2	4	8	15	1	31
1993	1	1	2	9	7	22	14	1	57
1994	1	3	2	4	11	7	7	0	35
1995	3	3	1	16	6	10	4	0	43
1996	0	1	4	12	10	13	4	2	46
1997	1	2	7	8	5	22	6	1	52
1998	2	3	18	12	20	7	12	0	74
1999	0	3	5	17	14	12	3	0	54
2000	1	1	12	12	10	5	2	1	44
2001	1	16	31	21	33	7	4	0	113
2002	3	16	19	26	17	1	5	0	87
2003	3	18	33	25	17	2	2	0	100
2004	5	33	42	31	14	4	1	4	134
2005	1	28	54	51	18	1	2	1	156
2006	1	53	44	29	8	0	1	0	136
2007	0	60	49	30	0	2	1	0	142
2008	2	38	42	23	2	1	2	0	110
2009	2	60	67	35	7	1	1	0	173
2010	2	52	26	11	3	0	0	0	94
TOTALS	29	395	465	384	220	165	228	60	1,946

Age at Retirement<sup>1</sup>: 57.9  
 Attained Age: 67.8  
 Average Annual Pension: \$24,888

<sup>1</sup> For retired and disabled members only; does not include beneficiaries.

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## SECTION I

### VALUATION METHODS AND ASSUMPTIONS

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## ACTUARIAL COST METHODS JANUARY 1, 2011

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

- (i) the annual normal costs for each active member, payable from the date of entry into the system to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Deferred and Reciprocal Member Actuarial Accrued Liability. Data provided includes date of birth, service credit, reciprocal status, and hourly pay rates at termination. The estimated benefit was used to compute the liabilities for reserve members. For reciprocal members, the estimated benefits were projected with 3.75% inflation to compute those liabilities.

Amortization of Unfunded Actuarial Accrued Liabilities is done as a level percent of payroll over 29 years (30 years was used in the previous valuation) for funding computations.

## ACTUARIAL ASSUMPTIONS USED FOR THE JANUARY 1, 2011 VALUATION

The contribution requirements and benefit values of the Fund are calculated by applying actuarial assumptions to the benefit provisions and member information furnished, using the actuarial cost methods described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- (i) long-term rates of investment return to be generated by the assets of the Fund.
- (ii) patterns of pay increases to members.
- (iii) rates of mortality among members, retirees, and beneficiaries.
- (iv) rates of withdrawal of active members (without entitlement to a retirement benefit).
- (v) rates of disability among members.
- (vi) the age patterns of actual retirements.

In making a valuation, the monetary effect of each assumption is calculated for as long as a present covered person survives -- a period of time which can be as long as a century.

Actual experience of the system will not coincide exactly with assumed experience, regardless of the choice of the assumptions, the skill of the actuary and the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed contribution rate. From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

The investment return rate used for the actuarial valuation calculations is 7.75% a year, net of administrative expenses, compounded annually. This assumption, used to equate the value of payments due at different points in time, is adopted by the Retirement Board. The rate is comprised of two elements:

Inflation	3.75%
Real Rate of Return	<u>4.00%</u>
Total	7.75%

## ACTUARIAL ASSUMPTIONS USED FOR THE JANUARY 1, 2011 VALUATION

The 7.75% assumed rate of return is currently net of administrative expenses; the comparable gross rate would be slightly higher. Currently, no administrative expenses are explicitly recognized in the valuation.

The Inflation rate used for the actuarial valuation calculations is 3.75% per year, compounded annually. It represents the difference between the investment return rate and the assumed real rate of return.

Inflation actually experienced, as measured by the Consumer Price Index for urban wage earners, has been as follows:

### Consumer Price Index

#### Urban Wage Earners and Clerical Workers Before 1978

#### All Urban Consumers After 1977

#### 10-Year Moving Averages

December 31, 1970	2.9%
December 31, 1980	8.1%
December 31, 1990	4.5%
December 31, 2000	2.7%
December 31, 2010	2.3%
<b>50-Year Average</b>	<b>4.1%</b>

Interest credited to member contributions is 7.25%, compounded biweekly.

Compensation increase rates used to project current pays to those upon which a benefit will be based are represented by the following tables. Rates do not vary by age, but do include additional merit and longevity increases for employees with less than five years of service.

<u>Base Annual Rate of Compensation Increase</u>	<u>Years of Service at Valuation Date</u>	<u>All Members</u>
Inflation	0	4.0%
Merit & Longevity	1	3.5
Total	2	2.5
	3	1.5
	4	1.0

## ACTUARIAL ASSUMPTIONS USED FOR THE JANUARY 1, 2011 VALUATION

Rates of separation from active membership are shown below (rates do not include separation on account of retirement or death). This assumption measures the probabilities of members separating within the next year.

Sample Ages	% of Active Members Separating Within Next Year			
	Miscellaneous and Probation Members			
	Disability	Withdrawal < 5 years	Withdrawal ≥ 5 years	Vested Termination
20	0.00%	16.50%	8.50%	0.00%
25	0.00%	14.50%	7.75%	2.50%
30	0.01%	12.50%	3.75%	3.00%
35	0.04%	10.50%	2.00%	3.75%
40	0.07%	9.50%	1.25%	4.50%
45	0.11%	8.50%	0.50%	3.50%
50	0.20%	8.50%	0.00%	2.50%
55	0.38%	8.50%	0.00%	0.00%
60	0.62%	8.50%	0.00%	0.00%
64	0.76%	8.50%	0.00%	0.00%
GRS Table No.	806			740

Sample Ages	% of Active Members Separating Within Next Year			
	Safety Members			
	Disability	Withdrawal < 5 years	Withdrawal ≥ 5 years	Vested Termination
20	0.00%	8.50%	1.50%	4.00%
25	0.03%	8.00%	1.50%	3.00%
30	0.15%	7.50%	1.00%	2.50%
35	0.29%	5.30%	0.50%	2.00%
40	0.55%	4.30%	0.50%	1.50%
45	1.48%	3.50%	0.00%	1.50%
50	2.25%	2.00%	0.00%	0.00%
55	3.10%	0.00%	0.00%	0.00%
60	3.50%	0.00%	0.00%	0.00%
64	3.50%	0.00%	0.00%	0.00%
GRS Table No.	362			830

We are assuming that 100% of the Safety disabilities and 0% of the Miscellaneous and Probation disabilities and deaths are duty-related.

For purposes of calculating final average pay, we are assuming that 30% of future vested deferred members will subsequently work for reciprocal employers.

Based on Member Contribution Totals provided by Pension Trust, we are assuming that 10% of members' contribution account balances are for supplemental/additional benefits.

## ACTUARIAL ASSUMPTIONS USED FOR THE JANUARY 1, 2011 VALUATION

The post-retirement and inactive pre-retirement mortality tables used were the sex-distinct 1994 Uninsured Pensioner Mortality Tables. The mortality tables are adopted by the Retirement Board. This assumption is used to measure the probabilities of members dying after retirement and the probabilities of each benefit payment being made after retirement. Related values are shown below. The post-disability mortality tables used were the 1994 Uninsured Pensioner Tables set forward 5 years for males and females.

Ages	% Dying Within Next Year			
	Healthy Retirees		Disabled Retirees	
	Men	Women	Men	Women
45	0.17%	0.10%	0.28%	0.15%
50	0.28%	0.15%	0.48%	0.25%
55	0.48%	0.25%	0.86%	0.48%
60	0.86%	0.48%	1.56%	0.93%
65	1.56%	0.93%	2.55%	1.48%
70	2.55%	1.48%	4.00%	2.44%
75	4.00%	2.44%	6.67%	4.24%
80	6.67%	4.24%	10.46%	7.28%
85	10.46%	7.28%	16.44%	12.50%
GRS Table No.	209 - 0	210 - 0	209 - (5)	210 - (5)

The active member mortality table used was developed from past experience. This assumption measures the probability of mortality before retirement. The rates include probability of ordinary death, line-of-duty death, and death while eligible for retirement or disability.

Ages	% of Active Members Dying Within Next Year	
	Men	Women
30	0.07%	0.03%
35	0.09%	0.04%
40	0.09%	0.05%
45	0.12%	0.08%
50	0.17%	0.10%
55	0.28%	0.15%
60	0.48%	0.25%
65	0.86%	0.48%
70	1.56%	0.93%
GRS Table No.	209 - 5	210 - 5

**ACTUARIAL ASSUMPTIONS USED FOR THE  
JANUARY 1, 2011 VALUATION**

The rates of retirement used to measure the probability of eligible members retiring are as follows:

Age	Percent of Eligible Active Members Retiring Within Next Year		
	Miscellaneous	Probation	Safety
50	6.0%	7.0%	7.0%
51	3.0%	7.0%	7.0%
52	3.0%	7.5%	7.5%
53	3.0%	7.5%	7.5%
54	4.0%	7.5%	7.5%
55	6.0%	7.0%	7.5%
56	6.0%	5.0%	7.5%
57	8.0%	5.0%	7.5%
58	8.0%	5.0%	9.0%
59	8.0%	5.0%	12.5%
60	10.0%	7.0%	22.5%
61	10.0%	7.0%	30.0%
62	30.0%	20.0%	40.0%
63	15.0%	20.0%	50.0%
64	15.0%	20.0%	75.0%
65	40.0%	35.0%	100.0%
66	30.0%	20.0%	
67	30.0%	20.0%	
68	35.0%	40.0%	
69	40.0%	50.0%	
70	100.0%	100.0%	
GRS Table No.	1288	1138	1139

Current deferred vested and reciprocal members are assumed to retire at the later of age 55 or attained age.

ACTUARIAL ASSUMPTIONS USED FOR THE  
JANUARY 1, 2011 VALUATION

<u>Member refunds.</u>	All or part of the employee contribution rate is subject to potential "Pick Up" by the employer. Our understanding is that "Pick Ups", and related interest, are subject to refund.
<u>Survivor Benefits.</u>	Marital status and spouses' census data were imputed with respect to active and deferred members.
<u>Marital Status -</u>	70% of men and 50% of women were assumed married at retirement.
<u>Spouse Census -</u>	Women were assumed to be 3 years younger than men for active employees.
<u>Cost of Living Increases.</u>	Assumed to increase the full 3% each year.
<u>Disability Benefits.</u>	Benefits are not assumed to be offset by Social Security benefits.
<u>IRC Section 415 Limits.</u>	Benefit payments will be limited at the time of payment in accordance with the IRC Section 415 limits.
<u>Payroll Growth Rate.</u>	Assumed to increase 4.25% per year.

## ANALYSIS OF SELECTED ACTUARIAL ASSUMPTIONS COMPARED TO ACTUAL EXPERIENCE

Assumed and actual changes experienced in areas related to the following assumptions are shown:

	Year Ended December 31					Averages		
	2010	2009	2008	2007	2006	3 Year	5 Year	10 Year
Inflation <sup>1</sup>	1.4%	2.2%	0.1%	4.0%	3.3%	1.2%	2.2%	2.6%
Current Assumption	3.75%							
Average Pay Increase	1.9%	0.9%	4.0%	5.1%	4.2%	2.3%	3.2%	4.3%
Current Assumption	5.50%							
Merit & Longevity Pay Increase	0.5%	-1.3%	3.9%	1.1%	0.9%	1.1%	1.0%	1.7%
Current Assumption	1.75%							
Total Payroll	0.8%	-4.9%	3.8%	6.8%	5.7 %	-0.1%	2.4%	4.1%
Current Assumption	4.25%							
Investment Return Rate <sup>2</sup>	6.0%	5.7%	3.8%	8.4%	7.8%	5.2%	6.3%	6.5%
Current Assumption	7.75%							
Real Rate of Investment Return	4.6%	3.5%	3.7%	4.4%	4.5%	4.0%	4.1%	3.9%
Current Assumption	4.00%							

<sup>1</sup> Based on the average of the Consumer Price Index for Los Angeles –Riverside-Orange County and the San Francisco-Oakland-San Jose, All Items, 1982-84=100.

<sup>2</sup> Based on actuarial value of assets NOT market value or book value.

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SECTION J

PROJECTIONS AND SENSITIVITY ANALYSIS

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Baseline Projections\*

Valuation as of January 1,	Unfunded Actuarial Accrued Liability (UAAL, in 000s)	Funded Ratio	Total Calculated Contribution Rate	Funding Period (Years)	Market Value of Fund (in 000s)
(1)	(2)	(3)	(4)	(5)	(6)
2011	\$ 281,889	78.0%	34.3%	29.0	\$ 880,953
2012	302,164	77.9%	34.1%	28.0	949,374
2013	320,094	78.0%	34.0%	27.0	1,020,445
2014	339,814	78.0%	33.9%	26.0	1,093,612
2015	376,445	77.0%	34.3%	25.0	1,168,612
2016	422,034	75.5%	35.1%	24.0	1,246,057
2017	466,745	74.3%	35.8%	23.0	1,326,342
2018	499,922	73.8%	36.2%	22.0	1,409,341
2019	510,910	74.5%	36.0%	21.0	1,494,198
2020	519,184	75.2%	35.8%	20.0	1,579,836
2021	524,849	75.9%	35.6%	19.0	1,666,289
2022	528,191	76.7%	35.4%	18.0	1,753,508
2023	529,511	77.6%	35.2%	17.0	1,841,327
2024	528,968	78.4%	35.0%	16.0	1,930,056
2025	526,414	79.2%	34.9%	15.0	2,020,207
2026	521,654	80.1%	34.7%	14.0	2,112,181
2027	514,449	81.0%	34.6%	13.0	2,206,268
2028	504,506	82.0%	34.5%	12.0	2,303,185
2029	491,515	83.0%	34.4%	11.0	2,403,726
2030	475,123	84.0%	34.4%	10.0	2,508,176
2031	454,929	85.1%	34.3%	9.0	2,617,291
2032	430,498	86.3%	34.3%	8.0	2,731,602
2033	401,348	87.6%	34.3%	7.0	2,851,681
2034	366,915	89.0%	34.3%	6.0	2,978,574
2035	326,578	90.5%	34.4%	5.0	3,113,550
2036	279,632	92.1%	34.4%	4.0	3,257,495
2037	225,232	93.8%	34.6%	3.0	3,411,629
2038	162,320	95.6%	34.9%	2.0	3,577,723
2039	89,446	97.7%	35.5%	1.0	3,757,659
2040	3,710	99.9%	18.7%	1.0	3,954,679

\* Return on Market Value of Assets Assumed to be 7.75% for all future years. Projections include impact of Tier 2 benefits.

Optimistic Projections\*

Valuation as of January 1,	Unfunded Actuarial Accrued Liability (UAAL, in 000s)	Funded Ratio	Total Calculated Contribution Rate	Funding Period (Years)	Market Value of Fund (in 000s)
(1)	(2)	(3)	(4)	(5)	(6)
2011	\$ 281,889	78.0%	34.3%	29.0	\$ 880,953
2012	300,402	78.0%	34.1%	28.0	958,184
2013	314,510	78.4%	33.8%	27.0	1,039,408
2014	328,057	78.7%	33.5%	26.0	1,124,085
2015	355,882	78.2%	33.7%	25.0	1,211,940
2016	389,773	77.4%	34.1%	24.0	1,303,541
2017	421,428	76.8%	34.4%	23.0	1,399,211
2018	440,254	76.9%	34.5%	22.0	1,498,825
2019	435,667	78.2%	33.8%	21.0	1,601,514
2020	427,217	79.6%	33.2%	20.0	1,706,164
2021	415,084	81.0%	32.5%	19.0	1,812,750
2022	399,633	82.4%	31.7%	18.0	1,921,143
2023	381,275	83.8%	30.9%	17.0	2,031,063
2024	360,312	85.3%	30.2%	16.0	2,142,674
2025	336,782	86.7%	29.3%	15.0	2,256,304
2026	310,723	88.2%	28.5%	14.0	2,372,122
2027	282,186	89.6%	27.6%	13.0	2,490,131
2028	251,241	91.0%	26.7%	12.0	2,610,690
2029	218,024	92.4%	25.8%	11.0	2,734,150
2030	182,733	93.9%	24.8%	10.0	2,860,250
2031	145,659	95.2%	23.7%	9.0	2,989,056
2032	107,230	96.6%	22.4%	8.0	3,120,236
2033	68,059	97.9%	21.1%	7.0	3,253,262
2034	28,994	99.1%	19.6%	6.0	3,387,762
2035	-	100.3%	18.3%	5.0	3,523,141
2036	-	101.3%	18.2%	4.0	3,659,719
2037	-	102.4%	18.1%	3.0	3,803,345
2038	-	103.5%	18.1%	2.0	3,955,140
2039	-	104.7%	18.0%	1.0	4,115,965
2040	-	106.0%	18.0%	1.0	4,286,651

\* Return on Market Value of Assets Assumed to be 8.75% for all future years. Projections include impact of Tier 2 benefits.

Pessimistic Projections\*

Valuation as of January 1,	Unfunded Actuarial Accrued Liability (UAAL, in 000s)	Funded Ratio	Total Calculated Contribution Rate	Funding Period (Years)	Market Value of Fund (in 000s)
(1)	(2)	(3)	(4)	(5)	(6)
2011	\$ 281,889	78.0%	34.3%	29.0	\$ 880,953
2012	303,926	77.8%	34.2%	28.0	940,564
2013	325,642	77.6%	34.2%	27.0	1,001,658
2014	351,424	77.2%	34.2%	26.0	1,063,700
2015	396,620	75.7%	34.9%	25.0	1,126,478
2016	453,480	73.7%	36.0%	24.0	1,190,679
2017	510,574	71.9%	37.1%	23.0	1,256,801
2018	557,149	70.8%	37.9%	22.0	1,324,745
2019	582,447	70.9%	38.1%	21.0	1,393,693
2020	605,848	71.0%	38.4%	20.0	1,462,625
2021	627,358	71.2%	38.6%	19.0	1,531,652
2022	647,168	71.5%	38.8%	18.0	1,600,820
2023	665,464	71.8%	39.1%	17.0	1,670,080
2024	682,257	72.1%	39.5%	16.0	1,739,885
2025	697,224	72.5%	39.9%	15.0	1,810,919
2026	709,957	72.9%	40.3%	14.0	1,883,783
2027	719,965	73.4%	40.8%	13.0	1,959,010
2028	726,648	74.0%	41.3%	12.0	2,037,610
2029	729,333	74.7%	42.0%	11.0	2,120,720
2030	727,223	75.5%	42.7%	10.0	2,209,050
2031	719,380	76.5%	43.4%	9.0	2,303,873
2032	704,703	77.6%	44.3%	8.0	2,406,361
2033	681,876	79.0%	45.4%	7.0	2,517,893
2034	649,270	80.5%	46.6%	6.0	2,640,551
2035	604,859	82.4%	48.1%	5.0	2,776,968
2036	546,028	84.5%	49.9%	4.0	2,929,893
2037	469,165	87.1%	52.4%	3.0	3,103,251
2038	368,835	90.1%	56.2%	2.0	3,303,110
2039	235,389	93.9%	63.9%	1.0	3,539,433
2040	43,292	98.9%	26.1%	1.0	3,837,876

\* Return on Market Value of Assets Assumed to be 6.75% for all future years. Projections include impact of Tier 2 benefits.

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## SECTION K

### DEFINITIONS OF TECHNICAL TERMS

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## DEFINITIONS OF TECHNICAL TERMS

Actuarial Accrued Liability. The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Also referred to as "accrued liability" or "actuarial liability".

Actuarial Assumptions. Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and Compensation increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (Compensation increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Accrued Service. Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Equivalent. A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Gain (Loss). The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

Normal Cost. The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial liability" or "unfunded accrued liability".

Most retirement systems have unfunded actuarial accrued liability. They arise each time new benefits are added and each time an actuarial loss is realized.

## DEFINITIONS OF TECHNICAL TERMS

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to amortize the unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar). It is best practice for unfunded actuarial accrued liability to be controlled.

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## SECTION L

### DISCLOSURES REQUIRED BY STATEMENTS NO. 25 AND 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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**This information is presented in draft form for review by the County's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the County's financial statements.**

### CONTRIBUTIONS MADE JANUARY 1, 2010 TO DECEMBER 31, 2010

The Pension Trust’s funding policy provides for periodic employer appropriations at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

During the period January 1, 2010 to December 31, 2010 applicable contributions of \$56,561,541 were made. The contribution breakdown is as follows:

#### Contributions Made\*

Employer Appropriations	\$32,148,424
Member Contributions	<u>24,413,117</u>
Grand Totals	\$56,561,541

- \* Does not include Employee Additional Voluntary (\$134,554) and County Additional for Employee Contributions (\$954). These contributions are excluded as both assets and liabilities.

## ACCOUNTING DISCLOSURE

The following numbers are consistent with our understanding of the accounting provisions of GASB Statements #25 and #27, based on the figures supplied to Gabriel, Roeder, Smith and Company.

<b>Year Ended</b>	<b>Total Annual Required Contribution</b>	<b>Actual Employee Contribution</b>	<b>Actuarially Required Contributions (ARC) <sup>5</sup></b>	<b>Employer Contributions Made</b>	<b>Percent Contributed</b>	<b>Investment Return <sup>1</sup></b>	<b>NPO Balance/(Asset)</b>
<b>31-Dec</b>							
2001	\$6,776,216	\$9,200,681	\$15,976,897	\$12,639,251 <sup>2</sup>	79%	7.4%	\$6,069,723
2002	6,927,576	10,636,366	17,563,942	14,628,625	83%	4.4%	9,303,300
2003	8,036,014	12,136,923	20,172,937	150,813,215	748%	6.1%	(126,038,417) <sup>3</sup>
2004	4,227,686	12,663,198	16,890,884	16,520,585	98%	6.5%	(129,305,544)
2005	5,874,058	14,133,919	20,007,977	18,209,481	91%	6.4%	(131,184,818)
2006	6,520,975	15,496,805	22,017,780	19,177,491	87%	7.8%	(132,036,486)
2007	16,434,264	17,406,316	33,840,580 <sup>4</sup>	24,014,202	71%	8.4%	(124,651,921)
2008	12,093,156	22,840,488	34,933,644	30,860,282	88%	0.3%	(122,266,199)
2009	55,127,772	24,170,461	30,957,311 <sup>6</sup>	31,427,297	102%	5.7%	(125,154,822)
2010	54,826,804	24,548,625	30,278,179 <sup>6</sup>	32,148,424	106%	6.0%	(129,971,714)

<sup>1</sup> Based on actuarial value of assets.

<sup>2</sup> Excludes County Employee Additional Contributions.

<sup>3</sup> Due to 2003 issuance of Pension Obligation Bond (POB).

<sup>4</sup> The figures represent the valuation year commencing January 1, 2007.

<sup>5</sup> Effective July 1, 2008, the three part funding rate increase has been completed.

<sup>6</sup> The ARC shown is the difference between the total annual required contribution and the actual employee contributions made.

2009 is the first year the disclosure has been shown to reflect the funding policy of the trust to fund the total annual required contribution through a combination of employer and employee contributions.

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## SECTION M

### APPENDIX A: CURRENT MEMBER CONTRIBUTION RATES AND COLLECTIVE BARGAINING UNITS

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Note: The following rates are the rates submitted in the data and used in the valuation.

JANUARY 1, 2011 ACTUARIAL VALUATION  
MEMBER CONTRIBUTION RATES\*

MISCELLANEOUS												
BU	14,21,22	7 (LAFCO)	7,8,9,10,11,17	4,12	17C (Interpreter)	24,25,26,27	18	1,5,13	2	19	20	
Entry	Non-Court		Non-Court		Non-Court		Court		Court		Court	
Age	Other	Management	Management	Management	Management	Management	Management	SLOCEA	SLOCEA	SLOCEA	SLOCEA	
18	9.01%	10.17%	13.78%	13.22%	12.41%	11.18%	12.41%	13.47%	12.91%	9.33%	9.89%	
19	9.08%	10.24%	13.85%	13.29%	12.48%	11.25%	12.48%	13.54%	12.98%	9.40%	9.96%	
20	9.15%	10.31%	13.92%	13.36%	12.55%	11.32%	12.55%	13.61%	13.05%	9.47%	10.03%	
21	9.21%	10.37%	13.98%	13.42%	12.61%	11.38%	12.61%	13.67%	13.11%	9.53%	10.09%	
22	9.23%	10.39%	14.00%	13.44%	12.63%	11.40%	12.63%	13.69%	13.13%	9.55%	10.11%	
23	9.25%	10.41%	14.02%	13.46%	12.65%	11.42%	12.65%	13.71%	13.15%	9.57%	10.13%	
24	9.28%	10.44%	14.05%	13.49%	12.68%	11.45%	12.68%	13.74%	13.18%	9.60%	10.16%	
25	9.32%	10.48%	14.09%	13.53%	12.72%	11.49%	12.72%	13.78%	13.22%	9.64%	10.20%	
26	9.37%	10.53%	14.14%	13.58%	12.77%	11.54%	12.77%	13.83%	13.27%	9.69%	10.25%	
27	9.42%	10.58%	14.19%	13.63%	12.82%	11.59%	12.82%	13.88%	13.32%	9.74%	10.30%	
28	9.48%	10.64%	14.25%	13.69%	12.88%	11.65%	12.88%	13.94%	13.38%	9.80%	10.36%	
29	9.55%	10.71%	14.32%	13.76%	12.95%	11.72%	12.95%	14.01%	13.45%	9.87%	10.43%	
30	9.62%	10.78%	14.39%	13.83%	13.02%	11.79%	13.02%	14.08%	13.52%	9.94%	10.50%	
31	9.70%	10.86%	14.47%	13.91%	13.10%	11.87%	13.10%	14.16%	13.60%	10.02%	10.58%	
32	9.79%	10.95%	14.56%	14.00%	13.19%	11.96%	13.19%	14.25%	13.69%	10.11%	10.67%	
33	9.88%	11.04%	14.65%	14.09%	13.28%	12.05%	13.28%	14.34%	13.78%	10.20%	10.76%	
34	9.98%	11.14%	14.75%	14.19%	13.38%	12.15%	13.38%	14.44%	13.88%	10.30%	10.86%	
35	10.08%	11.24%	14.85%	14.29%	13.48%	12.25%	13.48%	14.54%	13.98%	10.40%	10.96%	
36	10.18%	11.34%	14.95%	14.39%	13.58%	12.35%	13.58%	14.64%	14.08%	10.50%	11.06%	
37	10.29%	11.45%	15.06%	14.50%	13.69%	12.46%	13.69%	14.75%	14.19%	10.61%	11.17%	
38	10.40%	11.56%	15.17%	14.61%	13.80%	12.57%	13.80%	14.86%	14.30%	10.72%	11.28%	
39	10.52%	11.68%	15.29%	14.73%	13.92%	12.69%	13.92%	14.98%	14.42%	10.84%	11.40%	
40	10.64%	11.80%	15.41%	14.85%	14.04%	12.81%	14.04%	15.10%	14.54%	10.96%	11.52%	
41	10.77%	11.93%	15.54%	14.98%	14.17%	12.94%	14.17%	15.23%	14.67%	11.09%	11.65%	
42	10.90%	12.06%	15.67%	15.11%	14.30%	13.07%	14.30%	15.36%	14.80%	11.22%	11.78%	
43	11.04%	12.20%	15.81%	15.25%	14.44%	13.21%	14.44%	15.50%	14.94%	11.36%	11.92%	
44	11.18%	12.34%	15.95%	15.39%	14.58%	13.35%	14.58%	15.64%	15.08%	11.50%	12.06%	
45	11.32%	12.48%	16.09%	15.53%	14.72%	13.49%	14.72%	15.78%	15.22%	11.64%	12.20%	
46	11.47%	12.63%	16.24%	15.68%	14.87%	13.64%	14.87%	15.93%	15.37%	11.79%	12.35%	
47	11.63%	12.79%	16.40%	15.84%	15.03%	13.80%	15.03%	16.09%	15.53%	11.95%	12.51%	
48	11.79%	12.95%	16.56%	16.00%	15.19%	13.96%	15.19%	16.25%	15.69%	12.11%	12.67%	
49	11.95%	13.11%	16.72%	16.16%	15.35%	14.12%	15.35%	16.41%	15.85%	12.27%	12.83%	
50	12.12%	13.28%	16.89%	16.33%	15.52%	14.29%	15.52%	16.58%	16.02%	12.44%	13.00%	
51	12.29%	13.45%	17.06%	16.50%	15.69%	14.46%	15.69%	16.75%	16.19%	12.61%	13.17%	
52	12.46%	13.62%	17.23%	16.67%	15.86%	14.63%	15.86%	16.92%	16.36%	12.78%	13.34%	
53	12.64%	13.80%	17.41%	16.85%	16.04%	14.81%	16.04%	17.10%	16.54%	12.96%	13.52%	
54	12.82%	13.98%	17.59%	17.03%	16.22%	14.99%	16.22%	17.28%	16.72%	13.14%	13.70%	
55	13.01%	14.17%	17.78%	17.22%	16.41%	15.18%	16.41%	17.47%	16.91%	13.33%	13.89%	
56	13.20%	14.36%	17.97%	17.41%	16.60%	15.37%	16.60%	17.66%	17.10%	13.52%	14.08%	
57	13.39%	14.55%	18.16%	17.60%	16.79%	15.56%	16.79%	17.85%	17.29%	13.71%	14.27%	
58	13.59%	14.75%	18.36%	17.80%	16.99%	15.76%	16.99%	18.05%	17.49%	13.91%	14.47%	
59+	13.79%	14.95%	18.56%	18.00%	17.19%	15.96%	17.19%	18.25%	17.69%	14.11%	14.67%	

\* Rates do not include Auto Allowance for certain individuals. These are the rates in effect at the time of the valuation and which were increased through the collective bargaining process.

## JANUARY 1, 2011 ACTUARIAL VALUATION MEMBER CONTRIBUTION RATES\*

BU Entry <u>Age</u>	PROBATION		
	8	9	31,32 Non-
	<u>Management</u>	<u>Management</u>	<u>Management</u>
18	17.19%	18.69%	16.00%
19	17.27%	18.77%	16.08%
20	17.35%	18.85%	16.16%
21	17.42%	18.92%	16.23%
22	17.44%	18.94%	16.25%
23	17.46%	18.96%	16.27%
24	17.49%	18.99%	16.30%
25	17.54%	19.04%	16.35%
26	17.59%	19.09%	16.40%
27	17.65%	19.15%	16.46%
28	17.71%	19.21%	16.52%
29	17.79%	19.29%	16.60%
30	17.87%	19.37%	16.68%
31	17.96%	19.46%	16.77%
32	18.06%	19.56%	16.87%
33	18.16%	19.66%	16.97%
34	18.27%	19.77%	17.08%
35	18.38%	19.88%	17.19%
36	18.49%	19.99%	17.30%
37	18.61%	20.11%	17.42%
38	18.73%	20.23%	17.54%
39	18.86%	20.36%	17.67%
40	19.00%	20.50%	17.81%
41	19.14%	20.64%	17.95%
42	19.28%	20.78%	18.09%
43	19.44%	20.94%	18.25%
44	19.59%	21.09%	18.40%
45	19.75%	21.25%	18.56%
46	19.92%	21.42%	18.73%
47	20.09%	21.59%	18.90%
48	20.27%	21.77%	19.08%
49	20.45%	21.95%	19.26%
50	20.63%	22.13%	19.44%
51	20.82%	22.32%	19.63%
52	21.01%	22.51%	19.82%
53	21.21%	22.71%	20.02%
54	21.41%	22.91%	20.22%
55	21.62%	23.12%	20.43%
56	21.83%	23.33%	20.64%
57	22.04%	23.54%	20.85%
58	22.26%	23.76%	21.07%
59+	22.48%	23.98%	21.29%

\* Rates for Bargaining Unit 9 include an Auto Allowance component. These are the rates in effect at the time of the valuation and which were increased through the collective bargaining process.

JANUARY 1, 2011 ACTUARIAL VALUATION  
MEMBER CONTRIBUTION RATES\*

BU Entry Age	SAFETY							
	6 Non- Management	3,14 Non- Management	27,28 Non- Management	7 Management	10 (Sheriff-Coroner) Management	15 Management#	15 Management@	16 Management
18	13.46%	10.08%	17.51%	15.12%	19.77%	17.20%	21.95%	21.95%
19	13.57%	10.19%	17.62%	15.23%	19.88%	17.31%	22.06%	22.06%
20	13.68%	10.30%	17.73%	15.34%	19.99%	17.42%	22.17%	22.17%
21	13.79%	10.41%	17.84%	15.45%	20.10%	17.53%	22.28%	22.28%
22	13.90%	10.52%	17.95%	15.56%	20.21%	17.64%	22.39%	22.39%
23	14.02%	10.64%	18.07%	15.68%	20.33%	17.76%	22.51%	22.51%
24	14.14%	10.76%	18.19%	15.80%	20.45%	17.88%	22.63%	22.63%
25	14.26%	10.88%	18.31%	15.92%	20.57%	18.00%	22.75%	22.75%
26	14.38%	11.00%	18.43%	16.04%	20.69%	18.12%	22.87%	22.87%
27	14.50%	11.12%	18.55%	16.16%	20.81%	18.24%	22.99%	22.99%
28	14.62%	11.24%	18.67%	16.28%	20.93%	18.36%	23.11%	23.11%
29	14.74%	11.36%	18.79%	16.40%	21.05%	18.48%	23.23%	23.23%
30	14.86%	11.48%	18.91%	16.52%	21.17%	18.60%	23.35%	23.35%
31	14.98%	11.60%	19.03%	16.64%	21.29%	18.72%	23.47%	23.47%
32	15.10%	11.72%	19.15%	16.76%	21.41%	18.84%	23.59%	23.59%
33	15.22%	11.84%	19.27%	16.88%	21.53%	18.96%	23.71%	23.71%
34	15.34%	11.96%	19.39%	17.00%	21.65%	19.08%	23.83%	23.83%
35	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
36	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
37	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
38	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
39	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
40	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
41	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
42	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
43	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
44	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
45	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
46	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
47	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
48	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
49	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
50	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
51	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
52	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
53	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
54	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
55	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
56	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
57	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
58	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
59+	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%

\* Rates do not include Auto Allowance for certain individuals. These are the rates in effect at the time of the valuation and which were increased through the collective bargaining process.

#Includes Non Sworn members of Bargaining Unit 15.

@ Includes Sworn members of Bargaining Unit 15.

SUMMARY OF BENEFITS  
BY COLLECTIVE BARGAINING UNIT  
AS OF JANUARY 1, 2011

Collective Bargaining Unit	Valuation Group	Benefit % at age	FAC Period	Benefit Maximum
14	Miscellaneous Other	2% @ 55	One year	80%
21	Miscellaneous Other	2% @ 55	One year	80%
22	Miscellaneous Other	2% @ 55	One year	80%
4	Miscellaneous Management Non Court	2% @ 55	One year	100%
7	Miscellaneous Management Non Court	2% @ 55	One year	100%
8	Miscellaneous Management Non Court	2% @ 55	One year	100%
9	Miscellaneous Management Non Court	2% @ 55	One year	100%
10	Miscellaneous Management Non Court	2% @ 55	One year	100%
11	Miscellaneous Management Non Court	2% @ 55	One year	100%
12	Miscellaneous Management Non Court	2% @ 55	One year	100%
17	Miscellaneous Management Non Court	2% @ 55	One year	100%
17C	Miscellaneous Management Non Court	2% @ 55	One year	80%
18	Miscellaneous Management Court	2% @ 55	One year	100%
24	Miscellaneous Management Court	2% @ 55	One year	100%
25	Miscellaneous Management Court	2% @ 55	One year	100%
26	Miscellaneous Management Court	2% @ 55	One year	100%
27	Miscellaneous Management Court	2% @ 55	One year	100%
1	SLOCEA Non Court	2% @ 55	One year	80%
2	SLOCEA Non Court	2% @ 55	One year	80%
5	SLOCEA Non Court	2% @ 55	One year	80%
13	SLOCEA Non Court	2% @ 55	One year	80%
19	SLOCEA Court	2% @ 55	One year	80%
20	SLOCEA Court	2% @ 55	One year	80%
8	Probation Management	3% @ 55	One year	90%
9	Probation Management	3% @ 55	One year	90%
29	Probation Management	3% @ 55	One year	90%
31	Probation Non Management	3% @ 55	One year	90%
32	Probation Non Management	3% @ 55	One year	90%
3	Non Sworn Safety Non Management	3% @ 55	One year	90%
27	Sworn Safety Non Management	3% @ 50	One year	90%
6	Safety Non Management	3% @ 55	One year	90%
7	Safety Management	3% @ 55	One year	90%
10	Safety Management	3% @ 50	One year	90%
14	Non Sworn Safety Non Management	3% @ 55	One year	90%
28	Sworn Safety Non Management	3% @ 50	One year	90%
15	Non Sworn Safety Management	3% @ 55	One year	90%
15	Sworn Safety Management	3% @ 50	One year	90%
16	Safety Management	3% @ 50	One year	90%