

Ventura County Employees' Retirement Association

***Actuarial Valuation and Review  
as of June 30, 2008***

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*December 9, 2008*

*Board of Retirement  
Ventura County Employees' Retirement Association  
1190 S. Victoria Avenue, Suite 200  
Ventura, CA 93003-6572*

*Dear Board Members:*

*We are pleased to submit this Actuarial Valuation and Review as of June 30, 2008. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2009-2010 and analyzes the preceding year's experience.*

*The census information on which our calculations were based was prepared by the VCERA and the financial information was provided by the Retirement Office. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.*


*This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board of Retirement are reasonably related to the experience of and the expectations for the Plan.*

*We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.*

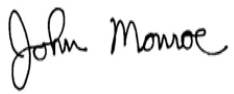
*We look forward to reviewing this report at your next meeting and to answering any questions.*

*Sincerely,*

*THE SEGAL COMPANY*

By:   
\_\_\_\_\_  
*Paul Angelo, FSA, EA, MAAA, FCA  
Senior Vice President and Actuary*

ST/hy

  
\_\_\_\_\_  
*John Monroe, ASA, EA, MAAA  
Vice President and Associate Actuary*

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## SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

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### PURPOSE AND SCOPE

This report has been prepared by The Segal Company to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2008. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2008, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2008, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the system's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with the prior year's information.

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. The Board has adopted a policy to amortize the Association's Unfunded Actuarial Accrued Liability (UAAL) as 15-year fixed (i.e., decreasing) layered amortization periods. The initial 15-year amortization layer consists of the June 30, 2004 total UAAL. Any new changes in the UAAL after June 30, 2004 will be amortized over separate 15-year fixed amortization periods.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2009 through June 30, 2010.

## SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

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### SIGNIFICANT ISSUES IN THIS VALUATION

The following key findings were the result of this actuarial valuation:

- Ref: Pg. 31*

➤ The ratio of the valuation value of assets to actuarial accrued liabilities increased from 87.9% to 91.3%. The Association's Unfunded Actuarial Accrued Liability (UAAL) decreased from \$376.0 million as of June 30, 2007 to \$290.0 million as of June 30, 2008. This decrease is primarily due to an investment return on actuarial value that exceeded the 8.00% assumed rate. A complete reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.
- Ref: Pg. 17*

➤ The average employer rate decreased from 17.48% of payroll to 16.03% of payroll. This decrease is primarily due to the investment gain mentioned above. A complete reconciliation of the Association's employer rate is provided in Section 2, Subsection D (see Chart 15).
- Ref: Pg. 18*

➤ The average member rate is 8.04% of payroll as compared to 8.10% in the prior valuation. This decrease is primarily due to the changes in the member population for the June 30, 2008 valuation. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).
- Ref: Pg. 30*

➤ As of June 30, 2008, there is \$95.9 million in undistributed excess earnings available for allocation under the Board's Interest Crediting policy. Pending any such allocation, the amount in that reserve is included in the valuation value of assets. If that entire amount is transferred to Supplemental Benefit Reserves or any other non-valuation reserves, that would result in an increase in the employer contribution rate of 1.40% of payroll. A complete presentation of the Association's reserves is provided in Section 3, Exhibit G.
- Ref: Pg. 5*

➤ As indicated in Section 2, Subsection B of this report, the total unrecognized investment loss as of June 30, 2008 is \$231 million. This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years. This implies that earning the assumed rate of investment return of 8.00% per year (net of expenses) on a **market value** basis will result in investment losses on the actuarial value of assets in the next few years. Therefore, if the actual market return is equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements will increase over the next few years as those losses are recognized.

➤ The actuarial valuation report as of June 30, 2008 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan. For example, a 10% change in the current year's valuation value of assets would produce a 4.5% change in the recommended average employer contribution rate.

## SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

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### Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

**SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association**

**Summary of Key Valuation Results (all dollar amounts in thousands)**

|  | June 30, 2008 |  | June 30, 2007 |  |
|--|---------------|--|---------------|--|
| <b>Employer Contribution Rates:</b> <sup>(1)</sup>           |               |  |               |  |
|  | Total Rate    | Estimated Annual Amount <sup>(2)</sup> | Total Rate    | Estimated Annual Amount <sup>(2)</sup> |
| General Tier 1   | 46.89%        | \$12,473                               | 49.29%        | \$13,795                               |
| General Tier 2   | 7.70%         | 14,764                                 | 8.47%         | 14,077                                 |
| General Tier 2C <sup>(3)</sup>                               | 8.74%         | 19,366                                 | 9.60%         | 20,154                                 |
| General Combined   | 10.59%        | 46,603                                 | 11.89%        | 48,026                                 |
| Safety   | 31.06%        | 49,461                                 | 32.78%        | 48,464                                 |
| All Categories combined                                      | 16.03%        | \$96,064                               | 17.48%        | \$96,490                               |
| <b>Average Member Contribution Rates:</b> <sup>(1) (4)</sup> |               |  |               |  |
|  | Total Rate    | Estimated Annual Amount <sup>(2)</sup> | Total Rate    | Estimated Annual Amount <sup>(2)</sup> |
| General Tier 1   | 8.39%         | \$2,232                                | 8.28%         | \$2,317                                |
| General Tier 2   | 5.48%         | 10,508                                 | 5.48%         | 9,107                                  |
| General Tier 2C <sup>(3)</sup>                               | 8.11%         | 17,971                                 | 8.11%         | 17,026                                 |
| Safety Members   | 10.97%        | 17,469                                 | 10.98%        | 16,233                                 |
| All Categories combined                                      | 8.04%         | \$48,180                               | 8.10%         | \$44,683                               |
| <b>Funded Status:</b>  |               |  |               |  |
| Actuarial accrued liability <sup>(5)</sup>                   | \$3,345,804   |  | \$3,112,583   |  |
| Valuation value of assets <sup>(5)</sup>                     | 3,055,756     |  | 2,736,558     |  |
| Funded percentage  | 91.33%        |  | 87.92%        |  |
| Unfunded actuarial accrued liability                         | 290,048       |  | 376,025       |  |
| <b>Key Assumptions:</b>                                      |               |  |               |  |
| Interest rate  | 8.00%         |  | 8.00%         |  |
| Inflation rate   | 3.75%         |  | 3.75%         |  |
| Across the board salary increase                             | 0.50%         |  | 0.50%         |  |

<sup>(1)</sup> Before reflection of any member rate that may be "picked-up" by the employer. Contributions are assumed to be paid at the end of every month.

<sup>(2)</sup> Based on projected compensation for each year shown.

<sup>(3)</sup> Throughout this report, this category represents those Tier 2 members who contribute a negotiated 2.63% of compensation for a fixed 2% COLA pursuant to Government Code 31627 that applies to service after March 2003.

<sup>(4)</sup> The non-refundability factors as of June 30, 2008 are 1.00 for General and 1.00 for Safety, unchanged from June 30, 2007.

<sup>(5)</sup> Excludes liabilities and assets held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

**SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association**

**Summary of Key Valuation Demographic and Financial Data**

|   | June 30, 2008 | June 30, 2007 | Percentage Change |
|---|---------------|---------------|-------------------|
| <b>Active Members:</b>  |               |               |                   |
| Number of members   | 7,928         | 7,653         | 3.6%              |
| Average age   | 44.3          | 44.4          | N/A               |
| Average service   | 10.0          | 10.1          | N/A               |
| Projected total compensation                                    | \$599,173,000 | \$551,968,000 | 8.6%              |
| Average projected compensation                                  | \$75,577      | \$72,124      | 4.8%              |
| <b>Retired Member and Beneficiaries:</b>                        |               |               |                   |
| Number of members:  |               |               |                   |
| Service retired   | 3,481         | 3,395         | 2.5%              |
| Disability retired  | 817           | 815           | 0.2%              |
| Beneficiaries   | 616           | 560           | 10.0%             |
| Total   | 4,914         | 4,770         | 3.0%              |
| Average age   | 67.8          | 67.5          | N/A               |
| Average monthly benefit <sup>(1)</sup>                          | \$2,371       | \$2,258       | 5.0%              |
| <b>Vested Terminated Members:</b>                               |               |               |                   |
| Number of terminated vested members <sup>(2)</sup>              | 2,007         | 1,864         | 7.7%              |
| Average age   | 44.5          | 44.2          | N/A               |
| <b>Summary of Financial Data (dollar amounts in thousands):</b> |               |               |                   |
| Market value of assets  | \$2,876,452   | \$3,082,479   | -6.7%             |
| Return on market value of assets                                | -6.86%        | 17.48%        | N/A               |
| Actuarial value of assets                                       | \$3,107,222   | \$2,793,666   | 11.2%             |
| Return on actuarial value of assets                             | 11.01%        | 14.06%        | N/A               |
| Valuation value of assets                                       | \$3,055,756   | \$2,736,558   | 11.7%             |
| Return on valuation value of assets                             | 11.32%        | 12.68%        | N/A               |

<sup>(1)</sup> Excludes monthly benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

<sup>(2)</sup> Includes terminated members due a refund of member contributions.



**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**A. MEMBER DATA**

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

*A historical perspective of how the member population has changed over the past eight valuations can be seen in this chart.*

**CHART 1**  
**Member Population: 2001 – 2008**

| <b>Year Ended<br/>June 30</b> | <b>Active<br/>Members</b> | <b>Vested Terminated<br/>Members<sup>(1)</sup></b> | <b>Retired Members<br/>and Beneficiaries</b> | <b>Ratio of Non-Actives<br/>to Actives</b> |
|-------------------------------|---------------------------|--|--|--|
| 2001                          | 7,424                     | 887  | 3,520  | 0.59                                       |
| 2002                          | 7,707                     | 921  | 3,684  | 0.60                                       |
| 2003                          | 7,717                     | 1,155  | 3,857  | 0.65                                       |
| 2004                          | 7,626                     | 1,351  | 4,031  | 0.71                                       |
| 2005                          | 7,245                     | 1,713  | 4,314  | 0.83                                       |
| 2006                          | 7,403                     | 1,756  | 4,570  | 0.85                                       |
| 2007                          | 7,653                     | 1,864  | 4,770  | 0.87                                       |
| 2008                          | 7,928                     | 2,007  | 4,914  | 0.87                                       |

<sup>(1)</sup> Includes terminated members due a refund of member contributions.

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**Active Members**

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 7,928 active members with an average age of 44.3, average service of 10.0 years and average compensation of \$75,577. The 7,653 active members in the prior valuation had an average age of 44.4, average service of 10.1 years and average compensation of \$72,124.

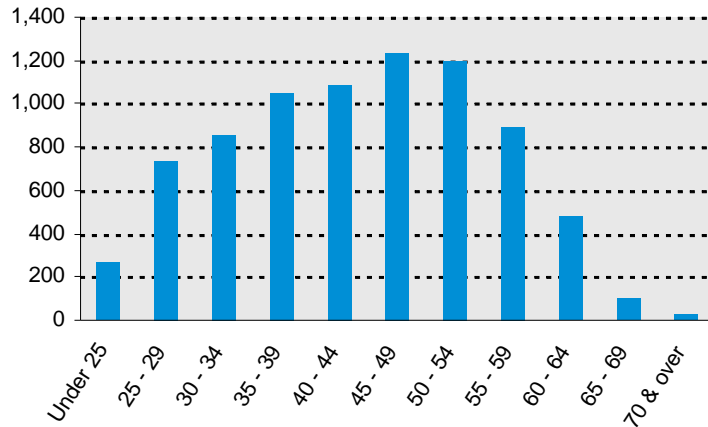
Among the active members, there were none with unknown age.

**Inactive Members**

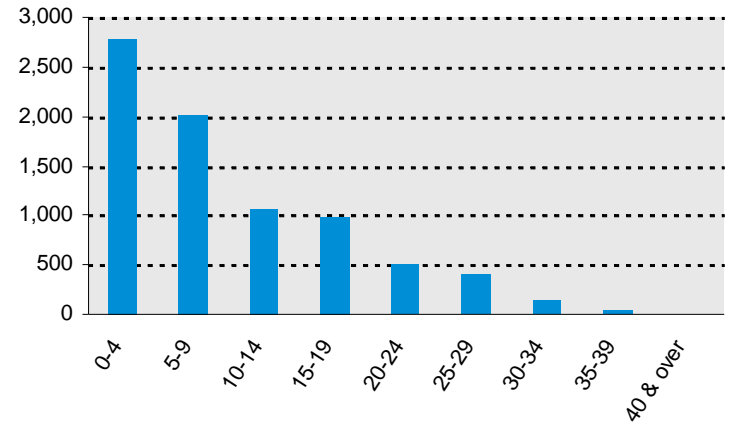
In this year's valuation, there were 2,007 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 1,864 in the prior valuation.

*These graphs show a distribution of active members by age and by years of service.*

**CHART 2**  
**Distribution of Active Members by Age as of June 30, 2008**



**CHART 3**  
**Distribution of Active Members by Years of Service as of June 30, 2008**



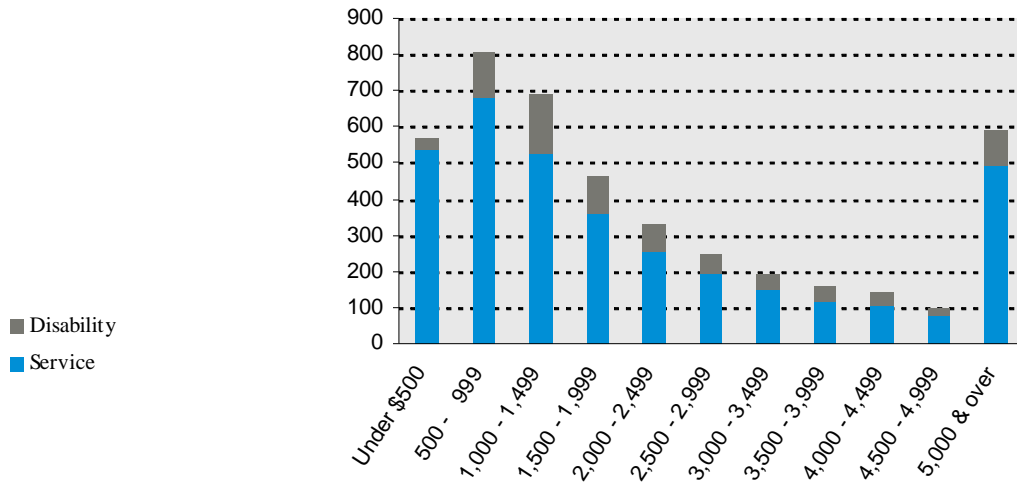
**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**Retired Members and Beneficiaries**

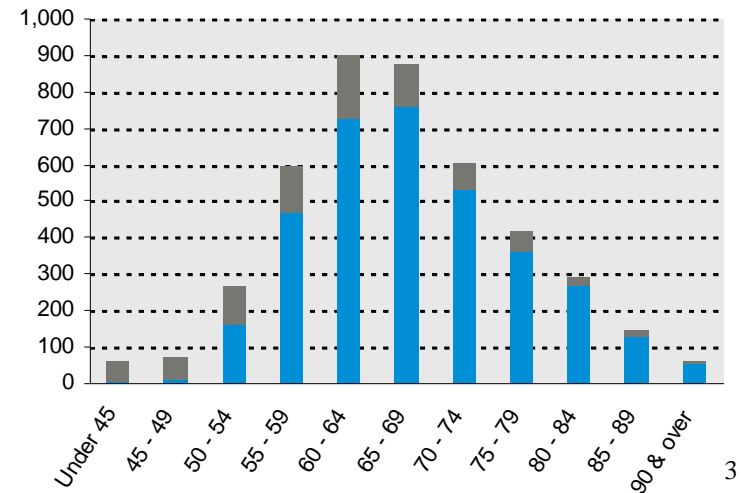
As of June 30, 2008, 4,298 retired members and 616 beneficiaries were receiving total monthly benefits of \$11,649,886. For comparison, in the previous valuation, there were 4,210 retired members and 560 beneficiaries receiving monthly benefits of \$10,769,157. These monthly benefits exclude benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

*These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.*

**CHART 4**  
**Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2008**



**CHART 5**  
**Distribution of Retired Members by Type and by Age as of June 30, 2008**



**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

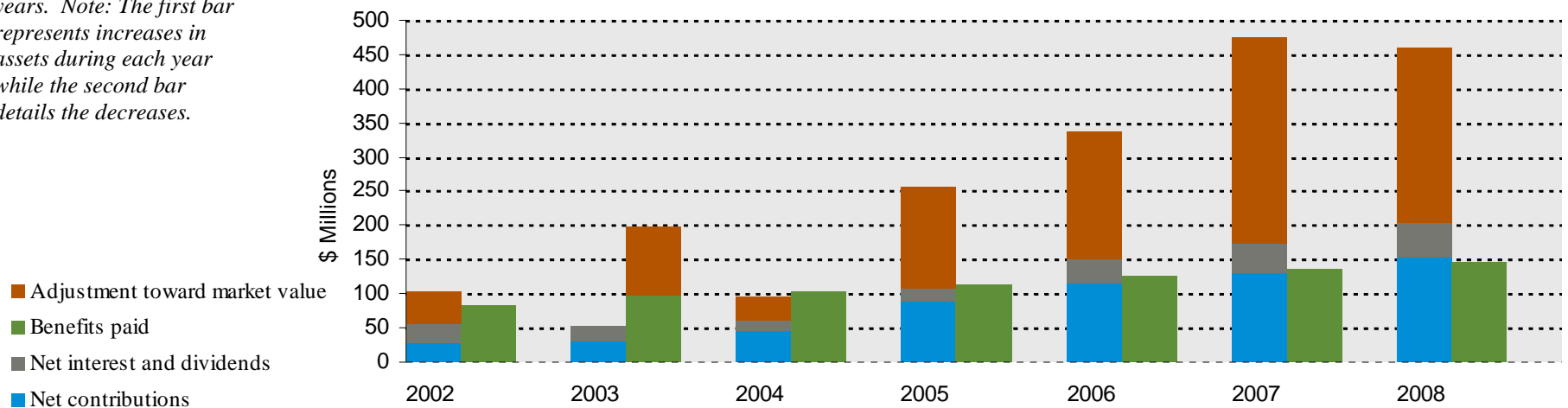
**B. FINANCIAL INFORMATION**

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

*The chart depicts the components of changes in the actuarial value of assets over the last seven years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.*

**CHART 6**  
**Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2002 – 2008**



**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

**CHART 7**

**Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2008**

*The chart shows the determination of the actuarial and valuation value of assets as of the valuation date.*

|  |                 |                       |                 |
|--|-----------------|-----------------------|-----------------|
| 1. Market value of assets                |                 |                       | \$2,876,452,141 |
| 2. Calculation of unrecognized return*   | Original Amount | Unrecognized Return** |                 |
| (a) Period ended June 30, 2008           | \$(362,758,586) | \$(326,482,727)       |                 |
| (b) Period ended December 31, 2007       | (96,901,051)    | (77,520,841)          |                 |
| (c) Year ended June 30, 2007             | 248,896,193     | 149,337,716           |                 |
| (d) Year ended June 30, 2006             | 46,600,533      | 18,640,213            |                 |
| (e) Year ended June 30, 2005             | 26,277,976      | 5,255,595             |                 |
| (f) Year ended June 30, 2004             | 256,122,090     | 0                     |                 |
| (g) Total unrecognized return***         |                 |                       | (230,770,044)   |
| 3. Actuarial Value of Assets: (1) – (2g) |                 |                       | \$3,107,222,185 |
| 4. Non-valuation reserves:               |                 |                       |                 |
| (a) STAR COLA                            |                 |                       | \$4,588,738     |
| (b) Supplemental medical benefit         |                 |                       | 15,324,524      |
| (c) Statutory contingency                |                 |                       | 31,552,661      |
| (d) Subtotal                             |                 |                       | \$51,465,923    |
| 5. Valuation Value of Assets (3) – (4d)  |                 |                       | \$3,055,756,262 |

\* For years prior to 2005, the change in difference between market and book value. For 2005 and later, total return minus expected return on a market value basis. Using six-month basis starting July 1, 2007.

\*\* Recognition at 10% per six month period over 5 years.

\*\*\* Deferred return as of June 30, 2008 recognized in each of the next five years:

|  |                 |
|--|-----------------|
| (a) Amount Recognized during 2008/2009 | \$(27,576,987)  |
| (b) Amount Recognized during 2009/2010 | (32,832,582)    |
| (c) Amount Recognized during 2010/2011 | (42,152,689)    |
| (d) Amount Recognized during 2011/2012 | (91,931,927)    |
| (e) Amount Recognized during 2012/2013 | (36,275,859)    |
|  | \$(230,770,044) |

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**CHART 8**

**Allocation of Valuation Value of Assets as of June 30, 2008**

The calculation of the valuation value of assets from June 30, 2007 to June 30, 2008 by category is provided below:

|  | Allocated Assets for Funding |                 |                 |                 |
|--|------------------------------|-----------------|-----------------|-----------------|
|  | General                      |                 |                 | Total           |
|  | Tier I                       | Tier II         | Safety          |                 |
| 1. Allocated Assets as of Beginning of Plan Year                                       | \$742,128,182                | \$875,208,202   | \$1,119,221,420 | \$2,736,557,804 |
| 2. Member Contributions  | 125,760                      | 11,944,302      | 2,361,594       | 14,431,656      |
| 3. Member Buybacks   | 260,695                      | 998,668         | 499,495         | 1,758,858       |
| 4. Employer Pick-up Contributions Credited to Member Account                           | 1,021,498                    | 14,585,279      | 7,814,148       | 23,420,925      |
| 5. Employer Contributions  | 14,295,471                   | 38,079,527      | 60,422,728      | 112,797,726     |
| 6. Refunds of Member Contributions and Death Benefits Paid                             | 250,607                      | 3,275,290       | 434,511         | 3,960,408       |
| 7. Retiree Benefit Payments Excluding STAR COLA and Supplemental Medical Payments      | 59,984,484                   | 26,156,275      | 53,286,168      | 139,426,927     |
| 8. Subtotal (Item 1 + 2 + 3 + 4 + 5 – 6 – 7)   | \$697,596,515                | \$911,384,413   | \$1,136,598,706 | \$2,745,579,634 |
| 9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7) | 719,862,349                  | 893,296,308     | 1,127,910,063   | 2,741,068,720   |
| 10. Earnings Allocated in Proportion to Item 9   | 81,458,912                   | 101,084,528     | 127,633,188     | 310,176,628     |
| 11. Valuation Value of Assets  | \$779,055,427                | \$1,012,468,941 | \$1,264,231,894 | \$3,055,756,262 |

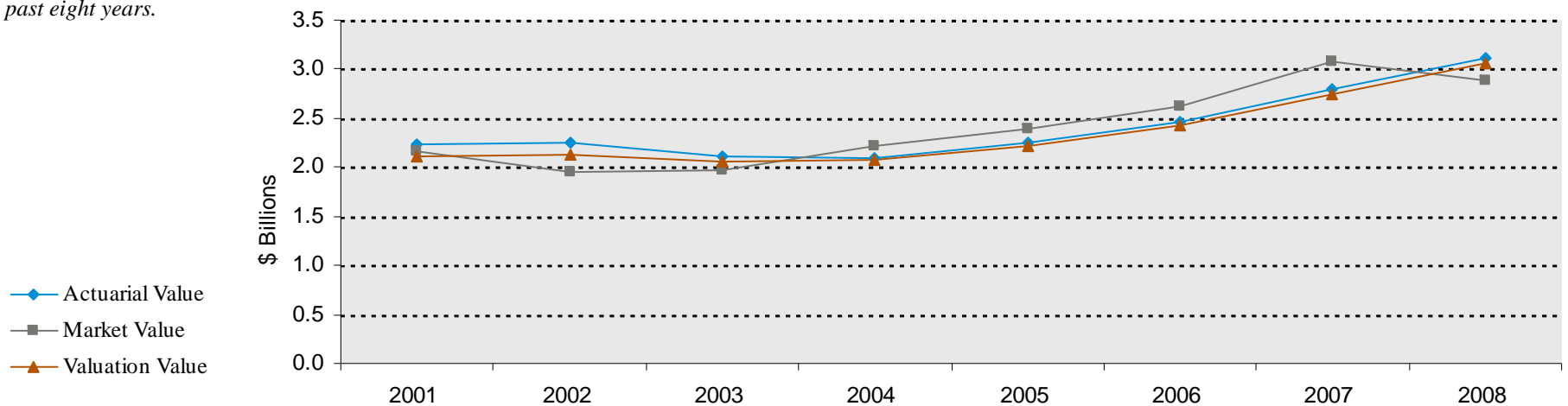
## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The market value, actuarial value, and valuation value of assets are representations of VCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation value of assets is significant because VCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

*This chart shows the change in market value, actuarial value and valuation value over the past eight years.*

**CHART 9**

**Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2001 – 2008**



**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

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**C. ACTUARIAL EXPERIENCE**

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term

development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience gain was \$68.0 million, \$90.9 million gain from investments and \$22.9 million loss from all other sources. The net experience variation from individual sources other than investments was 0.7% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

*This chart provides a summary of the actuarial experience during the past year.*

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**CHART 10**  
**Actuarial Experience for Year Ended June 30, 2008**

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|   |                    |
|---|--------------------|
| 1. Net gain from investments <sup>(1)</sup> | \$90,891,000       |
| 2. Net loss from other experience           | <u>-22,940,000</u> |
| 3. Net experience gain: (1) + (2)           | \$67,951,000       |

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<sup>(1)</sup> Details in Chart 11.



**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**Investment Rate of Return**

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on VCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets is 8.00%. The actual rate of return on the valuation value of assets for the 2007/2008 plan year was 11.32%.

Since the actual return for the year was greater than the assumed return, the VCERA experienced an actuarial gain during the year ended June 30, 2008 with regard to its investments.

*This chart shows the gain/(loss) due to investment experience.*

**CHART 11**

**Investment Experience for Year Ended June 30, 2008 – Valuation Value and Actuarial Value of Assets**

|                                     | <b>Valuation Value</b> | <b>Actuarial Value</b> |
|-------------------------------------|------------------------|------------------------|
| 1. Actual return                    | \$310,176,628          | \$307,776,354          |
| 2. Average value of assets          | 2,741,068,719          | 2,796,555,979          |
| 3. Actual rate of return: (1) ÷ (2) | 11.32%                 | 11.01%                 |
| 4. Assumed rate of return           | 8.00%                  | 8.00%                  |
| 5. Expected return: (2) x (4)       | \$219,285,498          | \$223,724,478          |
| 6. Actuarial gain/(loss): (1) – (5) | <u>\$90,891,130</u>    | <u>\$84,051,876</u>    |

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last seven years.

Based upon the most recent Review of Economic Assumptions, we have maintained the assumed rate of return of 8.00%.

**CHART 12**

**Investment Return – Market Value, Actuarial Value and Valuation Value: 2002 – 2008**

| Year Ended<br>June 30    | Market Value<br>Investment Return |         | Actuarial Value<br>Investment Return |         | Valuation Value<br>Investment Return |         |
|--------------------------|-----------------------------------|---------|--------------------------------------|---------|--------------------------------------|---------|
|                          | Amount                            | Percent | Amount                               | Percent | Amount                               | Percent |
| 2002                     | -\$153,341,047                    | -7.18%  | \$73,939,525                         | 3.35%   | -\$64,834,661                        | -3.10%  |
| 2003                     | 78,016,465                        | 4.06    | -78,366,548                          | -3.53   | -87,805,515                          | -4.22   |
| 2004                     | 315,448,393                       | 16.28   | 49,628,346                           | 2.39    | 70,837,167                           | 3.49    |
| 2005                     | 203,080,574                       | 9.19    | 168,122,229                          | 8.05    | 168,122,229                          | 8.16    |
| 2006                     | 238,212,815                       | 9.95    | 221,191,725                          | 9.88    | 221,191,725                          | 10.00   |
| 2007                     | 458,962,761                       | 17.48   | 344,644,568                          | 14.06   | 308,000,514                          | 12.68   |
| 2008                     | (211,806,573)                     | -6.86   | 307,776,354                          | 11.01   | 310,176,628                          | 11.32   |
| Total                    | \$928,573,388                     |         | \$1,086,936,199                      |         | \$925,688,087                        |         |
| Five-Year Average Return |                                   | 8.19%   |                                      | 9.37%   |                                      | 9.40%   |

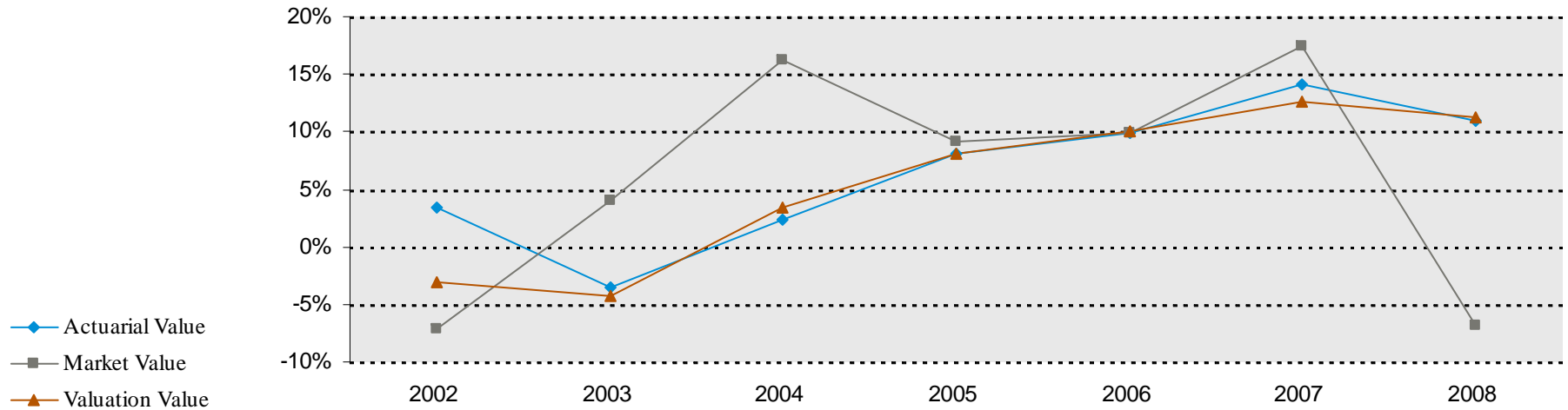
*Note: Each year's yield is weighted by the average asset value in that year.*

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

*This chart illustrates how this leveling effect has actually worked over the years 2002 - 2008.*

**CHART 13**  
**Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2002 - 2008**



## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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### **Other Experience**

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net loss from this other experience for the year ended June 30, 2008 amounted to \$22.9 million which is 0.7% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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### D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

*Normal Cost*

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

*Contribution to the Unfunded Actuarial Accrued Liability (UAAL)*

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the combined annual inflation and "across the board" increases rate of 4.25%. The June 30, 2004 UAAL is being recognized over a 15-year declining period effective June 30, 2004. Any additional unfunded liability that arises at each valuation will be amortized over its own declining separate 15-year period.

The recommended employer contributions are provided on Chart 14.

## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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### *Member Contributions*

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/120 of Final Average Salary for General members and 1/100 of Final Average Salary for Safety members. That age is 55 for General Tier 1 members, 60 for General Tier 2 members and 50 for Safety members. It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions, General Tier 1 and Safety members pay one-half of the total normal cost necessary to fund their cost-of-living benefits. General Tier 2 members eligible for the fixed 2% cost-of-living benefit contribute a negotiated 2.63% of salary per year. Member contributions accumulate with interest at the lesser of the assumed investment earning rate or the rate on ten year U.S. Treasury notes. Any difference between the assumed investment earning rate and the actual interest crediting rate will be credited to the County Advance reserve. The member contribution rates are provided in Appendix A. Please note that the member rates provided in the report are the full rate before reflecting any employer pickup. Also, in calculating the basic member rate, we follow the Board's past practice and have not included any in-service pay redemptions that may potentially increase a member's final average salary and hence retirement benefit.

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**CHART 14**

**Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation**

|  | June 30, 2008 Actuarial Valuation |  |               |  |               |  |
|--|-----------------------------------|--|---------------|--|---------------|--|
|  | BASIC                             |  | COLA          |  | TOTAL         |  |
|  | Rate                              | Estimated Annual Amount <sup>(1)</sup> | Rate          | Estimated Annual Amount <sup>(1)</sup> | Rate          | Estimated Annual Amount <sup>(1)</sup> |
| <b>General Tier 1 Members</b>          |                                   |  |               |  |               |  |
| Normal Cost                            | 7.24%                             | \$1,926                                | 2.00%         | \$532                                  | 9.24%         | \$2,458                                |
| UAAL                                   | <u>40.78%</u>                     | <u>10,847</u>                          | <u>-3.13%</u> | <u>-832</u>                            | <u>37.65%</u> | <u>10,015</u>                          |
| Total Contribution                     | 48.02%                            | \$12,773                               | -1.13%        | -\$300                                 | 46.89%        | \$12,473                               |
| <b>General Tier 2 Members w/o COLA</b> |                                   |  |               |  |               |  |
| Normal Cost                            | 7.62%                             | \$14,611                               | 0.00%         | \$0                                    | 7.62%         | \$14,611                               |
| UAAL                                   | <u>0.08%</u>                      | <u>153</u>                             | <u>0.00%</u>  | <u>0</u>                               | <u>0.08%</u>  | <u>153</u>                             |
| Total Contribution                     | 7.70%                             | \$14,764                               | 0.00%         | \$0                                    | 7.70%         | \$14,764                               |
| <b>General Tier 2 Members w/COLA</b>   |                                   |  |               |  |               |  |
| Normal Cost                            | 7.62%                             | \$16,885                               | 0.46%         | \$1,019                                | 8.08%         | \$17,904                               |
| UAAL <sup>(2)</sup>                    | <u>0.08%</u>                      | <u>177</u>                             | <u>0.58%</u>  | <u>1,285</u>                           | <u>0.66%</u>  | <u>1,462</u>                           |
| Total Contribution                     | 7.70%                             | \$17,062                               | 1.04%         | \$2,304                                | 8.74%         | \$19,366                               |
| <b>All General Members</b>             |                                   |  |               |  |               |  |
| Normal Cost                            | 7.60%                             | \$33,422                               | 0.35%         | \$1,551                                | 7.95%         | \$34,973                               |
| UAAL                                   | <u>2.54%</u>                      | <u>11,177</u>                          | <u>0.10%</u>  | <u>453</u>                             | <u>2.64%</u>  | <u>11,630</u>                          |
| Total Contribution                     | 10.14%                            | \$44,599                               | 0.45%         | \$2,004                                | 10.59%        | \$46,603                               |
| <b>Safety Members</b>                  |                                   |  |               |  |               |  |
| Normal Cost                            | 13.06%                            | \$20,797                               | 3.74%         | \$5,956                                | 16.80%        | \$26,753                               |
| UAAL                                   | <u>14.61%</u>                     | <u>23,265</u>                          | <u>-0.35%</u> | <u>-557</u>                            | <u>14.26%</u> | <u>22,708</u>                          |
| Total Contribution                     | 27.67%                            | \$44,062                               | 3.39%         | \$5,399                                | 31.06%        | \$49,461                               |
| <b>All Categories Combined</b>         |                                   |  |               |  |               |  |
| Normal Cost                            | 9.05%                             | \$54,219                               | 1.25%         | \$7,507                                | 10.30%        | \$61,726                               |
| UAAL                                   | <u>5.75%</u>                      | <u>34,442</u>                          | <u>-0.02%</u> | <u>-104</u>                            | <u>5.73%</u>  | <u>34,338</u>                          |
| Total Contribution                     | 14.80%                            | \$88,661                               | 1.23%         | \$7,403                                | 16.03%        | \$96,064                               |

<sup>(1)</sup>Amounts are in thousands, assumed to be paid at the end of every month, and are based on June 30, 2008 annual payroll (also in thousands) shown below:

|                 |                |
|-----------------|----------------|
| General Tier 1  | \$26,600       |
| General Tier 2  | 191,743        |
| General Tier 2C | 221,587        |
| Safety          | <u>159,243</u> |
| Total           | \$599,173      |

<sup>(2)</sup> Includes 0.38% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

**CHART 14 (continued)**

**Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation**

|                                | June 30, 2007 Actuarial Valuation |  |               |  |               |  |
|--------------------------------|-----------------------------------|--|---------------|--|---------------|--|
|                                | BASIC                             |  | COLA          |  | TOTAL         |  |
|                                | Rate                              | Estimated Annual Amount <sup>(1)</sup> | Rate          | Estimated Annual Amount <sup>(1)</sup> | Rate          | Estimated Annual Amount <sup>(1)</sup> |
| <b>General Tier 1 Members</b>  |                                   |  |               |  |               |  |
| Normal Cost                    | 7.46%                             | \$2,088                                | 2.04%         | \$571                                  | 9.50%         | \$2,659                                |
| UAAL                           | <u>24.56%</u>                     | <u>6,873</u>                           | <u>15.23%</u> | <u>4,263</u>                           | <u>39.79%</u> | <u>11,136</u>                          |
| Total Contribution             | 32.02%                            | \$8,961                                | 17.27%        | \$4,834                                | 49.29%        | \$13,795                               |
| <b>General Tier 2 Members</b>  |                                   |  |               |  |               |  |
| Normal Cost                    | 7.65%                             | \$12,714                               | 0.00%         | \$0                                    | 7.65%         | \$12,714                               |
| UAAL                           | <u>0.82%</u>                      | <u>1,363</u>                           | <u>0.00%</u>  | <u>0</u>                               | <u>0.82%</u>  | <u>1,363</u>                           |
| Total Contribution             | 8.47%                             | \$14,077                               | 0.00%         | \$0                                    | 8.47%         | \$14,077                               |
| <b>General Tier 2C Members</b> |                                   |  |               |  |               |  |
| Normal Cost                    | 7.65%                             | \$16,061                               | 0.48%         | \$1,007                                | 8.13%         | \$17,068                               |
| UAAL <sup>(2)</sup>            | <u>0.82%</u>                      | <u>1,722</u>                           | <u>0.65%</u>  | <u>1,364</u>                           | <u>1.47%</u>  | <u>3,086</u>                           |
| Total Contribution             | 8.47%                             | \$17,783                               | 1.13%         | \$2,371                                | 9.60%         | \$20,154                               |
| <b>All General Members</b>     |                                   |  |               |  |               |  |
| Normal Cost                    | 7.64%                             | \$30,863                               | 0.39%         | \$1,578                                | 8.03%         | \$32,441                               |
| UAAL                           | <u>2.46%</u>                      | <u>9,958</u>                           | <u>1.40%</u>  | <u>5,627</u>                           | <u>3.86%</u>  | <u>15,585</u>                          |
| Total Contribution             | 10.10%                            | \$40,821                               | 1.79%         | \$7,205                                | 11.89%        | \$48,026                               |
| <b>Safety Members</b>          |                                   |  |               |  |               |  |
| Normal Cost                    | 13.04%                            | \$19,279                               | 3.73%         | \$5,515                                | 16.77%        | \$24,794                               |
| UAAL                           | <u>10.52%</u>                     | <u>15,553</u>                          | <u>5.49%</u>  | <u>8,117</u>                           | <u>16.01%</u> | <u>23,670</u>                          |
| Total Contribution             | 23.56%                            | \$34,832                               | 9.22%         | \$13,632                               | 32.78%        | \$48,464                               |
| <b>All Categories Combined</b> |                                   |  |               |  |               |  |
| Normal Cost                    | 9.08%                             | \$50,142                               | 1.29%         | \$7,093                                | 10.37%        | \$57,235                               |
| UAAL                           | <u>4.62%</u>                      | <u>25,511</u>                          | <u>2.49%</u>  | <u>13,744</u>                          | <u>7.11%</u>  | <u>39,255</u>                          |
| Total Contribution             | 13.70%                            | \$75,653                               | 3.78%         | \$20,837                               | 17.48%        | \$96,490                               |

<sup>(1)</sup>Amounts are in thousands, assumed to be paid at the end of every month, and are based on June 30, 2007 annual payroll (also in thousands) shown below:

|                 |                |
|-----------------|----------------|
| General Tier 1  | \$27,986       |
| General Tier 2  | 166,195        |
| General Tier 2C | 209,941        |
| Safety          | <u>147,846</u> |
| Total           | \$551,968      |

<sup>(2)</sup> Includes 0.38% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.



## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The employer contribution rates as of June 30, 2008 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

### Reconciliation of Recommended Employer Contribution Rate

The chart below details the changes in the recommended average employer contribution rate from the prior valuation to the current year's valuation.

*The chart reconciles the employer contribution from the prior valuation to the amount determined in this valuation.*

#### CHART 15

#### Reconciliation of Recommended Average Employer Contribution Rate from June 30, 2007 to June 30, 2008 (Dollar Amounts in Thousands)

|   | Contribution Rate | Estimated Annual Dollar Cost <sup>(1)</sup> |
|---|-------------------|---|
| <b>Recommended Average Employer Contribution Rate as of June 30, 2007</b>   | 17.48%            | \$96,490                                    |
| Effect of investment gain <sup>(2)</sup>  | -1.33%            | -7,969                                      |
| Effect of difference in actual versus expected total and individual salary increases <sup>(3)</sup>   | 0.28%             | 1,678                                       |
| Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in June 30, 2007 valuation | -0.09%            | -539  |
| Effect of net other changes <sup>(4)</sup>  | <u>-0.31%</u>     | <u>6,404</u>                                |
| <b>Total change</b>   | <u>-1.45%</u>     | <u>-\$426</u>                               |
| <b>Recommended Average Employer Contribution Rate as of June 30, 2008</b>   | 16.03%            | \$96,064                                    |

<sup>(1)</sup> Based on projected payroll for each year.

<sup>(2)</sup> The Association's valuation value of assets earned 11.32% and was greater than the 8.00% assumed rate of return.

<sup>(3)</sup> This item represents the impact of higher than expected individual salary increases and the effect of amortizing the UAAL over higher than expected total payroll.

<sup>(4)</sup> Other differences in actual versus expected experience including mortality, disability, withdrawal, retirement and in-service redemption experience. Estimated annual dollar cost also reflects change in payroll from prior valuation.

**SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association**

The member contribution rates as of June 30, 2008 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation.

**Reconciliation of Recommended Member Contribution Rate**

The chart below details the changes in the recommended average member contribution rate from the prior valuation to the current year's valuation.

*The chart reconciles the member contribution from the prior valuation to the amount determined in this valuation.*

**CHART 16**  
**Reconciliation of Recommended Average Member Contribution Rate from June 30, 2007 to June 30, 2008**  
**(Dollar Amounts in Thousands)**

|  | Contribution Rate | Estimated Annual Dollar Cost <sup>(1)</sup> |
|--|-------------------|---|
| <b>Recommended Average Member Contribution Rate in June 30, 2007 Valuation</b> | 8.10%             | \$44,683                                    |
| Effect of changes in demographic profile of employee group <sup>(2)</sup>      | <u>-0.06%</u>     | <u>3,497</u>                                |
| <b>Total Change</b>  | <u>-0.06%</u>     | <u>\$3,497</u>                              |
| <b>Recommended Average Member Contribution Rate in June 30, 2008 Valuation</b> | 8.04%             | \$48,180                                    |

<sup>(1)</sup> Based on projected payroll for each year.

<sup>(2)</sup> Estimated annual dollar cost also reflects change in payroll from prior valuation.

## SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

### E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

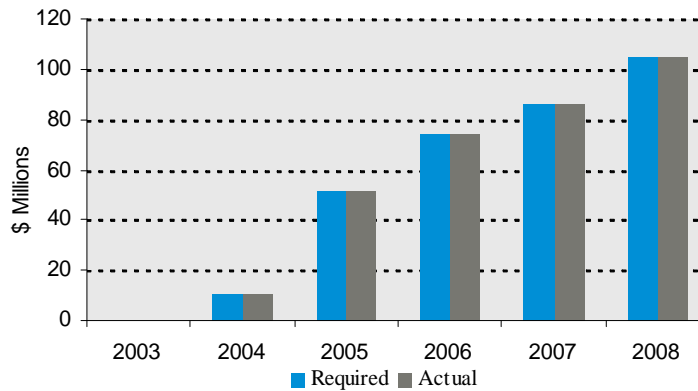
Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the valuation value of assets to the actuarial accrued liabilities of the plan as calculated under GASB standards. High ratios indicate a well-funded plan with assets sufficient to cover the Plan's liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

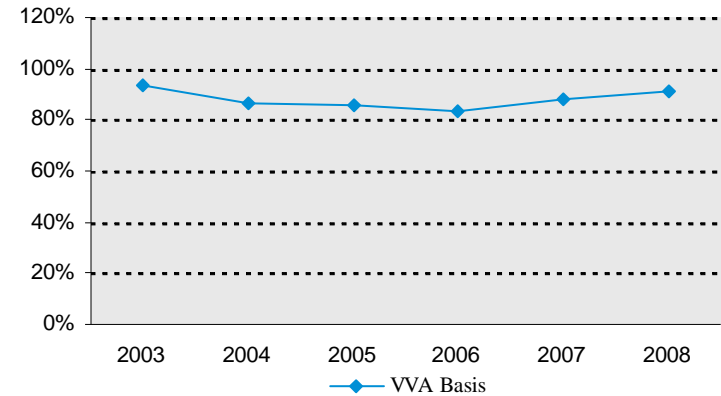
The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits I, II, and III.

*These graphs show key GASB factors.*

**CHART 17**  
**Required Versus Actual Contributions**



**CHART 18**  
**Funded Ratio**



**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT A**

**Table of Plan Coverage**

**i. General Tier 1**

| <b>Category</b>                                | <b>Year Ended June 30</b> |              | <b>Change From Prior Year</b> |
|--|---------------------------|--------------|-------------------------------|
|  | <b>2008</b>               | <b>2007</b>  |                               |
| <b>Active members in valuation:</b>            |                           |              |                               |
| Number   | 280                       | 298          | -6.0%                         |
| Average age                                    | 53.2                      | 54.7         | N/A                           |
| Average service                                | 23.9                      | 25.1         | N/A                           |
| Projected total compensation <sup>(1)</sup>    | \$26,599,985              | \$27,985,516 | -5.0%                         |
| Projected average compensation                 | \$95,000                  | \$93,911     | 1.2%                          |
| Account balances                               | \$35,776,595              | \$38,960,564 | -8.2%                         |
| Total active vested members                    | 242                       | 279          | -13.3%                        |
| <b>Vested terminated members<sup>(2)</sup></b> |                           |              |                               |
|  | 86                        | 86           | 0.0%                          |
| <b>Retired members:</b>                        |                           |              |                               |
| Number in pay status                           | 1,659                     | 1,666        | -0.4%                         |
| Average age                                    | 72.1                      | 71.7         | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$2,657                   | \$2,484      | 7.0%                          |
| <b>Disabled members:</b>                       |                           |              |                               |
| Number in pay status                           | 153                       | 161          | -5.0%                         |
| Average age                                    | 70.4                      | 70.2         | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$1,798                   | \$1,700      | 5.8%                          |
| <b>Beneficiaries:</b>                          |                           |              |                               |
| Number in pay status                           | 338                       | 328          | 3.0%                          |
| Average age                                    | 78.0                      | 78.4         | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$1,159                   | \$1,099      | 5.5%                          |

<sup>(1)</sup> Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

<sup>(2)</sup> Includes terminated members due a refund of member contributions.

<sup>(3)</sup> Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT A (continued)**

**Table of Plan Coverage**

**ii. General Tier 2**

| <b>Category</b>                                | <b>Year Ended June 30</b> |               | <b>Change From Prior Year</b> |
|--|---------------------------|---------------|-------------------------------|
|  | <b>2008</b>               | <b>2007</b>   |                               |
| <b>Active members in valuation:</b>            |                           |               |                               |
| Number   | 6,098                     | 5,832         | 4.6%                          |
| Average age                                    | 45.0                      | 45.0          | N/A                           |
| Average service                                | 8.7                       | 8.6           | N/A                           |
| Projected total compensation <sup>(1)</sup>    | \$413,329,872             | \$376,136,796 | 9.9%                          |
| Projected average compensation                 | \$67,781                  | \$64,495      | 5.1%                          |
| Account balances                               | \$241,589,725             | \$219,057,781 | 10.3%                         |
| Total active vested members                    | 3,728                     | 3,627         | 2.8%                          |
| <b>Vested terminated members<sup>(2)</sup></b> |                           |               |                               |
|  | 1,676                     | 1,560         | 7.4%                          |
| <b>Retired members:</b>                        |                           |               |                               |
| Number in pay status                           | 1,333                     | 1,252         | 6.5%                          |
| Average age                                    | 65.5                      | 65.1          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$1,108                   | \$1,062       | 4.3%                          |
| <b>Disabled members:</b>                       |                           |               |                               |
| Number in pay status                           | 304                       | 303           | 0.3%                          |
| Average age                                    | 59.2                      | 58.4          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$1,273                   | \$1,278       | -0.4%                         |
| <b>Beneficiaries:</b>                          |                           |               |                               |
| Number in pay status                           | 141                       | 114           | 23.7%                         |
| Average age                                    | 64.7                      | 64.5          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$725                     | \$678         | 6.9%                          |

<sup>(1)</sup> Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

<sup>(2)</sup> Includes terminated members due a refund of member contributions.

<sup>(3)</sup> Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT A (continued)**

**Table of Plan Coverage**

**iii. Safety**

| <b>Category</b>                                | <b>Year Ended June 30</b> |               | <b>Change From Prior Year</b> |
|--|---------------------------|---------------|-------------------------------|
|  | <b>2008</b>               | <b>2007</b>   |                               |
| <b>Active members in valuation:</b>            |                           |               |                               |
| Number   | 1,550                     | 1,523         | 1.8%                          |
| Average age                                    | 40.1                      | 40.0          | N/A                           |
| Average service                                | 12.9                      | 12.9          | N/A                           |
| Projected total compensation <sup>(1)</sup>    | \$159,243,261             | \$147,845,787 | 7.7%                          |
| Projected average compensation                 | \$102,738                 | \$97,075      | 5.8%                          |
| Account balances                               | \$131,273,507             | \$123,737,888 | 6.1%                          |
| Total active vested members                    | 1,188                     | 1,177         | 0.9%                          |
| <b>Vested terminated members<sup>(2)</sup></b> | 245                       | 218           | 12.4%                         |
| <b>Retired members:</b>                        |                           |               |                               |
| Number in pay status                           | 489                       | 477           | 2.5%                          |
| Average age                                    | 63.8                      | 63.0          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$5,589                   | \$5,262       | 6.2%                          |
| <b>Disabled members:</b>                       |                           |               |                               |
| Number in pay status                           | 360                       | 351           | 2.6%                          |
| Average age                                    | 60.3                      | 59.5          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$4,145                   | \$3,919       | 5.8%                          |
| <b>Beneficiaries:</b>                          |                           |               |                               |
| Number in pay status                           | 137                       | 118           | 16.1%                         |
| Average age                                    | 66.7                      | 68.0          | N/A                           |
| Average monthly benefit <sup>(3)</sup>         | \$2,792                   | \$2,686       | 3.9%                          |

<sup>(1)</sup> Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

<sup>(2)</sup> Includes terminated members due a refund of member contributions.

<sup>(3)</sup> Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of June 30, 2008  
By Age and Years of Service**

**i. General Tier 1**

| Age       | Years of Service |          |           |           |           |           |          |          |          |           |
|-----------|------------------|----------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|
|           | Total            | 0-4      | 5-9       | 10-14     | 15-19     | 20-24     | 25-29    | 30-34    | 35-39    | 40 & over |
| Under 25  | 10               | 10       | --        | --        | --        | --        | --       | --       | --       | --        |
|           | \$68,261         | \$68,261 | --        | --        | --        | --        | --       | --       | --       | --        |
| 25 - 29   | 13               | 13       | --        | --        | --        | --        | --       | --       | --       | --        |
|           | 71,486           | 71,486   | --        | --        | --        | --        | --       | --       | --       | --        |
| 30 - 34   | 9                | 8        | --        | 1         | --        | --        | --       | --       | --       | --        |
|           | 70,646           | 70,372   | --        | \$72,843  | --        | --        | --       | --       | --       | --        |
| 35 - 39   | 5                | 5        | --        | --        | --        | --        | --       | --       | --       | --        |
|           | 68,224           | 68,224   | --        | --        | --        | --        | --       | --       | --       | --        |
| 40 - 44   | 3                | --       | 1         | 1         | 1         | --        | --       | --       | --       | --        |
|           | 194,154          | --       | \$170,991 | 215,447   | \$196,023 | --        | --       | --       | --       | --        |
| 45 - 49   | 12               | 1        | 1         | --        | 5         | 1         | 3        | 1        | --       | --        |
|           | 156,983          | 132,727  | 203,892   | --        | 208,975   | \$194,551 | \$84,867 | \$53,150 | --       | --        |
| 50 - 54   | 66               | --       | 3         | 2         | 3         | 5         | 23       | 29       | 1        | --        |
|           | 98,953           | --       | 155,981   | 114,723   | 172,410   | 154,601   | 90,419   | 81,980   | \$86,211 | --        |
| 55 - 59   | 102              | 1        | 2         | 5         | 9         | 12        | 19       | 37       | 17       | --        |
|           | 92,873           | 77,131   | 167,905   | 115,778   | 101,306   | 102,321   | 88,285   | 89,191   | 80,242   | --        |
| 60 - 64   | 48               | --       | 3         | 1         | 4         | 5         | 14       | 13       | 5        | 3         |
|           | 93,713           | --       | 68,104    | 95,486    | 163,705   | 95,009    | 99,714   | 80,909   | 85,214   | \$64,895  |
| 65 - 69   | 9                | --       | --        | 1         | --        | 1         | 3        | 2        | 2        | --        |
|           | 79,155           | --       | --        | 50,945    | --        | 65,186    | 83,201   | 89,158   | 84,174   | --        |
| 70 & over | 3                | --       | --        | --        | --        | --        | 1        | --       | 1        | 1         |
|           | 110,102          | --       | --        | --        | --        | --        | 141,258  | --       | 139,961  | 49,088    |
| Total     | 280              | 38       | 10        | 11        | 22        | 24        | 63       | 82       | 26       | 4         |
|           | \$95,000         | \$71,734 | \$138,295 | \$113,005 | \$151,123 | \$113,985 | \$92,040 | \$84,888 | \$84,027 | \$60,943  |

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT B (continued)**

**Members in Active Service and Projected Average Compensation as of June 30, 2008**

**By Age and Years of Service**

**ii. General Tier 2**

| Age       | Total    | Years of Service |          |          |          |          |          |           |
|-----------|----------|------------------|----------|----------|----------|----------|----------|-----------|
|           |          | 0-4              | 5-9      | 10-14    | 15-19    | 20-24    | 25 - 29  | 30 & over |
| Under 25  | 184      | 184              | --       | --       | --       | --       | --       | --        |
|           | \$40,527 | \$40,527         | --       | --       | --       | --       | --       | --        |
| 25 - 29   | 521      | 433              | 88       | --       | --       | --       | --       | --        |
|           | 54,821   | 53,954           | \$59,091 | --       | --       | --       | --       | --        |
| 30 - 34   | 611      | 362              | 215      | 34       | --       | --       | --       | --        |
|           | 61,151   | 59,897           | 63,159   | \$61,793 | --       | --       | --       | --        |
| 35 - 39   | 761      | 335              | 269      | 112      | 44       | 1        | --       | --        |
|           | 68,296   | 64,747           | 71,340   | 72,579   | \$66,265 | \$47,686 | --       | --        |
| 40 - 44   | 828      | 280              | 255      | 154      | 114      | 25       | --       | --        |
|           | 69,544   | 63,504           | 69,021   | 81,271   | 70,480   | 66,020   | --       | --        |
| 45 - 49   | 1,014    | 304              | 263      | 152      | 164      | 92       | 39       | --        |
|           | 71,067   | 64,182           | 73,424   | 71,342   | 74,150   | 79,820   | \$74,152 | --        |
| 50 - 54   | 934      | 233              | 221      | 138      | 192      | 92       | 56       | 2         |
|           | 73,333   | 64,103           | 70,895   | 73,361   | 78,488   | 85,978   | 82,573   | \$80,907  |
| 55 - 59   | 722      | 148              | 185      | 95       | 130      | 90       | 68       | 6         |
|           | 73,499   | 66,184           | 71,775   | 70,627   | 72,970   | 80,857   | 85,288   | 120,082   |
| 60 - 64   | 409      | 66               | 104      | 86       | 89       | 40       | 23       | 1         |
|           | 72,095   | 68,604           | 69,084   | 75,324   | 69,986   | 82,116   | 74,056   | 79,926    |
| 65 - 69   | 92       | 28               | 27       | 15       | 14       | 3        | 5        | --        |
|           | 65,371   | 62,680           | 64,144   | 63,956   | 63,333   | 61,705   | 99,226   | --        |
| 70 & over | 22       | 9                | 5        | 2        | 1        | 3        | 2        | --        |
|           | 57,712   | 37,262           | 91,196   | 43,601   | 82,650   | 58,040   | 67,173   | --        |
| Total     | 6,098    | 2,382            | 1,632    | 788      | 748      | 346      | 193      | 9         |
|           | \$67,781 | \$59,964         | \$69,362 | \$73,537 | \$73,349 | \$80,557 | \$81,085 | \$106,915 |



**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT B (continued)**

**Members in Active Service and Projected Average Compensation as of June 30, 2008**

**By Age and Years of Service**

**iii. Safety**

| Age      | Total     | Years of Service |          |           |           |           |           |           |           |
|----------|-----------|------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
|          |           | 0-4              | 5-9      | 10-14     | 15-19     | 20-24     | 25-29     | 30-34     | 35 & Over |
| Under 25 | 74        | 74               | --       | --        | --        | --        | --        | --        | --        |
|          | \$62,566  | \$62,566         | --       | --        | --        | --        | --        | --        | --        |
| 25 - 29  | 201       | 159              | 42       | --        | --        | --        | --        | --        | --        |
|          | 77,636    | 75,258           | \$86,638 | --        | --        | --        | --        | --        | --        |
| 30 - 34  | 240       | 73               | 135      | 31        | 1         | --        | --        | --        | --        |
|          | 93,001    | 77,982           | 97,590   | \$107,985 | \$105,461 | --        | --        | --        | --        |
| 35 - 39  | 287       | 22               | 106      | 128       | 31        | --        | --        | --        | --        |
|          | 101,711   | 82,539           | 98,536   | 105,156   | 111,943   | --        | --        | --        | --        |
| 40 - 44  | 252       | 17               | 57       | 58        | 92        | 27        | 1         | --        | --        |
|          | 106,554   | 85,201           | 97,940   | 105,234   | 111,902   | \$122,567 | \$112,673 | --        | --        |
| 45 - 49  | 205       | 5                | 9        | 21        | 61        | 70        | 39        | --        | --        |
|          | 120,545   | 95,560           | 94,944   | 104,782   | 119,394   | 122,378   | 136,654   | --        | --        |
| 50 - 54  | 198       | 4                | 7        | 10        | 28        | 32        | 82        | 35        | --        |
|          | 127,789   | 107,240          | 93,156   | 91,703    | 113,035   | 123,491   | 135,005   | \$146,204 | --        |
| 55 - 59  | 72        | 5                | 6        | 3         | 10        | 12        | 14        | 16        | 6         |
|          | 116,385   | 104,948          | 100,720  | 106,716   | 104,241   | 99,023    | 134,212   | 129,863   | \$123,845 |
| 60 - 64  | 19        | 3                | 1        | 8         | 1         | 1         | 1         | 1         | 3         |
|          | 106,064   | 51,764           | 129,722  | 96,594    | 129,122   | 164,348   | 126,218   | 122,890   | 138,287   |
| 65 - 69  | 2         | --               | --       | --        | 1         | 1         | --        | --        | --        |
|          | 118,299   | --               | --       | --        | 92,889    | 143,708   | --        | --        | --        |
| Total    | 1,550     | 362              | 363      | 259       | 225       | 143       | 137       | 52        | 9         |
|          | \$102,738 | \$74,972         | \$96,643 | \$104,716 | \$113,703 | \$121,146 | \$135,166 | \$140,728 | \$128,659 |

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT C**

**Reconciliation of Member Data – June 30, 2007 to June 30, 2008**

|                                   | <b>Active<br/>Members</b> | <b>Vested<br/>Terminated<br/>Members<sup>(1)</sup></b> | <b>Pensioners</b> | <b>Disableds</b> | <b>Beneficiaries</b> | <b>Total</b> |
|-----------------------------------|---------------------------|--|-------------------|------------------|----------------------|--------------|
| Number as of June 30, 2007        | 7,653                     | 1,864  | 3,395             | 815              | 560                  | 14,287       |
| New members                       | 752                       | 69   | 0                 | 0                | 82                   | 903          |
| Terminations – with vested rights | -211                      | 211  | 0                 | 0                | 0                    | 0            |
| Contributions refunds             | -133                      | -51  | 0                 | 0                | 0                    | -184         |
| Retirements                       | -151                      | -46  | 197               | 0                | 0                    | 0            |
| New disabilities                  | -14                       | -3   | -7                | 24               | 0                    | 0            |
| Return to work                    | 36                        | -33  | -3                | 0                | 0                    | 0            |
| Died with or without beneficiary  | -4                        | -4   | -108              | -22              | -25                  | -163         |
| Data adjustments                  | 0                         | 0  | 7                 | 0                | -1                   | 6            |
| Number as of June 30, 2008        | 7,928                     | 2,007  | 3,481             | 817              | 616                  | 14,849       |

<sup>(1)</sup> Includes terminated members due a refund of member contributions.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT D**

**Summary Statement of Income and Expenses on an Actuarial Value Basis**

|   | <b>Year Ended June 30, 2008</b> | <b>Year Ended June 30, 2007</b> |
|---|---------------------------------|---------------------------------|
| <b>Contribution income:</b>                   |                                 |                                 |
| Employer contributions                        | \$112,797,726                   | \$94,327,698                    |
| Member contributions                          | <u>39,611,439</u>               | <u>36,727,845</u>               |
| Contribution income                           | \$152,409,165                   | \$131,055,543                   |
| <b>Investment income:</b>                     |                                 |                                 |
| Interest, dividends and other income          | \$71,906,849                    | \$52,327,117                    |
| Adjustment toward market value <sup>(1)</sup> | 256,183,762                     | 302,572,384                     |
| Less investment and administrative fees       | <u>-20,314,257</u>              | <u>-10,254,933</u>              |
| Net investment income                         | <u>307,776,354</u>              | <u>\$344,644,568</u>            |
| <b>Total income available for benefits</b>    | <b>\$460,185,519</b>            | <b>\$475,700,111</b>            |
| <b>Less benefit payments</b>                  | <b>-\$146,629,460</b>           | <b>-\$135,687,243</b>           |
| <b>Change in reserve for future benefits</b>  | <b>\$313,556,059</b>            | <b>\$340,012,868</b>            |

<sup>(1)</sup> Equals the "non-cash" earnings on investments included in the Actuarial Value of Assets.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT E**

**Summary Statement of Net Assets**

|  | <b>Year Ended June 30, 2008</b> | <b>Year Ended June 30, 2007</b> |
|--|---------------------------------|---------------------------------|
| <b>Cash equivalents</b>                    | \$126,183,712                   | \$72,458,497                    |
| <b>Accounts receivable:</b>                |                                 |                                 |
| Securities sold                            | \$107,938,949                   | \$99,828,949                    |
| Accrued interest and dividends             | 5,308,876                       | 5,618,480                       |
| Member and employer contributions          | 6,743,012                       | 4,948,802                       |
| Other                                      | <u>23,975</u>                   | <u>56,116</u>                   |
| Total accounts receivable                  | \$120,014,812                   | \$110,452,347                   |
| <b>Investments:</b>                        |                                 |                                 |
| Equities                                   | \$1,815,617,344                 | \$2,037,994,334                 |
| Fixed income                               | 801,996,104                     | 857,155,834                     |
| Real estate                                | 253,150,346                     | 219,276,769                     |
| Investments received on securities lending | <u>38,303,782</u>               | <u>272,648,487</u>              |
| Total investments at market value          | <u>\$2,909,067,576</u>          | <u>\$3,387,075,424</u>          |
| <b>Total assets</b>                        | \$3,155,266,100                 | \$3,569,986,268                 |
| <b>Liabilities:</b>                        |                                 |                                 |
| Securities lending                         | -\$38,303,782                   | -\$272,648,487                  |
| Security purchases                         | -238,144,940                    | -212,063,544                    |
| Accounts payable                           | -2,323,118                      | -2,795,228                      |
| Prepaid contributions                      | <u>-42,119</u>                  | <u>0</u>                        |
| Total liabilities                          | -\$278,813,959                  | -\$487,507,259                  |
| <b>Net assets at market value</b>          | <u>\$2,876,452,141</u>          | <u>\$3,082,479,009</u>          |
| <b>Net assets at actuarial value</b>       | <u>\$3,107,222,185</u>          | <u>\$2,793,666,126</u>          |
| <b>Net assets at valuation value</b>       | <u>\$3,055,756,262</u>          | <u>\$2,736,557,804</u>          |

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT F**

**Actuarial Balance Sheet**

An overview of your Plan's funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the "liability" of the Plan.

Second, we determine how this liability will be met. These actuarial "assets" include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

**Actuarial Balance Sheet (\$ in 000s)**

| <b><u>Assets</u></b>  | <b>June 30, 2008</b> | <b>June 30, 2007</b> |
|---|----------------------|----------------------|
| 1. Total valuation value of assets                          | \$3,055,756          | \$2,736,558          |
| 2. Present value of future contributions by members         | 384,598              | 357,817              |
| 3. Present value of future employer contributions for:      |                      |                      |
| a. Entry age normal cost                                    | 497,632              | 463,302              |
| b. Unfunded actuarial accrued liability                     | <u>290,048</u>       | <u>376,025</u>       |
| 4. Total current and future assets                          | \$4,228,034          | \$3,933,702          |
| <br>  |                      |                      |
| <b><u>Liabilities</u></b>                                   |                      |                      |
| 5. Present value of benefits for retirees and beneficiaries | \$1,688,473          | \$1,579,658          |
| 6. Present value of benefits for vested terminated members  | 91,631               | 81,748               |
| 7. Present value of benefits for active members             | <u>2,447,930</u>     | <u>2,272,296</u>     |
| 8. Total liabilities  | \$4,228,034          | \$3,933,702          |

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT G**

**Summary of Reported Asset Information as of June 30, 2008**

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| <u>Reserves</u>                                     |                        |
|---|------------------------|
| Member deposit reserve <sup>(1)</sup>               | \$466,331,828          |
| Employer advance reserve <sup>(1)</sup>             | 895,588,643            |
| Retired member reserve <sup>(1)</sup>               | 1,470,874,481          |
| Supplemental death benefit reserve <sup>(1)</sup>   | 10,922,524             |
| Vested fixed supplemental reserve <sup>(1)</sup>    | 116,148,895            |
| Undistributed excess earnings <sup>(1)</sup>        | <u>95,889,891</u>      |
| Valuation reserves                                  | \$3,055,756,262        |
| <br>  |                        |
| STAR COLA benefit reserve <sup>(2)</sup>            | 4,588,738              |
| Supplemental medical benefit reserve <sup>(2)</sup> | 15,324,524             |
| Statutory contingency reserve <sup>(2)</sup>        | 31,552,661             |
| Total reserves                                      | <u>\$3,107,222,185</u> |
| Market stabilization reserve <sup>(2)</sup>         | <u>-230,770,044</u>    |
| Net market value                                    | \$2,876,452,141        |

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<sup>(1)</sup> *Included in valuation value of assets.*

<sup>(2)</sup> *Not included in valuation value of assets.*

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT H**

**Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2008**

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|   |                  |                      |
|---|------------------|----------------------|
| 1. Unfunded actuarial accrued liability at beginning of year    |                  | \$376,025,000        |
| 2. Total Normal Cost payable at middle of year                  |                  | 106,151,000          |
| 3. Actual employer and member contributions                     |                  | -152,409,000         |
| 4. Interest (whole year on (1) plus half year on (2) + (3))     |                  | <u>28,232,000</u>    |
| 5. Expected unfunded actuarial accrued liability at end of year |                  | <u>\$357,999,000</u> |
| 6. Actuarial (gain)/loss due to all changes:                    |                  |                      |
| (a) Investment return   | -\$90,891,000    |                      |
| (b) Higher than expected individual salary increases            | 19,961,000       |                      |
| (c) Other experience (gain)/loss                                | <u>2,979,000</u> |                      |
| Total changes   |                  | <u>-\$67,951,000</u> |
| 7. Unfunded actuarial accrued liability at end of year          |                  | <u>\$290,048,000</u> |

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**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

**EXHIBIT I**

**Table of Amortization Bases**

|                       | <b>Date Established</b> | <b>Initial Amount</b> | <b>Outstanding Balance</b> | <b>Years Remaining</b> | <b>Payment</b>    |
|-----------------------|-------------------------|-----------------------|----------------------------|------------------------|-------------------|
| <b>General Tier 1</b> | June 30, 2004           | \$63,394,000          | \$58,615,000               | 11                     | \$6,588,000       |
|                       | June 30, 2005           | 22,085,000            | 21,022,000                 | 12                     | 2,202,000         |
|                       | June 30, 2006           | 48,586,000            | 47,281,000                 | 13                     | 4,646,000         |
|                       | June 30, 2007           | -19,901,000           | -19,681,000                | 14                     | -1,825,000        |
|                       | June 30, 2008           | -18,128,000           | <u>-18,128,000</u>         | 15                     | <u>-1,595,000</u> |
|                       |                         |                       | \$89,109,000               |                        | \$10,016,000      |
| <b>General Tier 2</b> | June 30, 2004           | 49,731,000            | \$45,981,000               | 11                     | \$5,168,000       |
|                       | June 30, 2005           | 7,622,000             | 7,266,000                  | 12                     | 761,000           |
|                       | June 30, 2006           | 24,708,000            | 24,038,000                 | 13                     | 2,362,000         |
|                       | June 30, 2007           | -39,508,000           | -39,069,000                | 14                     | -3,624,000        |
|                       | June 30, 2008           | -34,794,000           | <u>-34,794,000</u>         | 15                     | <u>-3,061,000</u> |
|                       |                         |                       | \$3,422,000                |                        | \$1,606,000       |
| <b>Safety</b>         | June 30, 2004           | 210,319,000           | \$194,462,000              | 11                     | \$21,855,000      |
|                       | June 30, 2005           | 19,142,000            | 18,225,000                 | 12                     | 1,909,000         |
|                       | June 30, 2006           | 45,585,000            | 44,342,000                 | 13                     | 4,358,000         |
|                       | June 30, 2007           | -37,489,000           | -37,069,000                | 14                     | -3,438,000        |
|                       | June 30, 2008           | -22,443,000           | <u>-22,443,000</u>         | 15                     | <u>-1,974,000</u> |
|                       |                         |                       | \$197,517,000              |                        | \$22,710,000      |
| <b>Grand Total</b>    |                         |                       | \$290,048,000              |                        | \$34,332,000      |



### SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

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#### EXHIBIT J

#### Section 415 Limitations

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Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$185,000 for 2008 and \$195,000 for 2009. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Limits are also affected by the "grandfather" election under Section 415(b)(10).

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT K**

**Definitions of Pension Terms**

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The following list defines certain technical terms for the convenience of the reader:

**Assumptions or Actuarial**

**Assumptions:**

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

**Normal Cost:**

The amount of contributions required to fund the cost allocated to the current year of service.

**Actuarial Accrued Liability  
for Actives:**

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability  
for Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

**SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association**

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**Unfunded/(Overfunded) Actuarial  
Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan.

**Amortization of the Unfunded/  
(Overfunded) Actuarial  
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

**Investment Return:**

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT I**

**Supplementary Information Required by the GASB – Schedule of Employer Contributions**

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| <b>Plan Year<br/>Ended June 30</b> | <b>Annual Required<br/>Contributions</b> | <b>Actual<br/>Contributions</b> | <b>Percentage<br/>Contributed</b> |
|------------------------------------|--|---------------------------------|-----------------------------------|
| 2003                               | \$ 0                                     | \$ 0                            | 100.0%                            |
| 2004                               | 10,072,000                               | 10,072,000                      | 100.0%                            |
| 2005                               | 51,792,000                               | 51,792,000                      | 100.0%                            |
| 2006                               | 74,373,000                               | 74,373,000                      | 100.0%                            |
| 2007                               | 86,455,000                               | 86,455,000                      | 100.0%                            |
| 2008                               | 104,429,000                              | 104,429,000                     | 100.0%                            |

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**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**EXHIBIT II**

**Supplementary Information Required by the GASB – Schedule of Funding Progress**

| <b>Actuarial Valuation Date</b> | <b>Valuation Value of Assets<sup>(1)</sup><br/>(a)</b> | <b>Actuarial Accrued Liability (AAL)<sup>(2)</sup><br/>(b)</b> | <b>Unfunded/ (Overfunded) AAL (UAAL)<br/>(b) - (a)</b> | <b>Funded Ratio<br/>(a) / (b)</b> | <b>Covered Payroll<br/>(c)</b> | <b>UAAL as a Percentage of Covered Payroll<br/>[(b) - (a) / (c)]</b> |
|---------------------------------|--|--|--|-----------------------------------|--------------------------------|--|
| 06/30/2003                      | \$2,057,493,000  | \$2,202,018,000  | \$144,525,000  | 93.44%                            | \$455,789,000                  | 31.71%   |
| 06/30/2004                      | 2,070,553,000  | 2,393,997,000  | 323,444,000  | 86.49%                            | 475,935,000                    | 67.96%   |
| 06/30/2005                      | 2,216,229,000  | 2,584,905,000  | 368,676,000  | 85.74%                            | 478,053,000                    | 77.12%   |
| 06/30/2006                      | 2,430,048,000  | 2,911,918,000  | 481,870,000  | 83.45%                            | 519,145,000                    | 92.82%   |
| 06/30/2007                      | 2,736,558,000  | 3,112,583,000  | 376,025,000  | 87.92%                            | 551,968,000                    | 68.12%   |
| 06/30/2008                      | 3,055,756,000  | 3,345,804,000  | 290,048,000  | 91.33%                            | 599,173,000                    | 48.41%   |

<sup>(1)</sup> Excludes assets for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

<sup>(2)</sup> Excludes liabilities held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**EXHIBIT III**

**Supplementary Information Required by the GASB**

|   |  |
|---|--|
| <b>Valuation date</b>   | June 30, 2008  |
| <b>Actuarial cost method</b>  | Entry Age Normal Actuarial Cost Method   |
| <b>Amortization method</b>  | Level percent of payroll (assuming a 4.25% payroll increase)   |
| <b>Remaining amortization period</b>  | 15 years for UAAL as of June 30, 2004. Any new UAAL after June 30, 2004 will be separately amortized over a fixed (decreasing or closed) 15-year period effective with that valuation.   |
| <b>Asset valuation method</b>   | Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Prior to June 30, 2007, the unrecognized return was determined on an annual basis. Prior to the June 30, 2004 valuation, the unrecognized return was the unrealized capital gains and losses. The Actuarial Value of Assets is reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve. |
| <b>Actuarial assumptions:</b>   |  |
| Investment rate of return   | 8.00% <sup>(1)</sup>   |
| Projected salary increases  | 5.00% - 11.25% <sup>(2)</sup> varying by service   |
| Cost of living adjustments  | For General Tier 1 and Safety, contingent upon CPI increases with a 3.00% maximum. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.   |
| <b>Plan membership:</b>   |  |
| Retired members and beneficiaries receiving benefits                          | 4,914  |
| Terminated members entitled to, but not yet receiving benefits <sup>(3)</sup> | 2,007  |
| Active members  | <u>7,928</u>   |
| Total   | 14,849   |

<sup>(1)</sup> Includes inflation at 3.75%.

<sup>(2)</sup> Includes inflation at 3.75%, "across the board" increases of 0.50%, plus merit and longevity increases. See Exhibit IV for these increases.

<sup>(3)</sup> Includes terminated members due a refund of member contributions.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**EXHIBIT IV**

**Actuarial Assumptions and Actuarial Cost Method**

**Post – Retirement Mortality Rates:**

- Healthy:* 1994 Group Annuity Mortality Table set forward one year (separate tables for males and females).
- Disabled:* 1994 Group Annuity Mortality Table set forward seven years (separate tables for males and females).
- Member Contribution Rates:* For General members, 1994 Group Annuity Mortality Table set forward one year, weighted 35% male and 65% female.  
For Safety members, 1994 Group Annuity Mortality Table set forward one year, weighted 80% male and 20% female.

**Termination Rates Before Retirement:**

| Age | Rate (%)                 |        |                           |        |                           |        |
|-----|--------------------------|--------|---------------------------|--------|---------------------------|--------|
|     | Mortality <sup>(1)</sup> |        | Disability <sup>(2)</sup> |        | Withdrawal <sup>(3)</sup> |        |
|     | Male                     | Female | General                   | Safety | General                   | Safety |
| 25  | 0.07                     | 0.03   | 0.02                      | 0.11   | 8.00                      | 2.99   |
| 30  | 0.08                     | 0.04   | 0.04                      | 0.24   | 7.50                      | 2.09   |
| 35  | 0.09                     | 0.05   | 0.10                      | 0.48   | 5.66                      | 1.50   |
| 40  | 0.12                     | 0.08   | 0.17                      | 0.84   | 4.14                      | 1.10   |
| 45  | 0.17                     | 0.10   | 0.29                      | 1.30   | 2.75                      | 0.71   |
| 50  | 0.29                     | 0.16   | 0.53                      | 2.55   | 1.35                      | 0.00   |
| 55  | 0.49                     | 0.26   | 0.80                      | 5.20   | 0.00                      | 0.00   |
| 60  | 0.90                     | 0.51   | 0.96                      | 0.00   | 0.00                      | 0.00   |
| 65  | 1.62                     | 0.97   | 1.06                      | 0.00   | 0.00                      | 0.00   |

<sup>(1)</sup> All pre-retirement deaths are assumed to be non-duty related.

<sup>(2)</sup> 45% of General disabilities and 90% of Safety disabilities are assumed to be duty-related.

<sup>(3)</sup> Withdrawal rates are applied for members with five or more years of service. The greater of a refund of member contributions and a deferred annuity is valued when a member withdraws. No withdrawal is assumed after a member is first assumed to retire.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Termination Rates Before Retirement (continued):**

| Years of Service | Rate (%) <sup>(4)</sup> |        |
|------------------|-------------------------|--------|
|                  | Withdrawal              |        |
|                  | General                 | Safety |
| 0                | 21.00                   | 9.00   |
| 1                | 13.00                   | 7.00   |
| 2                | 11.00                   | 6.00   |
| 3                | 8.00                    | 5.50   |
| 4                | 8.00                    | 5.00   |

<sup>(4)</sup> Rates apply for all members with less than 5 years of service regardless of age.



**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Retirement Rates:**

| <b>Age</b> | <b>Rate (%)</b> |               |
|------------|-----------------|---------------|
|            | <b>General</b>  | <b>Safety</b> |
| 40         | -               | 1.00          |
| 41         | -               | 1.00          |
| 42         | -               | 1.00          |
| 43         | -               | 1.00          |
| 44         | -               | 1.00          |
| 45         | -               | 1.00          |
| 46         | -               | 1.00          |
| 47         | -               | 1.00          |
| 48         | -               | 1.00          |
| 49         | -               | 1.00          |
| 50         | 4.00            | 2.00          |
| 51         | 4.00            | 3.00          |
| 52         | 5.00            | 5.00          |
| 53         | 6.00            | 10.00         |
| 54         | 7.00            | 15.00         |
| 55         | 8.00            | 20.00         |
| 56         | 8.00            | 20.00         |
| 57         | 9.00            | 15.00         |
| 58         | 10.00           | 15.00         |
| 59         | 12.00           | 30.00         |
| 60         | 14.00           | 100.00        |
| 61         | 25.00           | 100.00        |
| 62         | 30.00           | 100.00        |
| 63         | 20.00           | 100.00        |
| 64         | 30.00           | 100.00        |
| 65         | 40.00           | 100.00        |
| 66         | 30.00           | 100.00        |
| 67         | 30.00           | 100.00        |
| 68         | 30.00           | 100.00        |
| 69         | 30.00           | 100.00        |
| 70         | 100.00          | 100.00        |

#### SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

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**Retirement Age and Benefit for  
Deferred Vested Members:**

For deferred vested members, we make the following retirement assumption:

General Age: 57  
Safety Age: 52

We assume that 55% and 75% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 5.00% compensation increases per annum.

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**Future Benefit Accruals:**

1.0 year of service per year.

**Unknown Data for Members:**

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

**Definition of Active Members:**

All active members of VCERA as of the valuation date.

**Percent Married:**

80% of male members and 50% of female members are assumed to be married at retirement or pre-retirement death.

**Age of Spouse:**

Female (or male) spouses are 3 years younger (or older) than their spouses.

**Net Investment Return:**

8.00%; net of administrative and investment expenses.

**Member Contribution  
Crediting Rate:**

3.75% (based on projected long term ten-year Treasury rate).

**Consumer Price Index:**

Increase of 3.75% per year; retiree COLA increases due to CPI subject to a 3.0% maximum change per year for General Tier 1 and Safety. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to service after March 2003.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**In-Service Redemptions:**

The following assumptions for in-service redemptions pay as a percentage of final average pay are used:

|                |       |
|----------------|-------|
| General Tier 1 | 7.00% |
| General Tier 2 | 3.75% |
| Safety         | 7.00% |

For determining the cost of the basic benefit (i.e., non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect basic member contribution rates.

**Salary Increases:**

Annual Rate of Compensation Increase

Inflation: 3.75% per year; plus “across the board” salary increases of 0.50% per year; plus the following merit and promotional increases based on years of service.

| Years of Service | General | Safety |
|------------------|---------|--------|
| 0                | 3.50%   | 7.00%  |
| 1                | 3.00%   | 5.75%  |
| 2                | 2.50%   | 4.75%  |
| 3                | 2.00%   | 3.25%  |
| 4                | 1.50%   | 2.00%  |
| 5+               | 0.75%   | 0.75%  |

---

**Actuarial Value of Assets:**

Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Prior to June 30, 2007, the unrecognized return was determined on an annual basis. Prior to the June 30, 2004 valuation, the unrecognized return was the unrealized capital gains and losses.

**Valuation Value of Assets:**

Actuarial Value of Assets reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Actuarial Cost Method:**

Entry Age Normal Actuarial Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an aggregate basis by taking the Present Value of Future Normal Costs (calculated as if the current benefit accrual rate had always been in effect) divided by the Present Value of Future Salaries to obtain a normal cost rate. This normal cost rate is then multiplied by the total of current salaries.

**Changes in Actuarial Assumptions:**

There have been no changes in actuarial assumptions since the previous actuarial valuation.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT V**

**Summary of Plan Provisions**

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This exhibit summarizes the major provisions of the VCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

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|                                |   |
|--------------------------------|---|
| <b>Membership Eligibility:</b> | All regular employees of the County of Ventura or contracting district, scheduled to work 64 or more hours biweekly, are eligible to become a member of the Retirement Association subject to classification below: |
| <i>General Tier 1</i>          | All General members hired before June 30, 1979.   |
| <i>General Tier 2</i>          | All General members hired on or after June 30, 1979, except as noted above.   |
| <i>Safety</i>                  | All Safety members.   |

---

|  |  |
|--|--|
| <b>Final Compensation for Benefit Determination:</b> |  |
| <i>General Tier 1 and Safety</i>                     | Highest consecutive twelve months of compensation earnable (§31462.1)(FAS1).   |
| <i>General Tier 2</i>                                | Highest consecutive thirty-six months of compensation earnable (§31462)(FAS3). |

---

|                 |                         |
|-----------------|-------------------------|
| <b>Service:</b> | Years of service. (Yrs) |
|-----------------|-------------------------|

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|  |  |
|--|--|
| <b>Service Retirement Eligibility:</b> |  |
| <i>General</i>                         | Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672). |
| <i>Safety</i>                          | Age 50 with 10 years of service, or after 20 years, regardless of age (§31663.25).                               |

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Benefit Formula:**

|                                   | <b>Retirement Age</b> | <b>Benefit Formula</b>   |
|-----------------------------------|-----------------------|--|
| <i>General Tier 1 (§31676.11)</i> | 50                    | $(1.24\% \times \text{FAS1} - 1/3 \times 1.24\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                   | 55                    | $(1.67\% \times \text{FAS1} - 1/3 \times 1.67\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                   | 60                    | $(2.18\% \times \text{FAS1} - 1/3 \times 2.18\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                   | 62                    | $(2.35\% \times \text{FAS1} - 1/3 \times 2.35\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                   | 65                    | $(2.61\% \times \text{FAS1} - 1/3 \times 2.61\% \times \$350 \times 12) \times \text{Yrs}$ |

|                                  | <b>Retirement Age</b> | <b>Benefit Formula</b>   |
|----------------------------------|-----------------------|--|
| <i>General Tier 2 (§31676.1)</i> | 50                    | $(1.18\% \times \text{FAS3} - 1/3 \times 1.18\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                  | 55                    | $(1.49\% \times \text{FAS3} - 1/3 \times 1.49\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                  | 60                    | $(1.92\% \times \text{FAS3} - 1/3 \times 1.92\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                  | 62                    | $(2.09\% \times \text{FAS3} - 1/3 \times 2.09\% \times \$350 \times 12) \times \text{Yrs}$ |
|                                  | 65                    | $(2.43\% \times \text{FAS3} - 1/3 \times 2.43\% \times \$350 \times 12) \times \text{Yrs}$ |

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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|   | <b>Retirement Age</b>   | <b>Benefit Formula</b> |
|---|---|------------------------|
| <i>Safety (Non-Integrated) (§31664)</i> | 50  | (2.00% x FAS1 x Yrs)   |
|   | 55  | (2.62% x FAS1 x Yrs)   |
|   | 60  | (2.62% x FAS1 x Yrs)   |
| <b>Maximum Benefit:</b>                 | 100% of Highest Average Compensation (§31676.1, §31676.11, §31664)  |                        |
| <b>Ordinary Disability:</b>             |   |                        |
| <i>General Tier 1 and Tier 2</i>        |   |                        |
| <i>Eligibility</i>                      | Five years of service (§31720).   |                        |
| <i>Benefit Formula</i>                  | 1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but total benefit cannot be more than one-third of Final Compensation (§31727).   |                        |
| <i>Safety</i>                           |   |                        |
| <i>Eligibility</i>                      | Five years of service (§31720).   |                        |
| <i>Benefit Formula</i>                  | 1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but total benefit cannot be more than one-third of Final Compensation (§31727.2). |                        |
| <b>Line-of-Duty Disability:</b>         |   |                        |
| <i>All Members</i>                      |   |                        |
| <i>Eligibility</i>                      | No age or service requirements (§31720).  |                        |
| <i>Benefit Formula</i>                  | 50% of the Final Compensation or 100% of Service Retirement benefit, if larger (§31727.4).  |                        |

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Pre-Retirement Death:**

*All Members*

*Eligibility - A*

None.

*Benefit - A*

Refund of employee contributions with interest, plus one month's compensation for each year of service to a maximum of six month's compensation (§31781).

50% of Final Compensation or 100% of Service Retirement benefit, if larger, payable to spouse if Line-of-Duty death (§31787).

OR

*Eligibility - B*

Five years of service.

*Benefit - B*

60% of the greater of Service or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of above.

---

**Death After Retirement:**

*All Members*

*Service or*

*Ordinary Disability Retirement*

60% of member's unmodified allowance continued to eligible spouse (§31760.1). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).

*Line-of-Duty Disability*

100% of member's allowance continued to eligible spouse (§31786). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3).

---

**Withdrawal Benefits:**

*Less than Five Years of Service*

Refund of accumulated employee contributions with interest or earned benefit at age 70 (§31628).

*Five or More Years of Service*

If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).



**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Post-retirement**

**Cost-of-Living Benefits:**

*General Tier 1 and Safety*

Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked" (§31870.1).

*General Tier 2*

SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March, 2003.

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**County Contributions:**

Determined by the Entry Age Normal Actuarial Cost Method. The Unfunded Actuarial Accrued Liability is being funded as a level percent of compensation over a 15-year fixed (decreasing) layered amortization period.

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**Supplemental Benefit:**

A supplemental benefit in the amount of \$108.44 per month is paid to retirees and their survivors.

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**Member Contributions:**

Please refer to Appendix A for the specific rates.

*General Tier 1*

*Basic*

Provide for an average annuity at age 55 equal to 1/120 of FAS1 (§31621.1).

*Cost-of-Living*

Provide for one-half of future cost-of-living costs.

*General Tier 2*

*Basic*

Provide for an average annuity at age 60 equal to 1/120 of FAS3 (§31621).

*Cost-of-Living*

Provide for a fixed 2% cost-of-living increase for SEIU members that applies to service after March 2003 (§31627). The contribution rate is currently a negotiated 2.63% of compensation.

*Safety*

*Basic*

Provide for an average annuity at age 50 equal to 1/100 of FAS1 (§31639.25).

*Cost-of-Living*

Provide for one-half of future cost-of-living costs.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Other Information:** For members hired after November 1974, they will pay a contribution corresponding to a General and Safety member hired at entry age 36 and 27, respectively. Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for General members hired on or before March 7, 1973.

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**Plan Changes:** There have been no changes in plan provisions since the previous actuarial valuation.

**NOTE:** *The summary of major plan provisions is designed to outline principle plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**Appendix A**

**Member Contribution Rates**

**General Tier 1 Members' Contribution Rates from the June 30, 2008 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)**

**Calculated Under Recommended Assumptions**

| <b>Entry Age</b> | <b>Basic</b>       |                   | <b>COLA</b>        |                   | <b>Total</b>       |                   |
|------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
|                  | <b>First \$350</b> | <b>Over \$350</b> | <b>First \$350</b> | <b>Over \$350</b> | <b>First \$350</b> | <b>Over \$350</b> |
| 15               | 3.27%              | 4.90%             | 1.16%              | 1.75%             | 4.43%              | 6.65%             |
| 16               | 3.27%              | 4.90%             | 1.16%              | 1.75%             | 4.43%              | 6.65%             |
| 17               | 3.32%              | 4.99%             | 1.19%              | 1.77%             | 4.51%              | 6.76%             |
| 18               | 3.38%              | 5.07%             | 1.21%              | 1.81%             | 4.59%              | 6.88%             |
| 19               | 3.44%              | 5.15%             | 1.22%              | 1.84%             | 4.66%              | 6.99%             |
| 20               | 3.49%              | 5.24%             | 1.25%              | 1.87%             | 4.74%              | 7.11%             |
| 21               | 3.55%              | 5.33%             | 1.27%              | 1.90%             | 4.82%              | 7.23%             |
| 22               | 3.61%              | 5.42%             | 1.29%              | 1.93%             | 4.90%              | 7.35%             |
| 23               | 3.67%              | 5.50%             | 1.31%              | 1.97%             | 4.98%              | 7.47%             |
| 24               | 3.73%              | 5.60%             | 1.33%              | 1.99%             | 5.06%              | 7.59%             |
| 25               | 3.79%              | 5.69%             | 1.36%              | 2.03%             | 5.15%              | 7.72%             |
| 26               | 3.85%              | 5.78%             | 1.38%              | 2.06%             | 5.23%              | 7.84%             |
| 27               | 3.92%              | 5.87%             | 1.39%              | 2.10%             | 5.31%              | 7.97%             |
| 28               | 3.98%              | 5.97%             | 1.42%              | 2.13%             | 5.40%              | 8.10%             |
| 29               | 4.04%              | 6.07%             | 1.45%              | 2.16%             | 5.49%              | 8.23%             |
| 30               | 4.11%              | 6.16%             | 1.46%              | 2.20%             | 5.57%              | 8.36%             |
| 31               | 4.18%              | 6.26%             | 1.49%              | 2.24%             | 5.67%              | 8.50%             |
| 32               | 4.24%              | 6.36%             | 1.52%              | 2.28%             | 5.76%              | 8.64%             |
| 33               | 4.31%              | 6.47%             | 1.54%              | 2.30%             | 5.85%              | 8.77%             |
| 34               | 4.38%              | 6.57%             | 1.57%              | 2.35%             | 5.95%              | 8.92%             |
| 35               | 4.45%              | 6.68%             | 1.59%              | 2.38%             | 6.04%              | 9.06%             |
| 36               | 4.52%              | 6.78%             | 1.61%              | 2.42%             | 6.13%              | 9.20%             |
| 37               | 4.59%              | 6.89%             | 1.64%              | 2.46%             | 6.23%              | 9.35%             |

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**General Tier 1 Members' Contribution Rates from the June 30, 2008 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)**

**Calculated Under Recommended Assumptions**

| <b>Entry Age</b> | <b>Basic</b>   |                   | <b>COLA</b>        |                   | <b>Total</b>       |                   |
|------------------|--|-------------------|--------------------|-------------------|--------------------|-------------------|
|                  | <b>First \$350</b>   | <b>Over \$350</b> | <b>First \$350</b> | <b>Over \$350</b> | <b>First \$350</b> | <b>Over \$350</b> |
| 38               | 4.67%  | 7.00%             | 1.66%              | 2.50%             | 6.33%              | 9.50%             |
| 39               | 4.74%  | 7.11%             | 1.69%              | 2.54%             | 6.43%              | 9.65%             |
| 40               | 4.82%  | 7.23%             | 1.72%              | 2.58%             | 6.54%              | 9.81%             |
| 41               | 4.89%  | 7.34%             | 1.75%              | 2.62%             | 6.64%              | 9.96%             |
| 42               | 4.97%  | 7.46%             | 1.78%              | 2.66%             | 6.75%              | 10.12%            |
| 43               | 5.05%  | 7.58%             | 1.81%              | 2.71%             | 6.86%              | 10.29%            |
| 44               | 5.14%  | 7.71%             | 1.83%              | 2.75%             | 6.97%              | 10.46%            |
| 45               | 5.22%  | 7.83%             | 1.87%              | 2.80%             | 7.09%              | 10.63%            |
| 46               | 5.31%  | 7.97%             | 1.90%              | 2.84%             | 7.21%              | 10.81%            |
| 47               | 5.40%  | 8.11%             | 1.93%              | 2.89%             | 7.33%              | 11.00%            |
| 48               | 5.50%  | 8.25%             | 1.97%              | 2.95%             | 7.47%              | 11.20%            |
| 49               | 5.61%  | 8.41%             | 2.00%              | 3.01%             | 7.61%              | 11.42%            |
| 50               | 5.69%  | 8.53%             | 2.02%              | 3.04%             | 7.71%              | 11.57%            |
| 51               | 5.75%  | 8.62%             | 2.05%              | 3.08%             | 7.80%              | 11.70%            |
| 52               | 5.79%  | 8.68%             | 2.06%              | 3.10%             | 7.85%              | 11.78%            |
| 53               | 5.81%  | 8.72%             | 2.08%              | 3.11%             | 7.89%              | 11.83%            |
| 54 & Over        | 5.82%  | 8.73%             | 2.08%              | 3.12%             | 7.90%              | 11.85%            |
| Interest:        | 8.00%  |                   |                    |                   |                    |                   |
| COLA:            | 3.00%  |                   |                    |                   |                    |                   |
| COLA Loading:    | 35.69%   |                   |                    |                   |                    |                   |
| Mortality:       | 1994 Group Annuity Mortality Table set forward one year, weighted 35% male and 65% female. |                   |                    |                   |                    |                   |
| Salary Increase: | See Exhibit IV.  |                   |                    |                   |                    |                   |

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

**General Tier 2 Members' Contribution Rates from the June 30, 2008 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)**

**Calculated Under Recommended Assumptions**

| Entry Age | Basic Only  |            | Entry Age | Basic Only  |            |
|-----------|-------------|------------|-----------|-------------|------------|
|           | First \$350 | Over \$350 |           | First \$350 | Over \$350 |
| 16        | 2.67%       | 4.01%      | 38        | 3.83%       | 5.75%      |
| 17        | 2.72%       | 4.08%      | 39        | 3.89%       | 5.84%      |
| 18        | 2.77%       | 4.15%      | 40        | 3.96%       | 5.94%      |
| 19        | 2.81%       | 4.22%      | 41        | 4.02%       | 6.03%      |
| 20        | 2.86%       | 4.29%      | 42        | 4.09%       | 6.13%      |
| 21        | 2.91%       | 4.36%      | 43        | 4.15%       | 6.22%      |
| 22        | 2.95%       | 4.43%      | 44        | 4.21%       | 6.32%      |
| 23        | 3.01%       | 4.51%      | 45        | 4.29%       | 6.43%      |
| 24        | 3.05%       | 4.58%      | 46        | 4.35%       | 6.53%      |
| 25        | 3.11%       | 4.66%      | 47        | 4.42%       | 6.63%      |
| 26        | 3.16%       | 4.74%      | 48        | 4.49%       | 6.74%      |
| 27        | 3.21%       | 4.82%      | 49        | 4.57%       | 6.85%      |
| 28        | 3.26%       | 4.89%      | 50        | 4.65%       | 6.97%      |
| 29        | 3.32%       | 4.98%      | 51        | 4.72%       | 7.08%      |
| 30        | 3.37%       | 5.06%      | 52        | 4.81%       | 7.21%      |
| 31        | 3.43%       | 5.14%      | 53        | 4.88%       | 7.32%      |
| 32        | 3.48%       | 5.22%      | 54        | 4.95%       | 7.42%      |
| 33        | 3.54%       | 5.31%      | 55        | 4.99%       | 7.49%      |
| 34        | 3.59%       | 5.39%      | 56        | 5.02%       | 7.53%      |
| 35        | 3.65%       | 5.48%      | 57        | 5.04%       | 7.56%      |
| 36        | 3.71%       | 5.57%      | 58        | 5.23%       | 7.84%      |
| 37        | 3.77%       | 5.66%      | 59 & over | 5.43%       | 8.15%      |

Interest: 8.00%

COLA: SEIU members contribute a negotiated 2.63% for a fixed 2% COLA pursuant to Government Code 31627.

Mortality: 1994 Group Annuity Mortality Table set forward one year, weighted 35% male and 65% female.

Salary Increase: See Exhibit IV.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Safety Members' Contribution Rates from the June 30, 2008 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)**

**Calculated Under Recommended Assumptions**

| <b>Entry Age</b> | <b>Basic</b> | <b>COLA</b> | <b>Total</b> |
|------------------|--------------|-------------|--------------|
| 15               | 7.23%        | 3.74%       | 10.97%       |
| 16               | 7.23%        | 3.74%       | 10.97%       |
| 17               | 7.23%        | 3.74%       | 10.97%       |
| 18               | 7.23%        | 3.74%       | 10.97%       |
| 19               | 7.23%        | 3.74%       | 10.97%       |
| 20               | 7.23%        | 3.74%       | 10.97%       |
| 21               | 7.23%        | 3.74%       | 10.97%       |
| 22               | 7.35%        | 3.80%       | 11.15%       |
| 23               | 7.47%        | 3.87%       | 11.34%       |
| 24               | 7.59%        | 3.93%       | 11.52%       |
| 25               | 7.72%        | 3.99%       | 11.71%       |
| 26               | 7.85%        | 4.05%       | 11.90%       |
| 27               | 7.97%        | 4.13%       | 12.10%       |
| 28               | 8.11%        | 4.19%       | 12.30%       |
| 29               | 8.24%        | 4.26%       | 12.50%       |
| 30               | 8.37%        | 4.34%       | 12.71%       |
| 31               | 8.51%        | 4.41%       | 12.92%       |
| 32               | 8.65%        | 4.48%       | 13.13%       |
| 33               | 8.80%        | 4.55%       | 13.35%       |
| 34               | 8.94%        | 4.63%       | 13.57%       |
| 35               | 9.09%        | 4.71%       | 13.80%       |
| 36               | 9.25%        | 4.78%       | 14.03%       |
| 37               | 9.41%        | 4.87%       | 14.28%       |
| 38               | 9.57%        | 4.96%       | 14.53%       |
| 39               | 9.74%        | 5.05%       | 14.79%       |
| 40               | 9.93%        | 5.13%       | 15.06%       |

**SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association**

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**Safety Members' Contribution Rates from the June 30, 2008 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)**

**Calculated Under Recommended Assumptions**

| <b>Entry Age</b> | <b>Basic</b> | <b>COLA</b> | <b>Total</b> |
|------------------|--------------|-------------|--------------|
| 41               | 10.12%       | 5.23%       | 15.35%       |
| 42               | 10.32%       | 5.34%       | 15.66%       |
| 43               | 10.55%       | 5.45%       | 16.00%       |
| 44               | 10.80%       | 5.59%       | 16.39%       |
| 45               | 10.98%       | 5.68%       | 16.66%       |
| 46               | 11.07%       | 5.73%       | 16.80%       |
| 47               | 11.06%       | 5.72%       | 16.78%       |
| 48               | 10.98%       | 5.68%       | 16.66%       |
| 49 & Over        | 10.82%       | 5.59%       | 16.41%       |

Interest: 8.00%  
 COLA: 3.00%  
 COLA Loading: 51.73%  
 Mortality: 1994 Group Annuity Mortality Table set forward one year, weighted 80% male and 20% female.  
 Salary Increase: See Exhibit IV.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 27. These rates are determined before any pickups by the employers.

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