

Ventura County Employees' Retirement Association

**Actuarial Valuation and Review
as of June 30, 2014**



This report has been prepared at the request of the Board of Retirement to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

Copyright © 2015 by The Segal Group, Inc. All rights reserved.



100 MONTGOMERY STREET, SUITE 500 SAN FRANCISCO, CA 94104
T 415.263.8200 F 415.376.1167 www.segalco.com

March 25, 2015

*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, 2014. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2015-2016 and analyzes the preceding year's experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census and financial information on which our calculations were based was provided by the Retirement Association. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary. 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. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

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

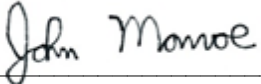
Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By: 

*Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Actuary*

AW/hy



*John Monroe, ASA, EA, MAAA
Vice President and Actuary*

SECTION 1

VALUATION SUMMARY

Purpose and Scope.....	i
Significant Issues in this Valuation.....	ii
Summary of Key Valuation Results.....	v
Summary of Key Valuation Demographic and Financial Data.....	vii

SECTION 2

VALUATION RESULTS

A. Member Data	1
B. Financial Information.....	4
C. Actuarial Experience.....	8
D. Employer And Member Contributions	13
E. Information Required by GASB 27.....	22
F. Volatility Ratios	23

SECTION 3

SUPPLEMENTAL INFORMATION

EXHIBIT A Table of Plan Coverage	24
EXHIBIT B Members in Active Service and Projected Average Compensation as of June 30, 2014	30
EXHIBIT C Reconciliation of Member Data – June 30, 2013 to June 30, 2014	35
EXHIBIT D Summary Statement of Income and Expenses on an Actuarial Value Basis	36
EXHIBIT E Summary Statement of Net Assets	37
EXHIBIT F Actuarial Balance Sheet	38
EXHIBIT G Summary of Allocated Reserves	39
EXHIBIT H Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2014	40
EXHIBIT I Table of Amortization Bases.....	41
EXHIBIT J Section 415 Limitations	43
EXHIBIT K Definitions of Pension Terms	44

SECTION 4

REPORTING INFORMATION

EXHIBIT I Summary of Actuarial Valuation Results	46
EXHIBIT II Supplementary Information Required by GASB 27 – Schedule of Employer Contributions.....	48
EXHIBIT III Supplementary Information Required by GASB 27 – Schedule of Funding Progress	49
EXHIBIT IV Supplementary Information Required by GASB 27	50
EXHIBIT V Actuarial Assumptions and Methods.....	51
EXHIBIT VI Summary of Plan Provisions.....	60
Appendix A Member Contribution Rates for Non-PEPRA Members.....	67
Appendix B Member Contribution Rates for PEPRA Members	72
Appendix C Employer Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers	73
Appendix D Member Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers	75
Appendix E Employer Contribution Rates For Reference Purposes Only - Current and Prior Valuation Under <u>Non-Combined</u> Methodology	76

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

PURPOSE AND SCOPE

This report has been prepared by Segal Consulting to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2014. 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, 2014, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2014, 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.

Please note that the Actuarial Standards Board has adopted Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines for actuaries to follow when measuring pension obligations. For a plan such as that offered by the Retirement Association that may use undistributed excess earnings to provide supplemental benefits, the valuation report must indicate that the impact of any such future use of undistributed excess earnings on the future financial condition of the plan has not been explicitly measured or otherwise reflected in the valuation.

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

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. In 2004, the Board elected to amortize the Association's Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004 over a declining 15-year period. Any change in the UAAL after June 30, 2004 is amortized over separate 15-year declining amortization periods.

Ref: Pg. 41

Effective with the June 30, 2012 valuation, any change in the UAAL that arises due to assumption changes is amortized over separate 20-year declining amortization periods. Also, any change in the UAAL that arises due to retirement incentives is annualized over separate declining amortization period of up to 5 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2015 through June 30, 2016.

SIGNIFICANT ISSUES IN THIS VALUATION

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

Ref: Pg. 10

- The market value of assets earned a return of 18.1% for the July 1, 2013 to June 30, 2014 plan year. The valuation value of assets earned a return of 8.1% for the same period due to the deferral of most of the current year investment gains and the recognition of prior investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.75%. This actuarial investment gain decreased the average employer contribution rate by 0.19% of compensation.

Ref: Pg. 49

- The ratio of the valuation value of assets to actuarial accrued liabilities increased from 79.2% to 82.7%. The Association's Unfunded Actuarial Accrued Liability (UAAL) decreased from \$953 million as of June 30, 2013 to \$820 million as of June 30, 2014. This decrease is primarily due to expected changes in the UAAL, lower than expected individual salary increases and lower than expected benefit increases for retirees and beneficiaries offset to some extent by actual contributions less than expected. A complete reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.

Ref: Pg. 40

Ref: Pg. 20

- The average employer rate decreased from 29.03% of payroll to 28.11% of payroll. This decrease is primarily due to lower than expected individual salary increases, lower than expected benefit increases for retirees and beneficiaries, the investment gain (on the valuation value of assets) and other experience gains offset to some extent by actual contributions less than expected and lower than expected total payroll growth. A complete reconciliation of the Association's employer rate is provided in Section 2, Subsection D (see Chart 15).

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

- The Association approved a three-year phase-in for the change in employer contribution rate due to the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation. For the June 30, 2014 valuation, the phase-in has been completed. Note that the June 30, 2013 results shown in this valuation report do not include the effect of the phase-in.

Ref: Pg. 16

- The results of this valuation reflect a change in actuarial methods recommended by Segal. Similar to the change adopted by the Board in 2012 to calculate Basic UAAL rates on a combined basis for all General Tiers, the COLA UAAL rates for all General Tiers that have a COLA are now calculated on a combined basis. This will result in more stable COLA UAAL rates for General Tier 1 over time.

Ref: Pg. 21

- The average member rate increased from 8.58% of payroll to 8.61% of payroll. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).

Ref: Pg. 5

- As indicated in Section 2, Subsection B of this report, the net unrecognized investment gain as of June 30, 2014 is \$310 million (as compared to an unrecognized loss of \$6 million in the June 30, 2013 valuation). This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years. This means that if the plan earns the assumed rate of investment return of 7.75% per year (net of expenses) on a **market value** basis then the deferred gains will be recognized over the next few years as shown in the footnote to Chart 7.

- The net deferred gains of \$310 million represent about 7.3% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$310 million market gains is expected to have an impact on the Association's future funded ratio and average employer contribution rate. This potential impact may be illustrated as follows:

- If the net deferred gains were recognized immediately in the valuation value of assets, the funded ratio would increase from 82.7% to 89.2%.
- If the net deferred gains were recognized immediately in the valuation value of assets, the average employer rate would decrease from 28.11% to about 23.90% of payroll.

Ref: Pg. 73

- As requested by VCERA staff, Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have been directed by VCERA to assume that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by employers.

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

- The actuarial valuation report as of June 30, 2014 is based on financial information as of that date. Changes in the value of assets subsequent to that date 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.
- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because Statement 68 is not effective until the fiscal year ending June 30, 2015 for VCERA employer reporting, we have continued to include financial reporting information in this report in accordance with Statement 27. Financial reporting information for Statement 67 is provided in a separate report that follows this report.

Ref: Pg. 22

Ref: Pg. 48-50

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, 2014		June 30, 2013 ⁽²⁾	
Employer Contribution Rates: ⁽¹⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽³⁾	Total Rate	Annual Amount ⁽³⁾
General Tier 1	22.93%	\$2,293	50.20%	\$5,696
General PEPRA Tier 1 ⁽⁴⁾	N/A	N/A	46.11%	506
General Tier 2	18.07%	37,913	18.68%	39,639
General PEPRA Tier 2	16.63%	1,978	17.03%	539
General Tier 2C ⁽⁵⁾	20.70%	47,340	19.65%	47,316
General PEPRA Tier 2C ⁽⁵⁾	19.21%	4,603	17.91%	1,405
General Combined	19.43%	94,127	19.96%	95,101
Safety	53.87%	86,233	55.68%	90,249
Safety PEPRA	50.30%	1,913	53.56%	92
Safety Combined	53.79%	88,146	55.68%	90,341
All Categories combined	28.11%	\$182,273	29.03%	\$185,442
Average Member Contribution Rates: ⁽¹⁾⁽⁶⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽³⁾	Total Rate	Annual Amount ⁽³⁾
General Tier 1	9.16%	\$916	9.16%	\$1,039
General PEPRA Tier 1 ⁽⁴⁾	N/A	N/A	6.50%	71
General Tier 2	5.78%	12,129	5.78%	12,267
General PEPRA Tier 2	6.92%	823	6.83%	216
General Tier 2C ⁽⁵⁾	8.41%	19,231	8.41%	20,253
General PEPRA Tier 2C ⁽⁵⁾	9.55%	2,288	9.46%	742
Safety	12.40%	19,849	12.44%	20,163
Safety PEPRA	14.69%	559	16.14%	28
All Categories combined	8.61%	\$55,795	8.58%	\$54,779

⁽¹⁾ Before reflection of any member rate that may be "picked-up" by the employer. Contributions are assumed to be paid throughout the year.

⁽²⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation.

⁽³⁾ Based on projected compensation for each year shown.

⁽⁴⁾ There are no active members in General PEPRA Tier 1 as of June 30, 2014.

⁽⁵⁾ 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.

⁽⁶⁾ The non-refundability factors as of June 30, 2014 are 0.97 for General Tier 1 and Tier 2 (non-PEPRA) and 0.99 for Safety (non-PEPRA) compared to 0.94 for General Tier 1 and Tier 2 (non-PEPRA) and 0.98 for Safety (non-PEPRA) from June 30, 2013.

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

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

	June 30, 2014	June 30, 2013
Funded Status:		
Actuarial accrued liability(AAL) ⁽¹⁾	\$4,731,016	\$4,575,063
Valuation value of assets (VVA) ⁽¹⁾	3,910,801	3,621,709
Market value of assets (MVA)	4,274,886	3,627,505
Funded percentage on VVA basis (VVA/AAL)	82.66%	79.16%
Funded percentage on MVA basis (MVA/AAL)	90.36%	79.29%
Unfunded actuarial accrued liability (UAAL) on VVA basis	\$820,215	\$953,354
Unfunded actuarial accrued liability (UAAL) on MVA basis	456,130	947,558
Key Assumptions:		
Interest rate	7.75%	7.75%
Inflation rate	3.25%	3.25%
Across the board salary increase	0.75%	0.75%

⁽¹⁾ Excludes liabilities and assets held for 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, 2014	June 30, 2013	Percentage Change
Active Members:			
Number of members	8,210	8,068	1.8%
Average age	45.3	45.4	N/A
Average service	11.2	11.2	N/A
Projected total compensation	\$648,257,042	\$638,763,186	1.5%
Average projected compensation	\$78,959	\$79,172	-0.3%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,452	4,259	4.5%
Disability retired	837	828	1.1%
Beneficiaries	832	801	3.9%
Total	6,121	5,888	4.0%
Average age	69.4	69.1	N/A
Average monthly benefit ⁽¹⁾	\$2,897	\$2,862	1.2%
Vested Terminated Members:			
Number of terminated vested members ⁽²⁾	2,339	2,249	4.0%
Average age	46.2	46.1	N/A
Total Members:	16,670	16,205	2.9%
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$4,274,886	\$3,627,505	17.8%
Return on market value of assets	18.06%	13.51%	N/A
Actuarial value of assets	\$3,964,814	\$3,633,626	9.1%
Return on actuarial value of assets	9.32%	6.97%	N/A
Valuation value of assets	\$3,910,801	\$3,621,709	8.0%
Return on valuation value of assets	8.13%	7.00%	N/A

⁽¹⁾ Excludes monthly benefits for vested fixed supplemental and supplemental medical benefit amounts.

⁽²⁾ Includes terminated members with member contributions on deposit.

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 ten valuations can be seen in this chart.

CHART 1
Member Population: 2005 – 2014

Year Ended June 30	Active Members	Vested Terminated Members⁽¹⁾	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives
2005	7,245	1,713	4,314	6,027	0.83
2006	7,403	1,756	4,570	6,326	0.85
2007	7,653	1,864	4,770	6,634	0.87
2008	7,928	2,007	4,914	6,921	0.87
2009	8,045	2,055	5,041	7,096	0.88
2010	8,003	2,040	5,267	7,307	0.91
2011	8,040	2,097	5,481	7,578	0.94
2012	8,019	2,161	5,658	7,819	0.98
2013	8,068	2,249	5,888	8,137	1.01
2014	8,210	2,339	6,121	8,460	1.03

⁽¹⁾ Includes terminated members with member contributions on deposit.

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 8,210 active members with an average age of 45.3, average service of 11.2 years and average compensation of \$78,959. The 8,068 active members in the prior valuation had an average age of 45.4, average service of 11.2 years and average compensation of \$79,172.

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

Inactive Members

In this year's valuation, there were 2,339 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 2,249 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, 2014

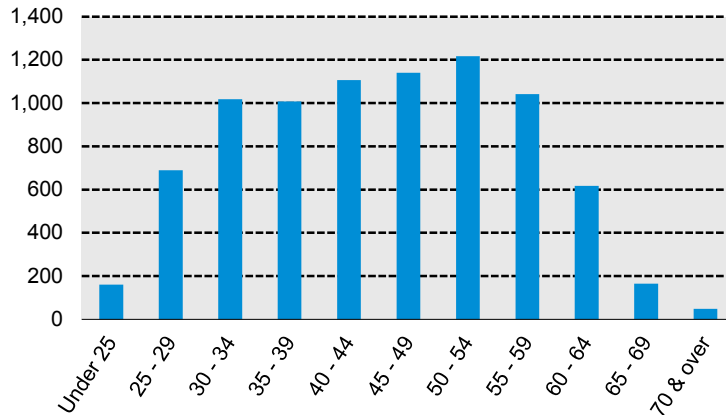
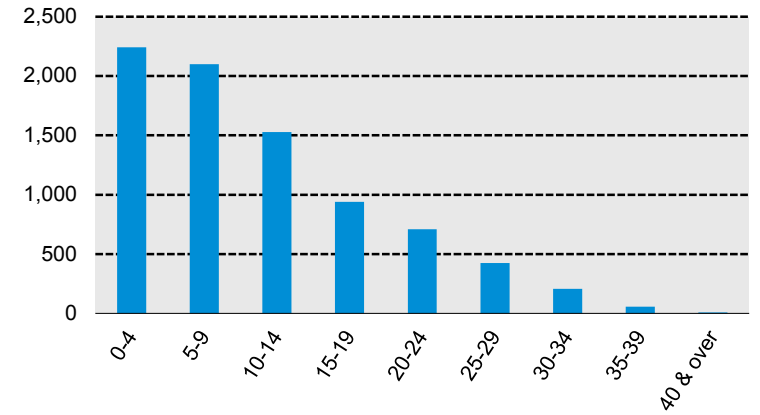


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2014



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

Retired Members and Beneficiaries

As of June 30, 2014, 5,289 retired members and 832 beneficiaries were receiving total monthly benefits of \$17,733,078. For comparison, in the previous valuation, there were 5,087 retired members and 801 beneficiaries receiving monthly benefits of \$16,851,966. These monthly benefits exclude benefits for 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, 2014

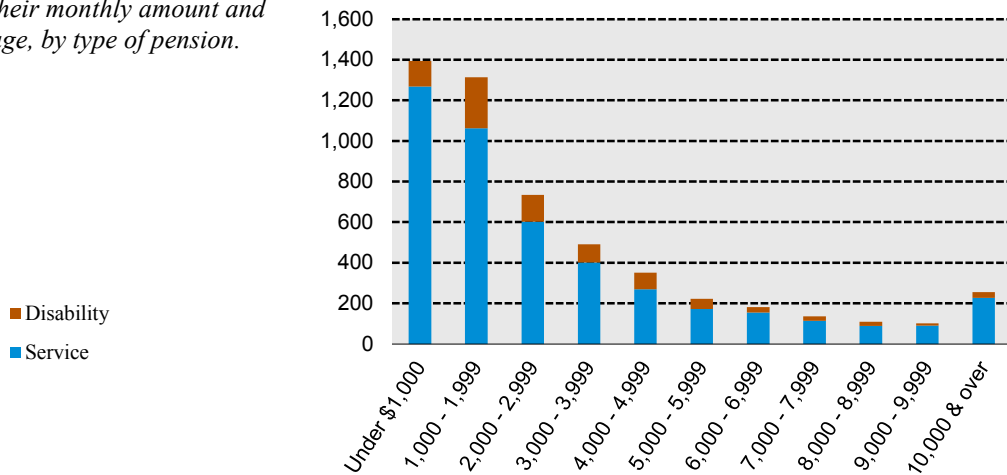
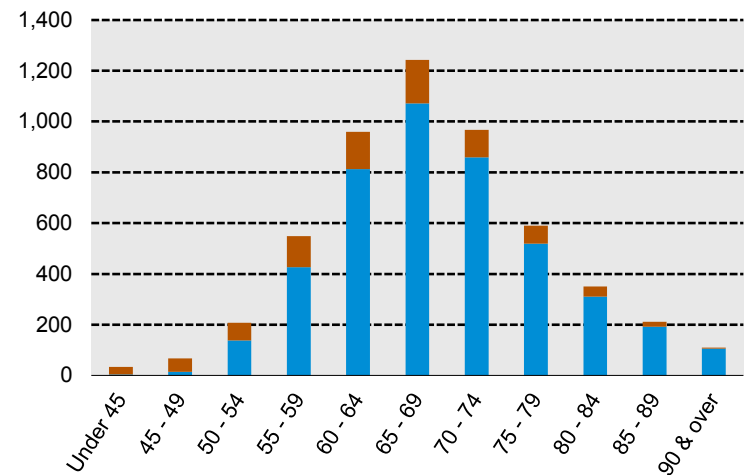


CHART 5

Distribution of Retired Members by Type and by Age as of June 30, 2014



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.

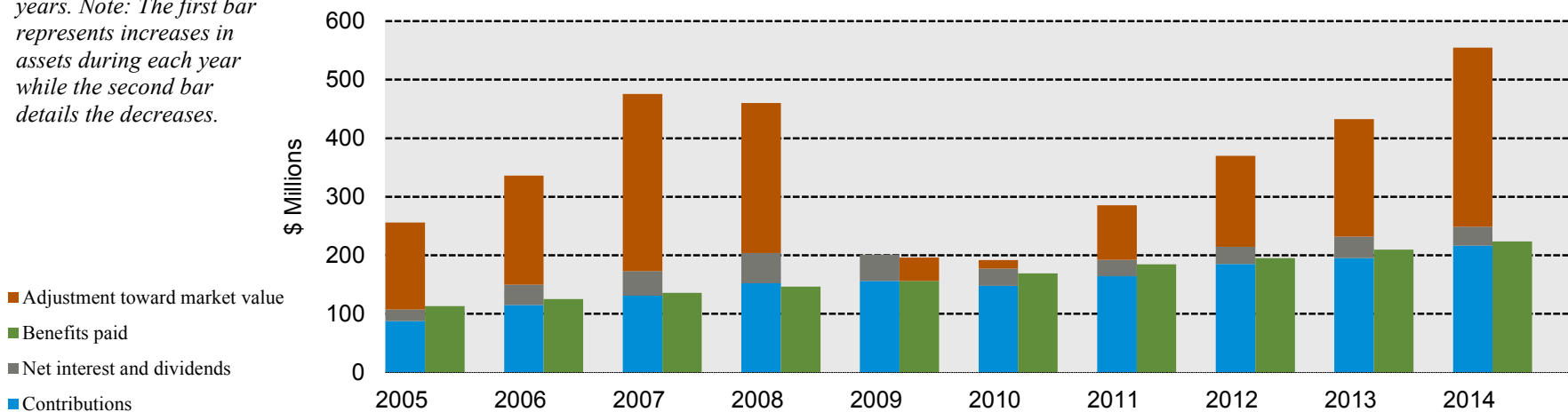
Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary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

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.

The chart depicts the components of changes in the actuarial value of assets over the last ten 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, 2005 – 2014



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

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2014

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

1. Market Value of Assets			\$4,274,885,864
2. Calculation of unrecognized return	Original Amount	Deferral Percentage	Unrecognized Return*
(a) Period ended June 30, 2014	\$93,124,979	90.00%	\$83,812,481
(b) Period ended December 31, 2013	264,705,452	80.00%	211,764,361
(c) Period ended June 30, 2013	66,644,214	70.00%	46,650,950
(d) Period ended December 31, 2012	101,488,670	60.00%	60,893,202
(e) Period ended June 30, 2012	83,335,657	50.00%	41,667,829
(f) Period ended December 31, 2011	(283,550,123)	40.00%	(113,420,049)
(g) Combined deferred loss as of June 30, 2011**	(63,892,227)	33.33%	(21,297,409)
(h) Total unrecognized return***			310,071,365
3. Actuarial Value of Assets: (1) – (2h)			\$3,964,814,499
4. Actuarial Value as percentage of Market Value			92.7%
5. Non-valuation reserves:			
(a) Supplemental medical benefit			\$10,401,838
(b) Statutory contingency			43,611,864
(c) Subtotal			\$54,013,702
6. Valuation Value of Assets: (3) – (5c)			\$3,910,800,797

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

** Net deferred loss as of June 30, 2011 was combined and will be recognized over 4.5 years in level semi-annual amounts.

*** Deferred return as of June 30, 2014 recognized in each of the next five years:

(a) Amount Recognized during 2014/2015	\$50,951,497
(b) Amount Recognized during 2015/2016	58,050,633
(c) Amount Recognized during 2016/2017	113,526,229
(d) Amount Recognized during 2017/2018	78,230,508
(e) Amount Recognized during 2018/2019	9,312,498
	<u>\$310,071,365</u>

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

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2014

The calculation of the valuation value of assets from June 30, 2013 to June 30, 2014 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	\$597,855,452	\$1,446,404,485	\$1,577,448,599	\$3,621,708,536
2. Member Contributions	353,158	25,735,219	8,042,950	34,131,327
3. Member Buybacks	234,072	815,820	390,510	1,440,402
4. Employer Pick-up Contributions Credited to Member Account	187,307	6,036,434	4,878,973	11,102,714
5. Employer Contributions	4,100,040	75,826,051	89,776,992	169,703,083
6. Refunds of Member Contributions and Death Benefits Paid	376,761	4,717,384	333,866	5,428,011
7. Retiree Benefit Payments Excluding Supplemental Medical Payments	73,968,041	55,029,918	87,166,509	216,164,468
8. Subtotal (Items 1 + 2 + 3 + 4 + 5 – 6 – 7)	\$528,385,227	\$1,495,070,707	\$1,593,037,649	\$3,616,493,583
9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7)	563,120,340	1,470,737,596	1,585,243,124	3,619,101,060
10. Earnings Allocated in Proportion to Item 9	45,793,244	119,601,160	128,912,810	294,307,214
11. Valuation Value of Assets (Items 8 + 10)	\$574,178,471	\$1,614,671,867	\$1,721,950,459	\$3,910,800,797

Note: Results may not add due to rounding.

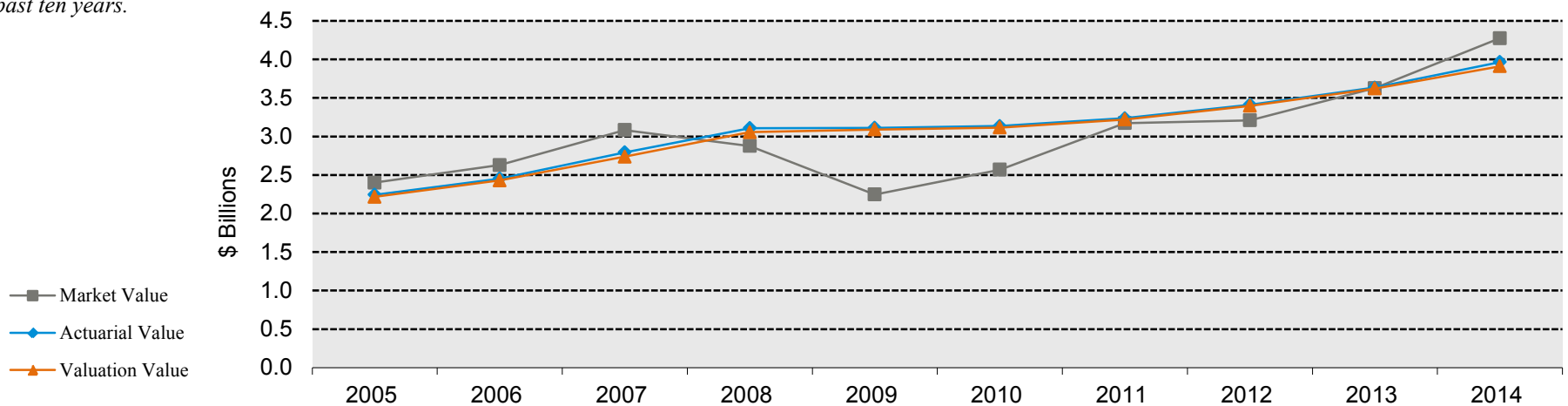
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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 ten years.

CHART 9

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2005 – 2014



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

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 \$87.5 million, a \$13.8 million gain from investments, a \$22.2 million loss from contribution experience and a \$95.9 million gain from all other sources. The net experience variation from individual sources other than investments and contribution experience was 2.0% 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.

CHART 10
Actuarial Experience for Year Ended June 30, 2014

1. Net gain from investments ⁽¹⁾	\$13,827,000
2. Net loss from contribution experience	(22,257,000)
3. Net gain from other experience ⁽²⁾	<u>95,914,000</u>
4. Net experience gain: (1) + (2) + (3)	\$87,484,000

⁽¹⁾ Details in Chart 11.

⁽²⁾ See Section 3, Exhibit H. Does not include the effect of plan or assumption changes, if any.

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 7.75% (based on the June 30, 2013 valuation). The actual rate of return on the valuation value of assets for the 2013/2014 plan year was 8.13%.

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, 2014 with regard to its investments.

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

CHART 11

Investment Experience for Year Ended June 30, 2014 – Market Value, Actuarial Value and Valuation Value of Assets

	Market Value	Actuarial Value	Valuation Value
1. Actual return	\$654,535,161	\$338,343,729	\$294,307,214
2. Average value of assets	3,623,928,085	3,630,048,152	3,619,101,060
3. Actual rate of return: (1) ÷ (2)	18.06%	9.32%	8.13%
4. Assumed rate of return	7.75%	7.75%	7.75%
5. Expected return: (2) x (4)	\$280,854,427	\$281,328,732	\$280,480,332
6. Actuarial gain/(loss): (1) – (5)	<u>\$373,680,734</u>	<u>\$57,014,997</u>	<u>\$13,826,882</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 ten years.

CHART 12

Investment Return – Market Value, Actuarial Value and Valuation Value: 2005 – 2014

Year Ended June 30	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
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
2009	(628,718,568)	(21.86)	5,186,654	0.17	31,242,785	1.02
2010	343,005,717	15.33	43,756,165	1.41	43,756,185	1.42
2011	622,940,028	24.34	121,406,541	3.89	121,406,541	3.91
2012	47,147,363	1.49	184,787,098	5.72	184,909,716	5.75
2013	432,694,392	13.51	237,282,497	6.97	237,282,497	7.00
2014	654,535,161	18.06	338,343,729	9.32	294,307,214	8.13
Total	\$2,160,053,670		\$1,972,497,560		\$1,920,396,034	
Five-Year Average Return		14.20%		5.61%		5.37%
Ten-Year Average Return		7.72%		6.78%		6.64%

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

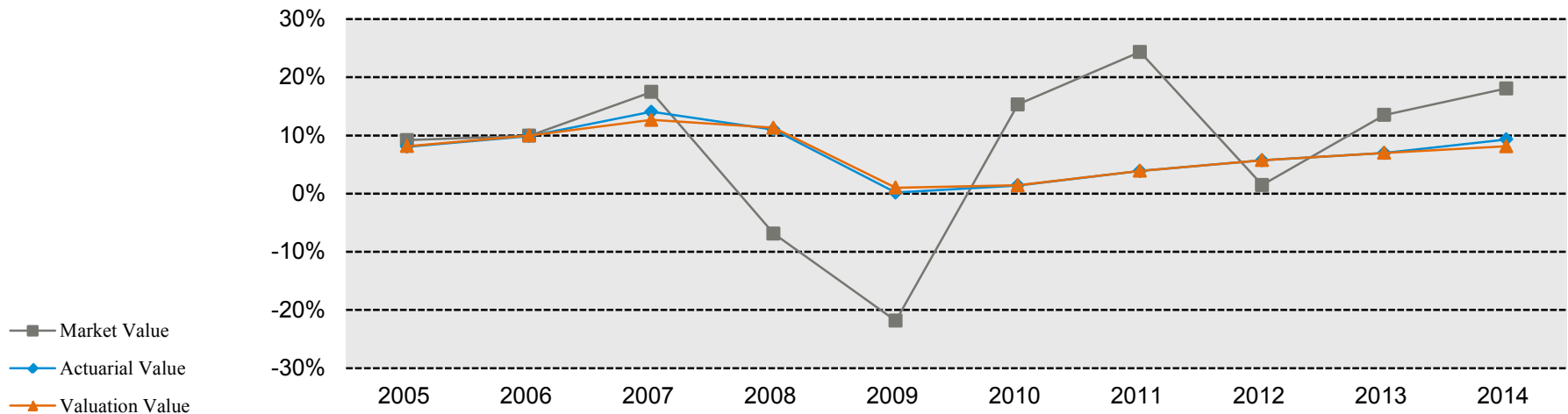
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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 2005 - 2014.

CHART 13

Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2005 - 2014



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

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 gain from this other experience for the year ended June 30, 2014 amounted to \$95.9 million which is 2.0% of the actuarial accrued liability. This gain was mainly due to individual salary increases less than assumed and lower than expected benefit increases for retirees and beneficiaries. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

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

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 4.00%. The June 30, 2004 UAAL is being amortized over a 15-year declining period effective June 30, 2004. The change in UAAL that arises due to actuarial gains or losses or due to plan amendments (with the exception of retirement incentives) at each valuation is amortized over its own declining 15-year period. Effective with the June 30, 2012 valuation, any change in UAAL that arises due to changes in actuarial assumptions or methods is amortized over its own declining 20-year period and any change in UAAL due to retirement incentives is amortized over its own declining period of up to 5 years.

VCERA's UAAL is determined separately for each tier depending on the assets and liabilities for that tier.

Effective with the June 30, 2012 valuation, the Basic UAAL rate has been calculated on a combined basis for all General Tiers. Effective with the June 30, 2014 valuation, the COLA UAAL rate has been calculated on a combined basis for General Tiers that have a COLA. The recommended employer contribution rates determined under this

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

combined methodology are provided on Chart 14. For reference purposes only, Appendix E shows the employer contribution rates under the previous non-combined methodology.

Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have been directed by VCERA to assume that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by employers.

All June 30, 2013 employer contribution rates shown in this report are before reflecting the three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation. For the June 30, 2014 valuation, the phase-in has been completed.

Member Contributions *Non-PEPRA Members*

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 Compensation for General members and 1/100 of Final Average Compensation 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 compensation 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 Non-PEPRA member contribution rates are provided in Appendix A. Please note that the member rates provided in the

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

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 compensation and hence retirement benefit.

PEPRA Members

Pursuant to Section 7522.30(a) of the Government Code, members under PEPRA tiers are required to contribute at least 50% of the Normal Cost. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of "similarly situated employees", if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the Normal Cost rates in this report, we have assumed that exactly 50% of the Normal Cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not the requirements of Section 7522.30(e). The only exception to this is that we have also shown the PEPRA Tier 2 with COLA contribution rates including the member COLA contribution rate of 2.63% of compensation based on current bargaining agreements.

Also of note is that based on our discussions with VCERA, we have used the discretion made available by Section 31620.5(a) of AB 1380 to no longer round the PEPRA member's contribution rates to the nearest one quarter of one percent as was previously required by CalPEPRA. This is consistent with established practice for the Non-PEPRA plans and should allow for exactly one-half of the normal cost for the PEPRA plans to be paid by the employees and one-half by the employers. In addition, Section 31620.5(b) of AB 1380 also provides that the "one percent rule" under Section 7522.30(d) does not apply. This section formerly limited the circumstances under which the PEPRA member rate would change.

The PEPRA member contribution rates are provided in Appendix B.

Tier 2 COLA Procedures

This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled "Funding Policies and Procedures for General Tier II COLA Benefit".

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

CHART 14a

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost	8.11%	\$811	2.43%	\$243	10.54%	\$1,054
UAAL ⁽²⁾	<u>9.71%</u>	<u>971</u>	<u>2.68%</u>	<u>268</u>	<u>12.39%</u>	<u>1,239</u>
Total Contribution	17.82%	\$1,782	5.11%	\$511	22.93%	\$2,293
General Tier 2 Members w/o COLA						
Normal Cost	8.36%	\$17,543	0.00%	\$0	8.36%	\$17,543
UAAL ⁽²⁾	<u>9.71%</u>	<u>20,370</u>	<u>0.00%</u>	<u>0</u>	<u>9.71%</u>	<u>20,370</u>
Total Contribution	18.07%	\$37,913	0.00%	\$0	18.07%	\$37,913
General PEPR Tier 2 Members w/o COLA						
Normal Cost	6.92%	\$823	0.00%	\$0	6.92%	\$823
UAAL ⁽²⁾	<u>9.71%</u>	<u>1,155</u>	<u>0.00%</u>	<u>0</u>	<u>9.71%</u>	<u>1,155</u>
Total Contribution	16.63%	\$1,978	0.00%	\$0	16.63%	\$1,978
General Tier 2 Members w/COLA						
Normal Cost ⁽³⁾	8.36%	\$19,117	-0.05%	-\$115	8.31%	\$19,002
UAAL ⁽²⁾⁽⁴⁾	<u>9.71%</u>	<u>22,204</u>	<u>2.68%</u>	<u>6,134</u>	<u>12.39%</u>	<u>28,338</u>
Total Contribution	18.07%	\$41,321	2.63%	\$6,019	20.70%	\$47,340
General PEPR Tier 2 Members w/COLA						
Normal Cost ⁽³⁾	6.92%	\$1,658	-0.10%	-\$24	6.82%	\$1,634
UAAL ⁽²⁾⁽⁴⁾	<u>9.71%</u>	<u>2,326</u>	<u>2.68%</u>	<u>643</u>	<u>12.39%</u>	<u>2,969</u>
Total Contribution	16.63%	\$3,984	2.58%	\$619	19.21%	\$4,603
All General Members⁽⁵⁾						
Normal Cost	8.25%	\$39,952	0.02%	\$104	8.27%	\$40,056
UAAL	<u>9.71%</u>	<u>47,026</u>	<u>1.45%</u>	<u>7,045</u>	<u>11.16%</u>	<u>54,071</u>
Total Contribution	17.96%	\$86,978	1.47%	\$7,149	19.43%	\$94,127

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

CHART 14a (continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
Safety Members						
Normal Cost	13.97%	\$22,362	4.29%	\$6,868	18.26%	\$29,230
UAAL	<u>44.50%</u>	<u>71,233</u>	<u>-8.89%</u>	<u>-14,230</u>	<u>35.61%</u>	<u>57,003</u>
Total Contribution	58.47%	\$93,595	-4.60%	-\$7,362	53.87%	\$86,233
Safety PEPRAs Members						
Normal Cost	10.60%	\$403	4.09%	\$156	14.69%	\$559
UAAL	<u>44.50%</u>	<u>1,692</u>	<u>-8.89%</u>	<u>-338</u>	<u>35.61%</u>	<u>1,354</u>
Total Contribution	55.10%	\$2,095	-4.80%	-\$182	50.30%	\$1,913
All Safety Members⁽⁵⁾						
Normal Cost	13.89%	\$22,765	4.29%	\$7,024	18.18%	\$29,789
UAAL	<u>44.50%</u>	<u>72,925</u>	<u>-8.89%</u>	<u>-14,568</u>	<u>35.61%</u>	<u>58,357</u>
Total Contribution	58.39%	\$95,690	-4.60%	-\$7,544	53.79%	\$88,146
All Categories Combined⁽⁵⁾						
Normal Cost	9.67%	\$62,717	1.10%	\$7,128	10.77%	\$69,845
UAAL	<u>18.50%</u>	<u>119,951</u>	<u>-1.16%</u>	<u>-7,523</u>	<u>17.34%</u>	<u>112,428</u>
Total Contribution	28.17%	\$182,668	-0.06%	-\$395	28.11%	\$182,273

⁽¹⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:

General Tier 1	\$10,004
General Tier 2	209,847
General PEPRAs Tier 2	11,899
General Tier 2C	228,670
General PEPRAs Tier 2C	23,959
Safety	160,075
Safety PEPRAs	<u>3,803</u>
Total	\$648,257

⁽²⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers. COLA UAAL rates have been calculated on a combined basis for all General Tiers that have a COLA (excludes General Tier 2 without COLA and General PEPRAs Tier 2 without COLA).

⁽³⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁴⁾ Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁵⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

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

CHART 14b

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	8.15%	\$925	2.44%	\$277	10.59%	\$1,202
UAAL ⁽³⁾	<u>10.20%</u>	<u>1,157</u>	<u>29.41%</u>	<u>3,337</u>	<u>39.61%</u>	<u>4,494</u>
Total Contribution	18.35%	\$2,082	31.85%	\$3,614	50.20%	\$5,696
General PEPR Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>10.20%</u>	<u>112</u>	<u>29.41%</u>	<u>323</u>	<u>39.61%</u>	<u>435</u>
Total Contribution	14.90%	\$164	31.21%	\$342	46.11%	\$506
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	\$17,997	0.00%	\$0	8.48%	\$17,997
UAAL ⁽³⁾	<u>10.20%</u>	<u>21,642</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>21,642</u>
Total Contribution	18.68%	\$39,639	0.00%	\$0	18.68%	\$39,639
General PEPR Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>10.20%</u>	<u>323</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>323</u>
Total Contribution	17.03%	\$539	0.00%	\$0	17.03%	\$539
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.48%	\$20,422	-0.04%	-\$97	8.44%	\$20,325
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>24,559</u>	<u>1.01%</u>	<u>2,432</u>	<u>11.21%</u>	<u>26,991</u>
Total Contribution	18.68%	\$44,981	0.97%	\$2,335	19.65%	\$47,316
General PEPR Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>800</u>	<u>1.01%</u>	<u>79</u>	<u>11.21%</u>	<u>879</u>
Total Contribution	17.03%	\$1,336	0.88%	\$69	17.91%	\$1,405
All General Members⁽⁶⁾						
Normal Cost	8.43%	\$40,148	0.04%	\$189	8.47%	\$40,337
UAAL	<u>10.20%</u>	<u>48,593</u>	<u>1.29%</u>	<u>6,171</u>	<u>11.49%</u>	<u>54,764</u>
Total Contribution	18.63%	\$88,741	1.33%	\$6,360	19.96%	\$95,101

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

CHART 14b (continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.96%	\$22,627	4.30%	\$6,970	18.26%	\$29,597
UAAL	<u>42.87%</u>	<u>69,486</u>	<u>-5.45%</u>	<u>-8,834</u>	<u>37.42%</u>	<u>60,652</u>
Total Contribution	56.83%	\$92,113	-1.15%	-\$1,864	55.68%	\$90,249
Safety PEPRAs Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.87%</u>	<u>73</u>	<u>-5.45%</u>	<u>-9</u>	<u>37.42%</u>	<u>64</u>
Total Contribution	54.14%	\$92	-0.58%	\$0	53.56%	\$92
All Safety Members⁽⁶⁾						
Normal Cost	13.96%	\$22,646	4.30%	\$6,979	18.26%	\$29,625
UAAL	<u>42.87%</u>	<u>69,559</u>	<u>-5.45%</u>	<u>-8,843</u>	<u>37.42%</u>	<u>60,716</u>
Total Contribution	56.83%	\$92,205	-1.15%	-\$1,864	55.68%	\$90,341
All Categories Combined⁽⁶⁾						
Normal Cost	9.83%	\$62,794	1.12%	\$7,168	10.95%	\$69,962
UAAL	<u>18.50%</u>	<u>118,152</u>	<u>-0.42%</u>	<u>-2,672</u>	<u>18.08%</u>	<u>115,480</u>
Total Contribution	28.33%	\$180,946	0.70%	\$4,496	29.03%	\$185,442

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPRAs Tier 1	1,099
General Tier 2	212,229
General PEPRAs Tier 2	3,163
General Tier 2C	240,822
General PEPRAs Tier 2C	7,847
Safety	162,085
Safety PEPRAs	<u>171</u>
Total	\$638,764

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

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

The employer contribution rates as of June 30, 2014 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, 2013 to June 30, 2014 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Employer Contribution Rate as of June 30, 2013⁽⁴⁾	29.03%	\$185,442
Effect of investment gain ⁽²⁾	(0.19)%	(1,232)
Effect of difference in actual versus expected contributions due to phase-in and delay in implementation of contribution rates calculated in June 30, 2013 valuation	0.30%	1,945
Effect of difference in actual versus expected individual salary increases	(0.77)%	(4,992)
Effect of difference in actual versus expected total payroll growth	0.45%	2,917
Effect of lower than expected COLA benefit increase for retirees and beneficiaries	(0.51)%	(3,306)
Effect of net other changes ⁽³⁾	<u>(0.20)%</u>	<u>1,499</u>
Total change	<u>(0.92)%</u>	<u>\$(3,169)</u>
Recommended Average Employer Contribution Rate as of June 30, 2014	28.11%	\$182,273

⁽¹⁾ Based on projected payroll for each year.

⁽²⁾ The Association's valuation value of assets earned 8.13% which was greater than the 7.75% assumed rate of return.

⁽³⁾ 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.

⁽⁴⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

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

The member contribution rates as of June 30, 2014 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, 2013 to June 30, 2014
(Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Member Contribution Rate in June 30, 2013 Valuation	8.58%	\$54,779
Effect of changes in demographic profile of employee group ⁽²⁾	<u>0.03%</u>	<u>1,016</u>
Recommended Average Member Contribution Rate in June 30, 2014 Valuation	8.61%	\$55,795

⁽¹⁾ Based on projected payroll for each year.

⁽²⁾ 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 GASB 27

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 within the range of GASB reporting 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 actuarial 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 II, III, and IV.

These graphs show key GASB factors.

CHART 17
Required Versus Actual Contributions

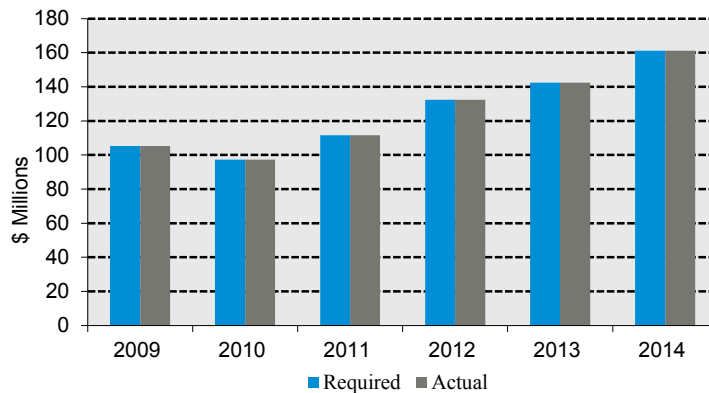
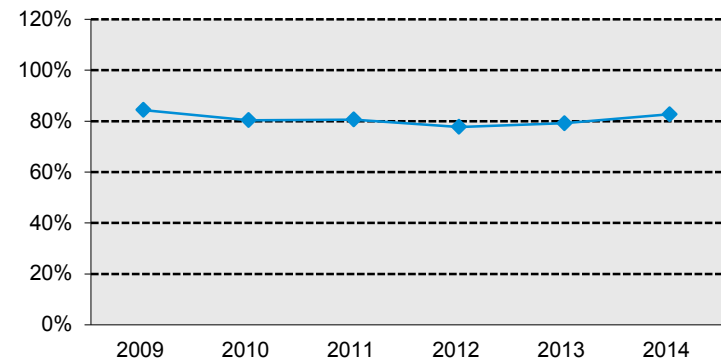


CHART 18
Funded Ratio



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

F. VOLATILITY RATIOS

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For VCERA, the current AVR is about 6.6. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 6.6% of one-year's payroll. Since VCERA amortizes actuarial gains and losses over a period of 15 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions.

For VCERA, the current LVR is about 7.3. This is about 11% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

This chart shows how the asset and liability volatility ratios have varied over time.

CHART 19
Volatility Ratios for Years Ended June 30, 2009 – 2014

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2009	3.5	5.8
2010	3.9	5.9
2011	5.0	6.3
2012	5.1	6.9
2013	5.7	7.2
2014	6.6	7.3

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

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	92	109	-15.6%
Average age	60.4	58.7	N/A
Average service	31.6	29.4	N/A
Projected total compensation ⁽¹⁾	\$10,004,102	\$11,347,554	-11.8%
Projected average compensation	\$108,740	\$104,106	4.5%
Account balances	\$17,403,435	\$18,445,454	-5.6%
Total active vested members	92	105	-12.4%
Vested terminated members⁽²⁾			
	58	62	-6.5%
Retired members:			
Number in pay status	1,508	1,539	-2.0%
Average age	74.8	74.2	N/A
Average monthly benefit ⁽³⁾	\$3,481	\$3,403	2.3%
Disabled members:			
Number in pay status	115	123	-6.5%
Average age	72.7	72.6	N/A
Average monthly benefit ⁽³⁾	\$2,293	\$2,244	2.2%
Beneficiaries:			
Number in pay status	359	367	-2.2%
Average age	79.0	79.1	N/A
Average monthly benefit ⁽³⁾	\$1,551	\$1,451	6.9%

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	5,825	6,201	-6.1%
Average age	47.3	46.6	N/A
Average service	11.5	10.7	N/A
Projected total compensation ⁽¹⁾	\$438,516,507	\$453,050,594	-3.2%
Projected average compensation	\$75,282	\$73,061	3.0%
Account balances	\$360,544,571	\$344,670,730	4.6%
Total active vested members	4,607	4,564	0.9%
Vested terminated members⁽²⁾			
	1,925	1,902	1.2%
Retired members:			
Number in pay status	2,267	2,062	9.9%
Average age	67.6	67.3	N/A
Average monthly benefit ⁽³⁾	\$1,585	\$1,510	5.0%
Disabled members:			
Number in pay status	337	327	3.1%
Average age	62.9	62.1	N/A
Average monthly benefit ⁽³⁾	\$1,436	\$1,416	1.4%
Beneficiaries:			
Number in pay status	256	228	12.3%
Average age	67.2	66.5	N/A
Average monthly benefit ⁽³⁾	\$788	\$799	-1.4%

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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. PEPR General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	0	18	-100.0%
Average age	N/A	26.3	N/A
Average service	N/A	0.2	N/A
Projected total compensation ⁽¹⁾	N/A	\$1,099,121	N/A
Projected average compensation	N/A	\$61,062	N/A
Account balances	N/A	\$4,521	N/A
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾	5	2	150.0%
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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

iv. PEPR General Tier 2

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	755	235	221.3%
Average age	35.8	35.2	N/A
Average service	0.7	0.2	N/A
Projected total compensation ⁽¹⁾	\$35,858,216	\$11,009,761	225.7%
Projected average compensation	\$47,494	\$46,850	1.4%
Account balances	\$2,164,512	\$207,028	945.5%
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾	64	12	433.3%
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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

v. Safety

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	1,471	1,502	-2.1%
Average age	41.9	41.2	N/A
Average service	14.6	13.9	N/A
Projected total compensation ⁽¹⁾	\$160,074,949	\$162,085,238	-1.2%
Projected average compensation	\$108,820	\$107,913	0.8%
Account balances	\$161,930,571	\$153,365,442	5.6%
Total active vested members	1,274	1,260	1.1%
Vested terminated members⁽²⁾			
	284	271	4.8%
Retired members:			
Number in pay status	677	658	2.9%
Average age	65.7	65.2	N/A
Average monthly benefit ⁽³⁾	\$7,141	\$6,981	2.3%
Disabled members:			
Number in pay status	385	378	1.9%
Average age	63.4	63.1	N/A
Average monthly benefit ⁽³⁾	\$5,044	\$4,967	1.6%
Beneficiaries:			
Number in pay status	217	206	5.3%
Average age	67.3	67.3	N/A
Average monthly benefit ⁽³⁾	\$2,805	\$2,801	0.1%

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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

vi. PEPRSA Safety

Category	Year Ended June 30		Change From Prior Year
	2014	2013	
Active members in valuation:			
Number	67	3	2133.3%
Average age	28.9	31.8	N/A
Average service	0.7	0.2	N/A
Projected total compensation ⁽¹⁾	\$3,803,268	\$170,918	2125.2%
Projected average compensation	\$56,765	\$56,973	-0.4%
Account balances	\$335,236	\$4,103	8070.5%
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾	3	0	N/A
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

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

⁽²⁾ Includes terminated members with member contributions on deposit.

⁽³⁾ Excludes 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, 2014
By Age and Years of Service**

i. General Tier 1

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
25 - 29	--	--	--	--	--	--	--	--	--	--
30 - 34	--	--	--	--	--	--	--	--	--	--
35 - 39	--	--	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--	--
45 - 49	2	--	--	1	1	--	--	--	--	--
50 - 54	\$194,294	--	--	\$175,942	\$212,646	--	--	--	--	--
55 - 59	9	--	--	1	--	2	2	1	3	--
60 - 64	147,943	--	--	201,280	--	\$211,322	\$191,155	\$62,462	\$87,597	--
65 - 69	30	--	1	3	1	1	1	4	19	--
70 & over	116,189	--	\$171,784	178,404	201,373	226,147	233,843	127,541	84,587	--
	40	--	--	2	3	5	5	3	17	5
	93,193	--	--	164,931	112,607	150,369	91,708	78,031	73,938	\$71,727
	7	--	--	--	1	1	1	1	3	--
	110,587	--	--	--	86,399	130,728	48,878	176,570	110,510	--
	4	--	--	--	--	--	--	--	2	2
	74,129	--	--	--	--	--	--	--	100,439	47,818
Total	92	--	1	7	6	9	9	9	44	7
	\$108,740	--	\$171,784	\$177,471	\$139,706	\$170,152	\$124,841	\$109,254	\$83,166	\$64,896

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, 2014

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	30-34	35-39	40 & over
Under 25	26	26	--	--	--	--	--	--	--	--
	\$48,523	\$48,523	--	--	--	--	--	--	--	--
25 - 29	318	221	97	--	--	--	--	--	--	--
	59,347	60,490	\$56,745	--	--	--	--	--	--	--
30 - 34	636	262	313	61	--	--	--	--	--	--
	69,186	69,474	69,322	\$67,255	--	--	--	--	--	--
35 - 39	670	172	264	196	38	--	--	--	--	--
	71,827	67,634	73,173	73,496	\$72,841	--	--	--	--	--
40 - 44	758	143	260	209	117	28	1	--	--	--
	76,252	71,486	76,539	78,217	79,158	\$70,941	\$81,383	--	--	--
45 - 49	842	116	230	223	131	113	27	2	--	--
	77,983	69,253	76,719	79,078	86,050	79,925	70,183	\$74,767	--	--
50 - 54	965	116	229	225	127	150	81	37	--	--
	78,668	72,797	74,751	77,984	82,102	81,413	87,417	83,410	--	--
55 - 59	878	95	193	171	130	135	98	55	1	--
	80,042	73,247	75,204	77,296	81,858	82,494	88,521	91,384	\$107,570	--
60 - 64	536	54	122	120	77	86	46	30	1	--
	77,523	69,920	76,144	75,748	81,847	76,644	85,992	82,791	64,312	--
65 - 69	151	13	44	30	24	23	12	4	1	--
	78,172	75,468	70,874	84,033	75,915	78,205	99,121	66,240	108,399	--
70 & over	45	4	14	12	4	3	5	3	--	--
	72,146	83,501	68,955	75,760	60,107	76,818	68,100	75,567	--	--
Total	5,825	1,222	1,766	1,247	648	538	270	131	3	--
	\$75,282	\$68,097	\$73,087	\$76,803	\$81,381	\$79,902	\$85,992	\$85,780	\$93,427	--

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, 2014

By Age and Years of Service

iii. PEPR General Tier 2

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	95	95	--	--	--	--	--	--	--	--
	\$36,725	\$36,725	--	--	--	--	--	--	--	--
25 - 29	196	196	--	--	--	--	--	--	--	--
	43,758	43,758	--	--	--	--	--	--	--	--
30 - 34	145	145	--	--	--	--	--	--	--	--
	48,691	48,691	--	--	--	--	--	--	--	--
35 - 39	92	92	--	--	--	--	--	--	--	--
	48,447	48,447	--	--	--	--	--	--	--	--
40 - 44	69	69	--	--	--	--	--	--	--	--
	48,647	48,647	--	--	--	--	--	--	--	--
45 - 49	54	54	--	--	--	--	--	--	--	--
	52,891	52,891	--	--	--	--	--	--	--	--
50 - 54	44	44	--	--	--	--	--	--	--	--
	57,742	57,742	--	--	--	--	--	--	--	--
55 - 59	40	40	--	--	--	--	--	--	--	--
	56,438	56,438	--	--	--	--	--	--	--	--
60 - 64	13	13	--	--	--	--	--	--	--	--
	58,811	58,811	--	--	--	--	--	--	--	--
65 - 69	7	7	--	--	--	--	--	--	--	--
	71,400	71,400	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	755	755	--	--	--	--	--	--	--	--
	\$47,494	\$47,494	--	--	--	--	--	--	--	--

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, 2014

By Age and Years of Service

iv. Safety

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	20	20	--	--	--	--	--	--	--	--
	\$77,870	\$77,870	--	--	--	--	--	--	--	--
25 - 29	144	95	49	--	--	--	--	--	--	--
	83,117	79,062	\$90,978	--	--	--	--	--	--	--
30 - 34	227	43	149	35	--	--	--	--	--	--
	96,529	86,537	99,307	\$96,979	--	--	--	--	--	--
35 - 39	243	16	77	104	46	--	--	--	--	--
	105,401	96,954	102,777	101,913	\$120,618	--	--	--	--	--
40 - 44	278	13	30	68	125	42	--	--	--	--
	111,784	100,376	104,752	102,104	114,679	\$127,394	--	--	--	--
45 - 49	241	4	15	50	77	57	37	1	--	--
	115,888	105,439	103,750	100,871	117,804	123,231	\$127,142	\$108,281	--	--
50 - 54	198	2	4	10	25	41	73	43	--	--
	126,259	125,780	91,793	98,571	113,949	123,270	130,564	138,623	--	--
55 - 59	92	4	4	3	9	16	27	22	7	--
	126,520	131,899	138,981	94,009	99,754	114,073	129,364	130,999	\$168,085	--
60 - 64	28	--	4	4	3	5	8	1	3	--
	120,712	--	140,934	105,387	121,951	106,486	117,380	132,892	141,478	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	1,471	197	332	274	285	161	145	67	10	--
	\$108,820	\$85,515	\$100,464	\$100,982	\$116,023	\$122,897	\$128,740	\$135,581	\$160,103	--

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, 2014

By Age and Years of Service

v. PEPRA Safety

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	19	19	--	--	--	--	--	--	--	--
	\$54,627	\$54,627	--	--	--	--	--	--	--	--
25 - 29	31	31	--	--	--	--	--	--	--	--
	55,438	55,438	--	--	--	--	--	--	--	--
30 - 34	10	10	--	--	--	--	--	--	--	--
	51,404	51,404	--	--	--	--	--	--	--	--
35 - 39	2	2	--	--	--	--	--	--	--	--
	39,250	39,250	--	--	--	--	--	--	--	--
40 - 44	2	2	--	--	--	--	--	--	--	--
	62,098	62,098	--	--	--	--	--	--	--	--
45 - 49	1	1	--	--	--	--	--	--	--	--
	85,670	85,670	--	--	--	--	--	--	--	--
50 - 54	1	1	--	--	--	--	--	--	--	--
	138,077	138,077	--	--	--	--	--	--	--	--
55 - 59	1	1	--	--	--	--	--	--	--	--
	106,313	106,313	--	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	67	67	--	--	--	--	--	--	--	--
	\$56,765	\$56,765	--	--	--	--	--	--	--	--

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

EXHIBIT C

Reconciliation of Member Data – June 30, 2013 to June 30, 2014

	Active Members	Vested Terminated Members⁽¹⁾	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2013	8,068	2,249	4,259	828	801	16,205
New members	667	75	0	0	72	814
Terminations – with vested rights	-215	215	0	0	0	0
Contributions refunds	-110	-77	0	0	0	-187
Retirements	-201	-91	292	0	0	0
New disabilities	-13	-2	-12	27	0	0
Return to work	23	-22	-1	0	0	0
Died with or without beneficiary	-9	-8	-88	-19	-40	-164
Data adjustments	0	0	2	1	-1	2
Number as of June 30, 2014	8,210	2,339	4,452	837	832	16,670

⁽¹⁾ Includes terminated members with member contributions on deposit.

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

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2014	Year Ended June 30, 2013
Contribution income:		
Employer contributions	\$169,703,083	\$150,687,842
Member contributions	<u>46,674,443</u>	<u>44,463,983</u>
Contribution income	\$216,377,526	\$195,151,825
Investment income:		
Interest, dividends and other income	\$49,344,497	\$50,691,908
Adjustment toward market value ⁽¹⁾	305,935,366	200,561,615
Less investment and administrative fees	<u>(16,936,134)</u>	<u>(13,971,026)</u>
Net investment income	<u>\$338,343,729</u>	<u>\$237,282,497</u>
Total income available for benefits	\$554,721,255	\$432,434,322
Less benefit payments	(\$223,532,290)	(\$209,957,957)
Change in reserve for future benefits	\$331,188,965	\$222,476,365

⁽¹⁾ 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

	Year Ended June 30, 2014	Year Ended June 30, 2013
Cash equivalents	\$63,604,211	\$63,940,819
Pension software development cost	6,459,436	3,443,718
Accounts receivable:		
Member and employer contributions	\$5,691,835	\$4,487,879
Accrued interest and dividends	3,358,253	3,537,646
Securities sold	\$23,833,386	24,075,489
Other	<u>16,979</u>	<u>14,078</u>
Total accounts receivable	\$32,900,453	\$32,115,092
Investments:		
Equities	\$2,490,857,698	\$2,299,255,552
Fixed income	970,048,742	884,109,813
Real estate	306,840,325	283,379,695
Investments received on securities lending	62,402,546	50,542,569
Others	<u>428,072,939</u>	<u>109,469,955</u>
Total investments at market value	<u>\$4,258,222,250</u>	<u>\$3,626,757,584</u>
Total assets	\$4,361,186,350	\$3,726,257,213
Liabilities:		
Securities lending	(\$62,402,546)	(\$50,542,569)
Security purchases	(21,181,466)	(45,685,949)
Accounts payable	(2,689,643)	(2,497,655)
Prepaid contributions	<u>(26,831)</u>	<u>(25,573)</u>
Total liabilities	(\$86,300,486)	(\$98,751,746)
Net assets at market value	<u>\$4,274,885,864</u>	<u>\$3,627,505,467</u>
Net assets at actuarial value	<u>\$3,964,814,499</u>	<u>\$3,633,625,534</u>
Net assets at valuation value	<u>\$3,910,800,797</u>	<u>\$3,621,708,536</u>

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

EXHIBIT F

Actuarial Balance Sheet

An overview of the 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)

<u>Assets</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
1. Total valuation value of assets	\$3,910,801	\$3,621,709
2. Present value of future contributions by members	449,384	444,668
3. Present value of future employer contributions for:		
a. Entry age normal cost	\$514,554	524,833
b. Unfunded actuarial accrued liability	<u>820,215</u>	<u>953,354</u>
4. Total current and future assets	\$5,694,954	\$5,544,564
<u>Liabilities</u>		
5. Present value of benefits for retirees and beneficiaries	\$2,646,710	\$2,549,515
6. Present value of benefits for vested terminated members	127,447	131,431
7. Present value of benefits for active members	<u>2,920,797</u>	<u>2,863,618</u>
8. Total liabilities	\$5,694,954	\$5,544,564

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

EXHIBIT G

Summary of Allocated Reserves

Reserves		
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Member contributions reserve ⁽¹⁾	\$611,920,699	\$584,474,197
Employer advance reserve ⁽¹⁾	1,886,562,740	1,664,856,154
Offset: Interest crediting shortfall tracking account ⁽¹⁾	(889,356,718)	(824,240,436)
Retiree reserve ⁽¹⁾	2,150,677,421	2,051,529,206
Supplemental death benefit reserve ⁽¹⁾	13,897,630	13,408,521
Vested fixed supplemental (\$108.44) reserve ⁽¹⁾	134,434,076	131,680,894
Undistributed earnings ⁽¹⁾	2,664,949	0
Valuation reserves	<u>\$3,910,800,797</u>	<u>\$3,621,708,536</u>
Supplemental medical (\$27.50) reserve ⁽²⁾	10,401,838	11,916,998
Contingency reserve ⁽²⁾	43,611,864	0
Total reserves (actuarial value)	<u>\$3,964,814,499</u>	<u>\$3,633,625,534</u>
Market stabilization reserve ⁽²⁾	<u>310,071,365</u>	<u>(6,120,067)</u>
Net market value	\$4,274,885,864	\$3,627,505,467

⁽¹⁾ *Included in valuation value of assets.*

⁽²⁾ *Not included in valuation value of assets.*

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

EXHIBIT H

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2014

1. Unfunded actuarial accrued liability at beginning of year		\$953,354,000
2. Total Normal Cost payable at middle of year		125,613,000
3. Expected employer and member contributions		(237,819,000)
4. Interest (whole year on (1) plus half year on (2) + (3))		<u>66,551,000</u>
5. Expected unfunded actuarial accrued liability at end of year		<u>\$907,699,000</u>
6. Actuarial (gain)/loss due to all changes:		
(a) Investment return	\$(13,827,000)	
(b) Actual contributions less than expected	22,257,000	
(c) Lower than expected individual salary increases	(56,617,000)	
(d) Lower than expected COLA benefit increase for retirees and beneficiaries	(37,292,000)	
(e) Other experience	<u>(2,005,000)</u>	
Total changes		<u>\$(87,484,000)</u>
7. Unfunded actuarial accrued liability at end of year		<u>\$820,215,000</u>

Note: Net gain from other experience of \$95.9 million (as shown on page 8) is equal to: 6(c) + 6(d) + 6(e).

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

EXHIBIT I

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
General Tier 1	June 30, 2004	Restart of Amortization	\$63,394,000	\$37,659,000	5	\$8,407,000
	June 30, 2005	Actuarial (Gain)/Loss	22,085,000	14,854,000	6	2,811,000
	June 30, 2006	Actuarial (Gain)/Loss	7,048,000	5,219,000	7	861,000
	June 30, 2006	Assumption Change	41,538,000	30,713,000	7	5,068,000
	June 30, 2007	Actuarial (Gain)/Loss	(19,901,000)	(15,864,000)	8	(2,330,000)
	June 30, 2008	Actuarial (Gain)/Loss	(18,128,000)	(15,340,000)	9	(2,036,000)
	June 30, 2009	Actuarial (Gain)/Loss	55,190,000	48,942,000	10	5,946,000
	June 30, 2009	Assumption Change	18,574,000	16,462,000	10	2,000,000
	June 30, 2010	Actuarial (Gain)/Loss	50,018,000	46,022,000	11	5,168,000
	June 30, 2011	Actuarial (Gain)/Loss	36,225,000	34,317,000	12	3,591,000
	June 30, 2012	Actuarial (Gain)/Loss	29,865,000	28,924,000	13	2,840,000
	June 30, 2012	Demographic Assumption Change	38,104,000	38,277,000	18	2,942,000
	June 30, 2012	Economic Assumption Change	19,517,000	19,606,000	18	1,507,000
	June 30, 2013	Actuarial (Gain)/Loss	31,670,000	31,240,000	14	2,895,000
	June 30, 2014	Actuarial (Gain)/Loss	16,119,000	<u>16,119,000</u>	15	<u>1,417,000</u>
						\$337,150,000
						\$41,087,000
General Tier 2	June 30, 2004	Restart of Amortization	\$49,731,000	\$29,549,000	5	\$6,597,000
	June 30, 2005	Actuarial (Gain)/Loss	7,622,000	5,133,000	6	971,000
	June 30, 2006	Actuarial (Gain)/Loss	(9,108,000)	(6,738,000)	7	(1,112,000)
	June 30, 2006	Assumption Change	19,085,000	14,112,000	7	2,329,000
	June 30, 2006	Plan Provision Change	14,731,000	10,885,000	7	1,796,000
	June 30, 2007	Actuarial (Gain)/Loss	(39,508,000)	(31,502,000)	8	(4,626,000)
	June 30, 2008	Actuarial (Gain)/Loss	(34,794,000)	(29,435,000)	9	(3,907,000)
	June 30, 2009	Actuarial (Gain)/Loss	71,253,000	63,179,000	10	7,675,000
	June 30, 2009	Assumption Change	22,696,000	20,118,000	10	2,444,000
	June 30, 2010	Actuarial (Gain)/Loss	47,615,000	43,817,000	11	4,920,000
	June 30, 2011	Actuarial (Gain)/Loss	(6,949,000)	(6,599,000)	12	(691,000)
	June 30, 2012	Actuarial (Gain)/Loss	(18,106,000)	(17,539,000)	13	(1,722,000)
	June 30, 2012	Demographic Assumption Change	29,420,000	29,550,000	18	2,271,000
	June 30, 2012	Economic Assumption Change	32,874,000	33,028,000	18	2,539,000
	June 30, 2013	Actuarial (Gain)/Loss	(23,823,000)	(23,509,000)	14	(2,179,000)
June 30, 2014	Actuarial (Gain)/Loss	(49,125,000)	<u>(49,125,000)</u>	15	<u>(4,319,000)</u>	
						\$84,924,000
						\$12,986,000

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

EXHIBIT I (continued)

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
Safety	June 30, 2004	Restart of Amortization	\$210,319,000	\$124,936,000	5	\$27,892,000
	June 30, 2005	Actuarial (Gain)/Loss	19,142,000	12,875,000	6	2,437,000
	June 30, 2006	Actuarial (Gain)/Loss	3,418,000	2,521,000	7	416,000
	June 30, 2006	Assumption Change	42,167,000	31,180,000	7	5,145,000
	June 30, 2007	Actuarial (Gain)/Loss	(37,489,000)	(29,880,000)	8	(4,388,000)
	June 30, 2008	Actuarial (Gain)/Loss	(22,443,000)	(18,975,000)	9	(2,519,000)
	June 30, 2009	Actuarial (Gain)/Loss	78,157,000	69,300,000	10	8,419,000
	June 30, 2009	Assumption Change	49,982,000	44,319,000	10	5,384,000
	June 30, 2010	Actuarial (Gain)/Loss	108,448,000	99,804,000	11	11,207,000
	June 30, 2011	Actuarial (Gain)/Loss	8,879,000	8,418,000	12	881,000
	June 30, 2012	Actuarial (Gain)/Loss	(7,501,000)	(7,255,000)	13	(712,000)
	June 30, 2012	Demographic Assumption Change	55,513,000	55,772,000	18	4,287,000
	June 30, 2012	Economic Assumption Change	51,887,000	52,119,000	18	4,006,000
	June 30, 2013	Actuarial (Gain)/Loss	7,588,000	7,485,000	14	694,000
	June 30, 2014	Actuarial (Gain)/Loss	(54,478,000)	<u>(54,478,000)</u>	15	<u>(4,789,000)</u>
						\$398,141,000
						\$58,360,000
Total VCERA	June 30, 2004	Restart of Amortization	\$323,444,000	\$192,144,000	5	\$42,896,000
	June 30, 2005	Actuarial (Gain)/Loss	48,849,000	32,862,000	6	6,219,000
	June 30, 2006	Actuarial (Gain)/Loss	1,358,000	1,002,000	7	165,000
	June 30, 2006	Assumption Change	102,790,000	76,005,000	7	12,542,000
	June 30, 2006	Plan Provision Change	14,731,000	10,885,000	7	1,796,000
	June 30, 2007	Actuarial (Gain)/Loss	(96,898,000)	(77,246,000)	8	(11,344,000)
	June 30, 2008	Actuarial (Gain)/Loss	(75,365,000)	(63,750,000)	9	(8,462,000)
	June 30, 2009	Actuarial (Gain)/Loss	204,600,000	181,421,000	10	22,040,000
	June 30, 2009	Assumption Change	91,252,000	80,899,000	10	9,828,000
	June 30, 2010	Actuarial (Gain)/Loss	206,081,000	189,643,000	11	21,295,000
	June 30, 2011	Actuarial (Gain)/Loss	38,155,000	36,136,000	12	3,781,000
	June 30, 2012	Actuarial (Gain)/Loss	4,258,000	4,130,000	13	406,000
	June 30, 2012	Demographic Assumption Change	123,037,000	123,599,000	18	9,500,000
	June 30, 2012	Economic Assumption Change	104,278,000	104,753,000	18	8,052,000
	June 30, 2013	Actuarial (Gain)/Loss	15,435,000	15,216,000	14	1,410,000
June 30, 2014	Actuarial (Gain)/Loss	(87,484,000)	<u>(87,484,000)</u>	15	<u>(7,691,000)</u>	
						\$820,215,000
						\$112,433,000

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

EXHIBIT J

Section 415 Limitations

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 \$210,000 for 2014 and 2015. 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).

For Non-PEPRA members, 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

EXHIBIT K

Definitions of Pension Terms

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 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

**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.

Payroll or Compensation:

Compensation Earnable and Pensionable Compensation expected to be paid to active members during the twelve months following the valuation date. Only Compensation Earnable and Pensionable Compensation that would possibly go into the determination of retirement benefits are included.

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

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1. Retired members as of the valuation date (including 832 beneficiaries in pay status)	6,121
2. Members inactive during year ended June 30, 2014 with vested rights ⁽¹⁾	2,339
3. Members active during the year ended June 30, 2014	8,210

The actuarial factors as of the valuation date are as follows (amounts in 000s):

1. Normal cost	\$125,640
2. Present value of future benefits	5,694,954
3. Present value of future normal costs	963,938
4. Actuarial accrued liability ⁽²⁾	4,731,016
Retired members and beneficiaries	\$2,646,710
Inactive members with vested rights ⁽¹⁾	127,447
Active members	1,956,859
5. Valuation value of assets ⁽²⁾ (\$4,274,886 at market value as reported by Retirement Association)	3,910,801
6. Unfunded actuarial accrued liability	\$820,215

⁽¹⁾ Includes terminated members with member contributions on deposit.

⁽²⁾ Excludes liabilities and assets held for supplemental medical benefit reserve and statutory contingency reserve.

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

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended average employer contribution is as follows
(amounts in 000s):

	Dollar Amount	% of Payroll
1. Total normal cost	\$125,640	19.38%
2. Expected employee contributions	<u>-55,795</u>	<u>-8.61%</u>
3. Employer normal cost: (1) + (2)	\$69,845	10.77%
4. Amortization of unfunded actuarial accrued liability	<u>112,428</u>	<u>17.34%</u>
5. Total recommended average employer contribution: (3) + (4)	\$182,273	28.11%
6. Projected compensation	\$648,257	

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

EXHIBIT II

Supplementary Information Required by GASB 27 – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	\$105,278,000	\$105,278,000	100.0%
2010	97,324,000	97,324,000	100.0%
2011	111,585,000	111,585,000	100.0%
2012	132,386,000	132,386,000	100.0%
2013	142,370,000	142,370,000	100.0%
2014	161,247,000	161,247,000	100.0%

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

EXHIBIT III

Supplementary Information Required by GASB 27 – Schedule of Funding Progress

Actuarial Valuation Date	Valuation Value of Assets⁽¹⁾ (a)	Actuarial Accrued Liability (AAL)⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
06/30/2009	\$3,090,148,000	\$3,663,701,000	\$573,553,000	84.34%	\$634,777,000	90.36%
06/30/2010	3,115,984,000	3,877,443,000	761,459,000	80.36%	654,829,000	116.28%
06/30/2011	3,220,388,000	3,995,352,000	774,964,000	80.60%	637,037,000	121.65%
06/30/2012	3,397,360,000	4,373,227,000	975,867,000	77.69%	633,848,000	153.96%
06/30/2013	3,621,709,000	4,575,063,000	953,354,000	79.16%	638,764,000	149.25%
06/30/2014	3,910,801,000	4,731,016,000	820,215,000	82.66%	648,257,000	126.53%

⁽¹⁾ Excludes assets for supplemental medical benefit reserve and statutory contingency reserve.

⁽²⁾ Excludes liabilities held for supplemental medical benefit reserve and statutory contingency reserve.

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

EXHIBIT IV

Supplementary Information Required by GASB 27

Valuation date	June 30, 2014
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll (4.00% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 are separately amortized over a 15-year closed period effective with that valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
Asset valuation method	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. The Actuarial Value of Assets is reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
Actuarial assumptions:	
Investment rate of return	7.75% ⁽¹⁾
Projected salary increases	4.50% - 12.50% ⁽²⁾ varying by service
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are 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.
Plan membership:	
Retired members and beneficiaries receiving benefits	6,121
Terminated members entitled to, but not yet receiving benefits ⁽³⁾	2,339
Active members	<u>8,210</u>
Total	16,670

⁽¹⁾ Includes inflation at 3.25%.

⁽²⁾ Includes inflation at 3.25%, "across the board" increases of 0.75%, plus merit and longevity increases. See Exhibit V for these increases.

⁽³⁾ Includes terminated members with member contributions on deposit.

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

EXHIBIT V

Actuarial Assumptions and Methods

Actuarial Assumptions

Post – Retirement Mortality Rates:

- Healthy:* For all Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
- Disabled:* For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set forward five years for males and seven years for females.
For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
The RP-2000 mortality tables projected with Scale AA to 2010 and adjusted by the applicable set backs and set forwards shown above reasonably reflect the projected mortality experience as of the measurement date. The additional projection to 2025 is a provision for future mortality improvements.
- Beneficiaries:* Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who has taken a service (non-disability) retirement.
- Member Contribution Rates:* For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 35% male and 65% female.
For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 80% male and 20% female.

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

Termination Rates Before Retirement:

Age	Rate (%) Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.03	0.01	0.03	0.01
30	0.04	0.02	0.04	0.02
35	0.06	0.03	0.06	0.03
40	0.09	0.04	0.09	0.04
45	0.10	0.07	0.10	0.07
50	0.13	0.10	0.13	0.10
55	0.19	0.19	0.19	0.19
60	0.40	0.39	0.40	0.39
65	0.79	0.76	0.79	0.76

All pre-retirement deaths are assumed to be non-duty related.

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

Termination Rates Before Retirement (continued):

Age	Rate (%) Disability	
	General⁽¹⁾	Safety⁽²⁾
25	0.02	0.14
30	0.04	0.26
35	0.08	0.48
40	0.13	0.90
45	0.21	1.16
50	0.40	1.98
55	0.56	3.40
60	0.69	4.60
65	0.90	0.00
70	1.00	0.00

⁽¹⁾ 40% of General disabilities are assumed to be duty disabilities and the other 60% are assumed to be ordinary disabilities.

⁽²⁾ 90% of Safety disabilities are assumed to be duty disabilities and the other 10% are assumed to be ordinary disabilities.

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

Termination Rates Before Retirement (continued):

Rate (%)		
Withdrawal (Less than Five Years of Service)*		
Years of Service	General	Safety
0	15.00	12.00
1	10.00	6.00
2	8.00	5.50
3	7.00	5.00
4	6.00	4.00

Withdrawal (Five or More Years of Service)*		
Age	General	Safety
20	6.00	4.00
25	6.00	4.00
30	5.70	3.40
35	4.90	2.40
40	3.90	1.40
45	2.90	0.70
50	2.20	0.20
55	1.70	0.00
60	1.20	0.00
65	1.00	0.00
70	0.00	0.00

* 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

Retirement Rates:

Age	General Tier 1 and 2	PEPRA General Tier 1 and 2	Safety	PEPRA Safety
40	0.00	0.00	1.00	0.00
41	0.00	0.00	1.00	0.00
42	0.00	0.00	1.00	0.00
43	0.00	0.00	1.00	0.00
44	0.00	0.00	1.00	0.00
45	0.00	0.00	1.00	0.00
46	0.00	0.00	1.00	0.00
47	0.00	0.00	1.00	0.00
48	0.00	0.00	1.00	0.00
49	0.00	0.00	1.00	0.00
50	3.00	0.00	2.00	4.00
51	3.00	0.00	2.00	2.00
52	4.00	2.00	4.00	5.00
53	4.00	2.00	6.00	8.00
54	6.00	3.00	18.00	18.00
55	6.00	5.00	25.00	20.00
56	7.00	5.00	20.00	20.00
57	8.00	6.00	20.00	18.00
58	10.00	7.00	18.00	18.00
59	10.00	8.00	25.00	30.00
60	14.00	10.00	25.00	30.00
61	18.00	12.50	30.00	30.00
62	22.00	20.00	40.00	50.00
63	20.00	20.00	50.00	50.00
64	25.00	20.00	50.00	50.00
65	35.00	25.00	100.00	100.00
66	35.00	30.00	100.00	100.00
67	35.00	30.00	100.00	100.00
68	25.00	30.00	100.00	100.00
69	20.00	30.00	100.00	100.00
70	20.00	50.00	100.00	100.00
71	20.00	50.00	100.00	100.00
72	20.00	50.00	100.00	100.00
73	20.00	50.00	100.00	100.00
74	40.00	50.00	100.00	100.00
75	100.00	100.00	100.00	100.00

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

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

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

General Age: 58

Safety Age: 54

We assume that 50% and 65% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 4.50% compensation increases per annum.

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:

70% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.

Age of Spouse:

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

Net Investment Return:

7.75%, net of investment and administration expenses.

**Member Contribution
Crediting Rate:**

3.25% (Actual increase is based on projected long term ten-year Treasury rate).

Consumer Price Index:

Increase of 3.25% per year; retiree COLA increases due to CPI are 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 future service after March 2003.

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

In-Service Redemptions:

Non-PEPRA Formulas

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

General Tier 1	8.00%
General Tier 2	3.50%
Safety	7.50%

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 member contribution rates.

PEPRA Formulas

None

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.25% per year; plus “across the board” salary increases of 0.75% per year; plus the following promotional and merit increases:

<u>Years of Service</u>	<u>General</u>	<u>Safety</u>
Less than 1	5.00%	8.50%
1	3.75	6.25
2	3.00	4.75
3	2.50	4.00
4	2.00	3.00
5	1.50	2.50
6	1.00	2.00
7	1.00	1.50
8	0.75	1.25
9	0.50	1.00
10	0.50	0.75
11	0.50	0.75
12	0.50	0.75
13	0.50	0.75
14	0.50	0.75
15	0.50	0.75
16	0.50	0.50
17	0.50	0.50
18	0.50	0.50
19	0.50	0.50
20 and Over	0.50	0.50

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

Increase in the Internal Revenue

Code Section 401(a)(17)

Compensation Limit: Increase of 3.25% per year from the valuation date.

Increase in Section 7522.10

Compensation Limit: Increase of 3.25% per year from the valuation date.

Actuarial Methods

Actuarial Cost Method: Entry Age Actuarial Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formulas have always been in effect (i.e., "replacement life").

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. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.

Valuation Value of Assets: Actuarial Value of Assets reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve.

Amortization Policy: The UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of June 30, 2011 shall continue to be amortized over separate 15-year period amortization layers based on the valuations during which each separate layer was previously established.

Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 15 years.

Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 20 years.

Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

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

- i) with the exception noted in ii., below, the increase in UAAL as a result of any plan amendments will be amortized over a period of 15 years;
- ii) the increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted in Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years.

The UAAL will be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

The UAAL will be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase.

If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an “open” amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL, will be amortized over 15 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of VCERA’s UAAL cost groups.

Basic UAAL contribution rates have been calculated on a combined basis for all General Tiers. COLA UAAL contribution rates have been calculated on a combined basis for all General Tiers that have a COLA.

Changes in Actuarial Assumptions and Methods:

The UAAL amortization policy has been changed since the previous valuation. This method now also determines COLA UAAL contribution rates on a combined basis for all General Tiers that have a COLA.

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

EXHIBIT VI

Summary of Plan Provisions

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.

Membership Eligibility:	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 with membership dates before June 30, 1979, plus Deputy Sheriff trainees and certain executive management with membership dates before January 1, 2013.
<i>General Tier 2</i>	All General members with membership dates on or after June 30, 1979 and before January 1, 2013, except as noted above for General Tier 1.
<i>Safety</i>	All Safety members with membership dates before January 1, 2013.
<i>PEPRA General Tier 1</i>	Deputy Sheriff trainees with membership dates on or after January 1, 2013 and before April 17, 2014.
<i>PEPRA General Tier 2</i>	All General members with membership dates on or after January 1, 2013, except as noted above for PEPRA General Tier 1.
<i>PEPRA Safety</i>	All Safety members with membership dates on or after January 1, 2013.

Final Compensation for Benefit Determination:

<i>General Tier 1 and Safety</i>	Highest consecutive twelve months of compensation earnable (§31462.1)(FAC1).
<i>General Tier 2</i>	Highest consecutive thirty-six months of compensation earnable (§31462)(FAC3).
<i>PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety</i>	Highest consecutive thirty-six months of pensionable compensation (§7522.32) (FAS3).

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

Compensation Limit:

General Tier 1, General Tier 2 and Safety

For members with membership dates on or after July 1, 1996, Compensation Earnable is limited to Internal Revenue Code Section 401(a)(17). The limit for the Plan Year beginning July 1, 2014 is \$260,000. The limit is indexed for inflation on an annual basis.

PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety

Pensionable Compensation is limited to \$115,064 for 2014 (\$138,077, if not enrolled in Social Security). The limit is indexed for inflation on an annual basis.

Service:

Years of service. (Yrs)

Service Retirement Eligibility:

General

Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672).

Safety

Age 50 with 10 years of service, or age 70 regardless of service, or after 20 years, regardless of age (§31663.25).

PEPRA General

Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service (§31672.3).

PEPRA Safety

Age 50 with 5 years of service (§7522.25(d)) or age 70 regardless of service (§31672.3).

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1</i> (§31676.11)	50	$(1.24\% \times \text{FAC1} - 1/3 \times 1.24\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.67\% \times \text{FAC1} - 1/3 \times 1.67\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.18\% \times \text{FAC1} - 1/3 \times 2.18\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.35\% \times \text{FAC1} - 1/3 \times 2.35\% \times \$350 \times 12) \times \text{Yrs}$
	65 or later	$(2.61\% \times \text{FAC1} - 1/3 \times 2.61\% \times \$350 \times 12) \times \text{Yrs}$

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

	Retirement Age	Benefit Formula
<i>General Tier 2 (§31676.1)</i>	50	$(1.18\% \times \text{FAC3} - 1/3 \times 1.18\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.49\% \times \text{FAC3} - 1/3 \times 1.49\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(1.92\% \times \text{FAC3} - 1/3 \times 1.92\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.09\% \times \text{FAC3} - 1/3 \times 2.09\% \times \$350 \times 12) \times \text{Yrs}$
	65 or later	$(2.43\% \times \text{FAC3} - 1/3 \times 2.43\% \times \$350 \times 12) \times \text{Yrs}$
<i>PEPRA General Tier 1 and PEPRA General Tier 2 (§7522.20(a))</i>	Retirement Age	Benefit Formula
	52	$(1.00\% \times \text{FAS3} \times \text{Yrs})$
	55	$(1.30\% \times \text{FAS3} \times \text{Yrs})$
	60	$(1.80\% \times \text{FAS3} \times \text{Yrs})$
	62	$(2.00\% \times \text{FAS3} \times \text{Yrs})$
	65	$(2.30\% \times \text{FAS3} \times \text{Yrs})$
67 or later	$(2.50\% \times \text{FAS3} \times \text{Yrs})$	
<i>Safety (Non-Integrated) (§31664)</i>	Retirement Age	Benefit Formula
	50	$(2.00\% \times \text{FAC1} \times \text{Yrs})$
	55	$(2.62\% \times \text{FAC1} \times \text{Yrs})$
	60 or later	$(2.62\% \times \text{FAC1} \times \text{Yrs})$
<i>PEPRA Safety (§7522.25(d))</i>	Retirement Age	Benefit Formula
	50	$(2.00\% \times \text{FAS3} \times \text{Yrs})$
	55	$(2.50\% \times \text{FAS3} \times \text{Yrs})$
	57 or later	$(2.70\% \times \text{FAS3} \times \text{Yrs})$

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

Maximum Benefit:

<i>General Tier 1, General Tier 2 and Safety</i>	100% of Highest Average Compensation (§31676.1, §31676.11, §31664)
<i>PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety</i>	None

Ordinary Disability:

<i>General Tier 1, General Tier 2, PEPRA General Tier 1 and PEPRA General 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 and PEPRA 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).

Line-of-Duty Disability:

<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).

Pre-Retirement Death:

<i>All Members</i>	
<i>Less than Five Years of Service</i>	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).

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

Five or More Years of Service An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).
OR
60% of the greater of Service Retirement or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of above.
An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).

Death After Retirement:

All Members
Service Retirement 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, §31785.1).
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). 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 (§31786.1).

Withdrawal Benefits:

Less than Five Years of Service Refund of accumulated employee contributions with interest (§31628) or entitled to earned benefits commencing at anytime after eligible to retire (§31629.5).
Five or More Years of Service If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

General Tier 1, Safety, PEPRA General Tier 1 and PEPRA Safety Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked" (§31870.1).

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

<i>General Tier 2 and PEPR General Tier 2</i>	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. This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled “Funding Policies and Procedures for General Tier II COLA Benefit”.
Supplemental Benefit:	A supplemental benefit in the amount of \$108.44 per month is paid to retirees and their survivors.
Member Contributions:	Please refer to Appendix A for the specific rates.
<i>General Tier 1</i>	
<i>Basic</i>	Provide for an average annuity at age 55 equal to 1/120 of FAC1 (§31621.1).
<i>Cost-of-Living</i>	Provide for one-half of future cost-of-living costs.
<i>General Tier 2</i>	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/120 of FAC3 (§31621).
<i>Cost-of-Living</i>	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.
<i>Safety</i>	
<i>Basic</i>	Provide for an average annuity at age 50 equal to 1/100 of FAC1 (§31639.25).
<i>Cost-of-Living</i>	Provide for one-half of future cost-of-living costs.
<i>PEPRA General Tier 1</i>	Provide for 50% of total Normal Cost.
<i>PEPRA General Tier 2</i>	Provide for 50% of total Normal Cost. In addition, for General Tier 2 with COLA members, the current member COLA contribution rate of 2.63% of compensation has been reflected.
<i>PEPRA Safety</i>	Provide for 50% of total Normal Cost.
Other Information:	For Non-PEPRA 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. Non-PEPRA Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for Non-PEPRA General members hired on or before March 7, 1973.

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

Plan Changes: There have been no changes in plan provisions since the previous actuarial valuation that had a material impact on plan liabilities.

Plan Provisions Not Valued: The Board of Retirement has approved a Supplemental Medical Benefit. This benefit is funded from Undistributed Excess Earnings, paid from a reserve that is not included in the Valuation Value of Assets and is subject at all times to the availability of funds.

The Supplemental Medical Benefit is \$27.50 per month and is payable to virtually all retirees and beneficiaries.

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 for Non-PEPRA Members

**General Tier 1 Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
16	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
17	3.38%	5.07%	1.20%	1.80%	4.58%	6.87%
18	3.44%	5.17%	1.23%	1.83%	4.67%	7.00%
19	3.51%	5.26%	1.24%	1.87%	4.75%	7.13%
20	3.57%	5.36%	1.27%	1.90%	4.84%	7.26%
21	3.64%	5.46%	1.29%	1.94%	4.93%	7.40%
22	3.71%	5.56%	1.31%	1.97%	5.02%	7.53%
23	3.77%	5.66%	1.34%	2.01%	5.11%	7.67%
24	3.84%	5.77%	1.37%	2.04%	5.21%	7.81%
25	3.91%	5.87%	1.39%	2.08%	5.30%	7.95%
26	3.99%	5.98%	1.41%	2.12%	5.40%	8.10%
27	4.06%	6.09%	1.44%	2.16%	5.50%	8.25%
28	4.13%	6.20%	1.47%	2.20%	5.60%	8.40%
29	4.21%	6.31%	1.49%	2.24%	5.70%	8.55%
30	4.28%	6.42%	1.52%	2.28%	5.80%	8.70%
31	4.36%	6.54%	1.55%	2.32%	5.91%	8.86%
32	4.44%	6.66%	1.57%	2.36%	6.01%	9.02%
33	4.52%	6.78%	1.60%	2.40%	6.12%	9.18%
34	4.60%	6.90%	1.63%	2.45%	6.23%	9.35%
35	4.68%	7.02%	1.67%	2.50%	6.35%	9.52%
36	4.77%	7.15%	1.69%	2.54%	6.46%	9.69%
37	4.85%	7.28%	1.73%	2.59%	6.58%	9.87%
38	4.94%	7.41%	1.75%	2.63%	6.69%	10.04%
39	5.03%	7.55%	1.79%	2.68%	6.82%	10.23%

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

**General Tier 1 Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
40	5.13%	7.69%	1.82%	2.73%	6.95%	10.42%
41	5.22%	7.83%	1.85%	2.78%	7.07%	10.61%
42	5.32%	7.98%	1.89%	2.83%	7.21%	10.81%
43	5.42%	8.13%	1.93%	2.89%	7.35%	11.02%
44	5.53%	8.29%	1.96%	2.95%	7.49%	11.24%
45	5.64%	8.46%	2.01%	3.01%	7.65%	11.47%
46	5.75%	8.62%	2.04%	3.06%	7.79%	11.68%
47	5.85%	8.77%	2.07%	3.11%	7.92%	11.88%
48	5.95%	8.93%	2.12%	3.17%	8.07%	12.10%
49	6.04%	9.06%	2.15%	3.22%	8.19%	12.28%
50	6.11%	9.17%	2.18%	3.26%	8.29%	12.43%
51	6.17%	9.25%	2.19%	3.29%	8.36%	12.54%
52	6.21%	9.31%	2.20%	3.31%	8.41%	12.62%
53	6.22%	9.33%	2.21%	3.31%	8.43%	12.64%
54 & Over	6.18%	9.28%	2.20%	3.29%	8.38%	12.57%
Interest:	7.75%					
COLA:	3.00%					
COLA Loading:	35.49%					
Mortality:	RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.					
Salary Increase:	See Exhibit V.					

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, 2014 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	2.73%	4.09%	38	4.07%	6.11%
17	2.78%	4.17%	39	4.15%	6.22%
18	2.83%	4.24%	40	4.22%	6.33%
19	2.88%	4.32%	41	4.30%	6.45%
20	2.94%	4.41%	42	4.37%	6.56%
21	2.99%	4.49%	43	4.45%	6.68%
22	3.05%	4.57%	44	4.53%	6.80%
23	3.11%	4.66%	45	4.62%	6.93%
24	3.16%	4.74%	46	4.71%	7.06%
25	3.22%	4.83%	47	4.79%	7.19%
26	3.28%	4.92%	48	4.89%	7.33%
27	3.34%	5.01%	49	4.98%	7.47%
28	3.40%	5.10%	50	5.07%	7.60%
29	3.47%	5.20%	51	5.15%	7.73%
30	3.53%	5.29%	52	5.24%	7.86%
31	3.59%	5.39%	53	5.31%	7.96%
32	3.66%	5.49%	54	5.37%	8.05%
33	3.73%	5.59%	55	5.40%	8.10%
34	3.79%	5.69%	56	5.42%	8.13%
35	3.86%	5.79%	57	5.41%	8.12%
36	3.93%	5.89%	58	5.61%	8.42%
37	4.00%	6.00%	59 & over	5.82%	8.73%

Interest: 7.75%

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

Mortality: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.

Salary Increase: See Exhibit V.

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

**Safety Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	7.69%	4.28%	11.97%
16	7.69%	4.28%	11.97%
17	7.69%	4.28%	11.97%
18	7.69%	4.28%	11.97%
19	7.69%	4.28%	11.97%
20	7.69%	4.28%	11.97%
21	7.69%	4.28%	11.97%
22	7.83%	4.37%	12.20%
23	7.98%	4.45%	12.43%
24	8.13%	4.54%	12.67%
25	8.29%	4.62%	12.91%
26	8.44%	4.71%	13.15%
27	8.61%	4.79%	13.40%
28	8.77%	4.89%	13.66%
29	8.94%	4.98%	13.92%
30	9.11%	5.08%	14.19%
31	9.29%	5.18%	14.47%
32	9.48%	5.28%	14.76%
33	9.67%	5.39%	15.06%
34	9.84%	5.49%	15.33%
35	10.02%	5.59%	15.61%
36	10.21%	5.69%	15.90%
37	10.41%	5.80%	16.21%
38	10.62%	5.91%	16.53%
39	10.84%	6.04%	16.88%
40	11.05%	6.16%	17.21%
41	11.26%	6.27%	17.53%
42	11.45%	6.39%	17.84%

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

**Safety Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
43	11.62%	6.48%	18.10%
44	11.76%	6.56%	18.32%
45	11.88%	6.62%	18.50%
46	11.93%	6.65%	18.58%
47	11.94%	6.65%	18.59%
48	11.84%	6.60%	18.44%
49 & Over	11.59%	6.46%	18.05%

Interest: 7.75%
 COLA: 3.00%
 COLA Loading: 55.72%
 Mortality: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 80% male and 20% female.
 Salary Increase: See Exhibit V.

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.

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

Appendix B

Member Contribution Rates for PEPRA Members

	Basic	COLA	Total
General Tier 2 without COLA	6.92%	0.00%	6.92%
General Tier 2 with COLA	6.92%	2.63% ⁽¹⁾	9.55%
Safety	10.60%	4.09%	14.69%

The PEPRA member contribution rate is 50% of the Normal Cost.

⁽¹⁾ General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.

Note: It is our understanding that in the determination of pension benefits under the PEPRA tier formulas, the compensation that can be taken into account for 2014 is \$115,064. (For an employer that is not enrolled in Social Security, the maximum amount is \$138,077) (reference Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2014 (reference Section 7522.10(d)).

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

Appendix C

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost ⁽²⁾	7.72%	\$772	2.50%	\$250	10.22%	\$1,022
UAAL ⁽³⁾	<u>9.71%</u>	<u>971</u>	<u>2.68%</u>	<u>268</u>	<u>12.39%</u>	<u>1,239</u>
Total Contribution	17.43%	\$1,743	5.18%	\$518	22.61%	\$2,261
General Tier 2 Members w/o COLA						
Normal Cost	7.09%	\$14,878	0.00%	\$0	7.09%	\$14,878
UAAL ⁽³⁾	<u>9.71%</u>	<u>20,370</u>	<u>0.00%</u>	<u>0</u>	<u>9.71%</u>	<u>20,370</u>
Total Contribution	16.80%	\$35,248	0.00%	\$0	16.80%	\$35,248
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.92%	\$823	0.00%	\$0	6.92%	\$823
UAAL ⁽³⁾	<u>9.71%</u>	<u>1,155</u>	<u>0.00%</u>	<u>0</u>	<u>9.71%</u>	<u>1,155</u>
Total Contribution	16.63%	\$1,978	0.00%	\$0	16.63%	\$1,978
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	7.09%	\$16,213	-0.05%	-\$115	7.04%	\$16,098
UAAL ⁽³⁾⁽⁵⁾	<u>9.71%</u>	<u>22,204</u>	<u>2.68%</u>	<u>6,134</u>	<u>12.39%</u>	<u>28,338</u>
Total Contribution	16.80%	\$38,417	2.63%	\$6,019	19.43%	\$44,436
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.92%	\$1,658	-0.10%	-\$24	6.82%	\$1,634
UAAL ⁽³⁾⁽⁵⁾	<u>9.71%</u>	<u>2,326</u>	<u>2.68%</u>	<u>643</u>	<u>12.39%</u>	<u>2,969</u>
Total Contribution	16.63%	\$3,984	2.58%	\$619	19.21%	\$4,603
All General Members⁽⁶⁾						
Normal Cost	7.09%	\$34,344	0.02%	\$111	7.11%	\$34,455
UAAL	<u>9.71%</u>	<u>47,026</u>	<u>1.45%</u>	<u>7,045</u>	<u>11.16%</u>	<u>54,071</u>
Total Contribution	16.80%	\$81,370	1.47%	\$7,156	18.27%	\$88,526

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

Appendix C (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
Safety Members						
Normal Cost ⁽⁷⁾	11.80%	\$18,889	4.68%	\$7,491	16.48%	\$26,380
UAAL	<u>44.50%</u>	<u>71,233</u>	<u>-8.89%</u>	<u>-14,230</u>	<u>35.61%</u>	<u>57,003</u>
Total Contribution	56.30%	\$90,122	-4.21%	-\$6,739	52.09%	\$83,383
Safety PEPRA Members						
Normal Cost	10.60%	\$403	4.09%	\$156	14.69%	\$559
UAAL	<u>44.50%</u>	<u>1,692</u>	<u>-8.89%</u>	<u>-338</u>	<u>35.61%</u>	<u>1,354</u>
Total Contribution	55.10%	\$2,095	-4.80%	-\$182	50.30%	\$1,913
All Safety Members⁽⁶⁾						
Normal Cost	11.77%	\$19,292	4.67%	\$7,647	16.44%	\$26,939
UAAL	<u>44.50%</u>	<u>72,925</u>	<u>-8.89%</u>	<u>-14,568</u>	<u>35.61%</u>	<u>58,357</u>
Total Contribution	56.27%	\$92,217	-4.22%	-\$6,921	52.05%	\$85,296
All Categories Combined⁽⁶⁾						
Normal Cost	8.27%	\$53,636	1.20%	\$7,758	9.47%	\$61,394
UAAL	<u>18.50%</u>	<u>119,951</u>	<u>-1.16%</u>	<u>-7,523</u>	<u>17.34%</u>	<u>112,428</u>
Total Contribution	26.77%	\$173,587	0.04%	\$235	26.81%	\$173,822

⁽¹⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:

General Tier 1	\$10,004
General Tier 2	209,847
General PEPRA Tier 2	11,899
General Tier 2C	228,670
General PEPRA Tier 2C	23,959
Safety	160,075
Safety PEPRA	<u>3,803</u>
Total	\$648,257

⁽²⁾ The total employer rate has been adjusted by 0.37% to account for the cost associated with the cessation of member contributions after 30 years of service.

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers. COLA UAAL rates have been calculated on a combined basis for all General Tiers that have a COLA (excludes General Tier 2 without COLA and General PEPRA Tier 2 without COLA).

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

⁽⁷⁾ The total employer rate has been adjusted by 1.13% to account for the cost associated with the cessation of member contributions after 30 years of service.

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

Appendix D

Member Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers

	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
General Tier 1	5.03%	7.54%	1.62%	2.44%	6.65%	9.98%
General Tier 2 without COLA	4.81%	7.22%	0.00%	0.00%	4.81%	7.22%
General Tier 2 COLA	4.81%	7.22%	2.63% ⁽¹⁾	2.63% ⁽¹⁾	7.44%	9.85%
Safety	10.99%	10.99%	4.36%	4.36%	15.35%	15.35%

⁽¹⁾ General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.

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

Appendix E

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost	8.11%	\$811	2.43%	\$243	10.54%	\$1,054
UAAL ⁽²⁾	<u>369.07%</u>	<u>36,922</u>	<u>41.64%</u>	<u>4,165</u>	<u>410.71%</u>	<u>41,087</u>
Total Contribution	377.18%	\$37,733	44.07%	\$4,408	421.25%	\$42,141
General Tier 2 Members w/o COLA						
Normal Cost	8.36%	\$17,543	0.00%	\$0	8.36%	\$17,543
UAAL ⁽²⁾	<u>2.13%</u>	<u>4,470</u>	<u>0.00%</u>	<u>0</u>	<u>2.13%</u>	<u>4,470</u>
Total Contribution	10.49%	\$22,013	0.00%	\$0	10.49%	\$22,013
General PEPR Tier 2 Members w/o COLA						
Normal Cost	6.92%	\$823	0.00%	\$0	6.92%	\$823
UAAL ⁽²⁾	<u>2.13%</u>	<u>253</u>	<u>0.00%</u>	<u>0</u>	<u>2.13%</u>	<u>253</u>
Total Contribution	9.05%	\$1,076	0.00%	\$0	9.05%	\$1,076
General Tier 2 Members w/COLA						
Normal Cost ⁽³⁾	8.36%	\$19,117	-0.05%	-\$115	8.31%	\$19,002
UAAL ⁽²⁾⁽⁴⁾	<u>2.13%</u>	<u>4,871</u>	<u>1.14%</u>	<u>2,607</u>	<u>3.27%</u>	<u>7,478</u>
Total Contribution	10.49%	\$23,988	1.09%	\$2,492	11.58%	\$26,480
General PEPR Tier 2 Members w/COLA						
Normal Cost ⁽³⁾	6.92%	\$1,658	-0.10%	-\$24	6.82%	\$1,634
UAAL ⁽²⁾⁽⁴⁾	<u>2.13%</u>	<u>510</u>	<u>1.14%</u>	<u>273</u>	<u>3.27%</u>	<u>783</u>
Total Contribution	9.05%	\$2,168	1.04%	\$249	10.09%	\$2,417
All General Members						
Normal Cost	8.25%	\$39,952	0.02%	\$104	8.27%	\$40,056
UAAL	<u>9.71%</u>	<u>47,026</u>	<u>1.45%</u>	<u>7,045</u>	<u>11.16%</u>	<u>54,071</u>
Total Contribution	17.96%	\$86,978	1.47%	\$7,149	19.43%	\$94,127

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

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
Safety Members						
Normal Cost	13.97%	\$22,362	4.29%	\$6,868	18.26%	\$29,230
UAAL	<u>44.50%</u>	<u>71,233</u>	<u>-8.89%</u>	<u>-14,230</u>	<u>35.61%</u>	<u>57,003</u>
Total Contribution	58.47%	\$93,595	-4.60%	-\$7,362	53.87%	\$86,233
Safety PEPRAs Members						
Normal Cost	10.60%	\$403	4.09%	\$156	14.69%	\$559
UAAL	<u>44.50%</u>	<u>1,692</u>	<u>-8.89%</u>	<u>-338</u>	<u>35.61%</u>	<u>1,354</u>
Total Contribution	55.10%	\$2,095	-4.80%	-\$182	50.30%	\$1,913
All Safety Members						
Normal Cost	13.89%	\$22,765	4.29%	\$7,024	18.18%	\$29,789
UAAL	<u>44.50%</u>	<u>72,925</u>	<u>-8.89%</u>	<u>-14,568</u>	<u>35.61%</u>	<u>58,357</u>
Total Contribution	58.39%	\$95,690	-4.60%	-\$7,544	53.79%	\$88,146
All Categories Combined						
Normal Cost	9.67%	\$62,717	1.10%	\$7,128	10.77%	\$69,845
UAAL	<u>18.50%</u>	<u>119,951</u>	<u>-1.16%</u>	<u>-7,523</u>	<u>17.34%</u>	<u>112,428</u>
Total Contribution	28.17%	\$182,668	-0.06%	-\$395	28.11%	\$182,273

⁽¹⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:

General Tier 1	\$10,004
General Tier 2	209,847
General PEPRAs Tier 2	11,899
General Tier 2C	228,670
General PEPRAs Tier 2C	23,959
Safety	160,075
Safety PEPRAs	<u>3,803</u>
Total	\$648,257

⁽²⁾ Basic UAAL rates have not been calculated on a combined basis for all General Tiers.

⁽³⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁴⁾ Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

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

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	8.15%	\$925	2.44%	\$277	10.59%	\$1,202
UAAL ⁽³⁾	<u>277.05%</u>	<u>31,440</u>	<u>29.41%</u>	<u>3,337</u>	<u>306.46%</u>	<u>34,777</u>
Total Contribution	285.20%	\$32,365	31.85%	\$3,614	317.05%	\$35,979
General PEPRA Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>277.05%</u>	<u>3,045</u>	<u>29.41%</u>	<u>323</u>	<u>306.46%</u>	<u>3,368</u>
Total Contribution	281.75%	\$3,097	31.21%	\$342	312.96%	\$3,439
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	\$17,997	0.00%	\$0	8.48%	\$17,997
UAAL ⁽³⁾	<u>3.04%</u>	<u>6,452</u>	<u>0.00%</u>	<u>0</u>	<u>3.04%</u>	<u>6,452</u>
Total Contribution	11.52%	\$24,449	0.00%	\$0	11.52%	\$24,449
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>3.04%</u>	<u>96</u>	<u>0.00%</u>	<u>0</u>	<u>3.04%</u>	<u>96</u>
Total Contribution	9.87%	\$312	0.00%	\$0	9.87%	\$312
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.48%	\$20,422	-0.04%	-\$97	8.44%	\$20,325
UAAL ⁽³⁾⁽⁵⁾	<u>3.04%</u>	<u>7,321</u>	<u>1.01%</u>	<u>2,432</u>	<u>4.05%</u>	<u>9,753</u>
Total Contribution	11.52%	\$27,743	0.97%	\$2,335	12.49%	\$30,078
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>3.04%</u>	<u>239</u>	<u>1.01%</u>	<u>79</u>	<u>4.05%</u>	<u>318</u>
Total Contribution	9.87%	\$775	0.88%	\$69	10.75%	\$844
All General Members						
Normal Cost	8.43%	\$40,148	0.04%	\$189	8.47%	\$40,337
UAAL	<u>10.20%</u>	<u>48,593</u>	<u>1.29%</u>	<u>6,171</u>	<u>11.49%</u>	<u>54,764</u>
Total Contribution	18.63%	\$88,741	1.33%	\$6,360	19.96%	\$95,101

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

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.96%	\$22,627	4.30%	\$6,970	18.26%	\$29,597
UAAL	<u>42.87%</u>	<u>69,486</u>	<u>-5.45%</u>	<u>-8,834</u>	<u>37.42%</u>	<u>60,652</u>
Total Contribution	56.83%	\$92,113	-1.15%	-\$1,864	55.68%	\$90,249
Safety PEPRA Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.87%</u>	<u>73</u>	<u>-5.45%</u>	<u>-9</u>	<u>37.42%</u>	<u>64</u>
Total Contribution	54.14%	\$92	-0.58%	\$0	53.56%	\$92
All Safety Members						
Normal Cost	13.96%	\$22,646	4.30%	\$6,979	18.26%	\$29,625
UAAL	<u>42.87%</u>	<u>69,559</u>	<u>-5.45%</u>	<u>-8,843</u>	<u>37.42%</u>	<u>60,716</u>
Total Contribution	56.83%	\$92,205	-1.15%	-\$1,864	55.68%	\$90,341
All Categories Combined						
Normal Cost	9.83%	\$62,794	1.12%	\$7,168	10.95%	\$69,962
UAAL	<u>18.50%</u>	<u>118,152</u>	<u>-0.42%</u>	<u>-2,672</u>	<u>18.08%</u>	<u>115,480</u>
Total Contribution	28.33%	\$180,946	0.70%	\$4,496	29.03%	\$185,442

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	<u>171</u>
Total	\$638,764

⁽³⁾ Basic UAAL rates have not been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.