Ventura County Employees' Retirement Association

Actuarial Valuation and Review
as of June 30, 2011

SEGAL

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December 12, 2011

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, 2011. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2012-2013 and analyzes the preceding year's experience.

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

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

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

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

Sincerely,

THE SEGAL COMPANY

By: Paul Angelo John Monroe

Paul Angelo, FSA, EA, MAAA, FCA
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PURPOSE AND SCOPE

This report has been prepared by The Segal Company to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2011. 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, 2011, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2011, 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 a revised 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.

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

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2012 through June 30, 2013.

SIGNIFICANT ISSUES IN THIS VALUATION

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

Ref: Pg. 10
Ref: Pg. 17

- The market value of assets earned a return of 24.3% for the July 1, 2010 to June 30, 2011 plan year. The valuation value of assets earned a return of 3.9% for the same period due to the deferral of most of the current year investment gains and the recognition of prior investment losses. This resulted in an actuarial loss when measured against the assumed rate of return of 8.00%. This actuarial investment loss increased the average employer contribution rate by 1.76% of compensation.

Ref: Pg. 37
Ref: Pg. 31

- The ratio of the valuation value of assets to actuarial accrued liabilities increased from 80.4% to 80.6%. The Association's Unfunded Actuarial Accrued Liability (UAAL) increased from $761 million as of June 30, 2010 to $775 million as of June 30, 2011. This increase is primarily due to lower than expected investment return offset by lower than expected individual salary increases. A complete reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.

Ref: Pg. 17

- The average employer rate increased from 22.43% of payroll to 23.82% of payroll. This increase is primarily due to the investment loss (on a valuation value of assets basis) mentioned above. A complete reconciliation of the Association's employer rate is provided in Section 2, Subsection D (see Chart 15).

Ref: Pg. 18

- The average member rate of 8.24% of payroll did not change from the prior valuation. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).

Ref: Pg. 30

- As of June 30, 2011, there are no undistributed excess earnings available for allocation under the Board's Interest Crediting policy. A complete presentation of the Association's reserves is provided in Section 3, Exhibit G.

Ref: Pg. 5

- As indicated in Section 2, Subsection B of this report, the net unrecognized investment loss as of June 30, 2011 is $64 million (as compared to an unrecognized loss of $565 million in the June 30, 2010 valuation). This investment loss 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 8.00% per year (net of expenses) on a **market value** basis then the deferred losses will be recognized over the next few years as shown in the footnote to Chart 7.

- The footnote in Chart 7 shows that under the asset smoothing method the $64 million in net deferred losses will be recognized in the next four valuations, but in a very non-level (uneven) pattern. In particular, there will be losses recognized in the next two years, each of which is actually larger than the total deferred losses of $64 million. Those losses will then be followed by offsetting gains in the two years after that, so as to ultimately recognize all of the current net total losses of $64 million. This means that, absent any new gains or losses in the future, there will be two more years of increases in the average employer contribution rate followed by two years of decreases before the $64 million in deferred losses are fully recognized.

- In keeping with model actuarial practice for this situation, for the June 30, 2012 valuation the asset smoothing method could be modified by combining the net deferred losses of $64 million from the current valuation into a single four-year smoothing "layer" and thereby recognizing those net deferred losses over the next four years in four level amounts of approximately $16 million each year. This would reduce the volatility associated with the current pattern of deferred loss recognition and thereby result in both more stable funded ratios (on an actuarial value basis) and more level employer contribution rates. Please note that this change would have no impact on the current June 30, 2011 valuation results as the total amount of unrecognized losses as of June 30, 2011 remains unchanged. Also, note that we recommend using a four-year smoothing period for the combined deferred losses as that will complete the recognition of those losses over the same time period as under the current separate smoothing layers. We will provide more information on this policy option during our review of VCERA’s funding policy during 2012.

- The net deferred losses of $64 million represent about 2% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the $64 million market losses 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 losses were recognized immediately in the valuation value of assets, the funded ratio would decrease from 80.6% to 79.0%.
  - If the net deferred losses were recognized immediately in the valuation value of assets, the average employer rate would increase from 23.82% to about 24.70% of payroll.
- The actuarial valuation report as of June 30, 2011 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.
- The last actuarial experience study covered the period from July 1, 2005 through June 30, 2008. We anticipate performing another actuarial experience study during the first half of 2012. As part of this study, recommendations for changes in actuarial assumptions may be made. For each of VCERA's demographic actuarial assumptions, these recommendations will generally be based on a comparison of actual experience versus that which was expected to occur.

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.

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

	June 30, 2011		June 30, 2010	
Employer Contribution Rates: [1]	Total Rate	Estimated Annual Amount[2]	Total Rate	Estimated Annual Amount[2]
General Tier 1	171.83%	$27,690	114.29%	$23,943
General Tier 2	10.15%	21,274	10.16%	21,834
General Tier 2C[3]	10.50%	25,873	10.51%	26,052
General Combined	15.85%	74,837	14.85%	71,829
Safety	46.63%	76,900	43.86%	75,047
All Categories combined	23.82%	$151,737	22.43%	$146,876
Average Member Contribution Rates: [1] [4]	Total Rate	Estimated Annual Amount[2]	Total Rate	Estimated Annual Amount[2]
General Tier 1	8.57%	$1,381	8.66%	$1,814
General Tier 2	5.65%	11,842	5.65%	12,142
General Tier 2C[3]	8.28%	20,403	8.28%	20,524
Safety Members	11.43%	18,850	11.39%	19,489
All Categories combined	8.24%	$52,476	8.24%	$53,969
Funded Status:				
Actuarial accrued liability[5]	$3,995,352		$3,877,443	
Valuation value of assets[5]	3,220,388		3,115,984	
Funded percentage	80.60%		80.36%	
Unfunded actuarial accrued liability	$774,964		$761,459	
Key Assumptions:				
Interest rate	8.00%		8.00%	
Inflation rate	3.50%		3.50%	
Across the board salary increase	0.75%		0.75%	

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

(3) *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.*

(4) *The non-refundability factors as of June 30, 2011 are 0.95 for General and 0.98 for Safety and are unchanged from June 30, 2010.*

(5) *Excludes liabilities and assets held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.*

Summary of Key Valuation Demographic and Financial Data

	June 30, 2011	June 30, 2010	Percentage Change
Active Members:			
Number of members	8,040	8,003	0.5%
Average age	45.1	45.0	N/A
Average service	10.9	10.6	N/A
Projected total compensation	$637,037,380	$654,828,221	-2.7%
Average projected compensation	$79,234	$81,823	-3.2%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	3,929	3,761	4.5%
Disability retired	837	834	0.4%
Beneficiaries	715	672	6.4%
Total	5,481	5,267	4.1%
Average age	68.5	68.2	N/A
Average monthly benefit(1)	$2,678	$2,572	4.1%
Vested Terminated Members:			
Number of terminated vested members(2)	2,097	2,040	2.8%
Average age	45.5	45.3	N/A
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	$3,172,325	$2,569,552	23.5%
Return on market value of assets	24.34%	15.33%	N/A
Actuarial value of assets	$3,236,217	$3,134,978	3.2%
Return on actuarial value of assets	3.89%	1.41%	N/A
Valuation value of assets	$3,220,388	$3,115,984	3.4%
Return on valuation value of assets	3.91%	1.42%	N/A

(1) *Excludes monthly benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.*

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

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: 2002 – 2011

Year Ended June 30	Active Members	Vested Terminated Members[1]	Retired Members and Beneficiaries	Ratio of Non-Actives to Actives
2002	7,707	921	3,684	0.60
2003	7,717	1,155	3,857	0.65
2004	7,626	1,351	4,031	0.71
2005	7,245	1,713	4,314	0.83
2006	7,403	1,756	4,570	0.85
2007	7,653	1,864	4,770	0.87
2008	7,928	2,007	4,914	0.87
2009	8,045	2,055	5,041	0.88
2010	8,003	2,040	5,267	0.91
2011	8,040	2,097	5,481	0.94

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

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 8,040 active members with an average age of 45.1, average service of 10.9 years and average compensation of $79,234. The 8,003 active members in the prior valuation had an average age of 45.0, average service of 10.6 years and average compensation of $81,823.

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

Inactive Members

In this year's valuation, there were 2,097 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 2,040 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, 2011

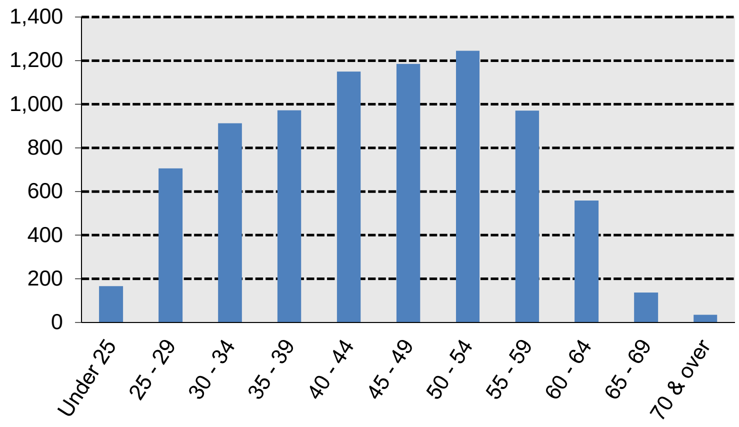
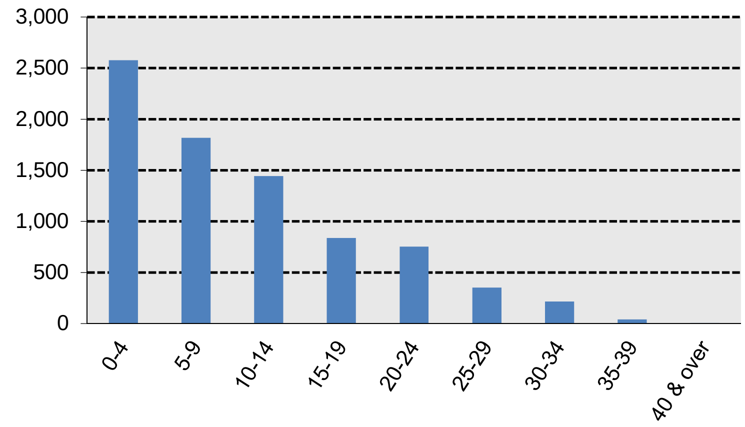


CHART 3

Distribution of Active Members by Years of Service as of June 30, 2011



Retired Members and Beneficiaries

As of June 30, 2011, 4,766 retired members and 715 beneficiaries were receiving total monthly benefits of $14,677,417. For comparison, in the previous valuation, there were 4,595 retired members and 672 beneficiaries receiving monthly benefits of $13,546,326. These monthly benefits exclude benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

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

CHART 4

Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2011

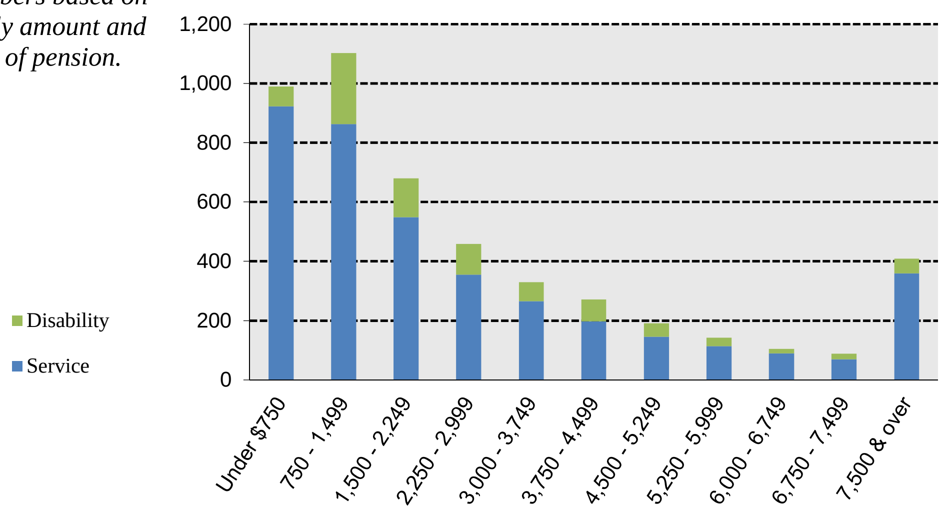
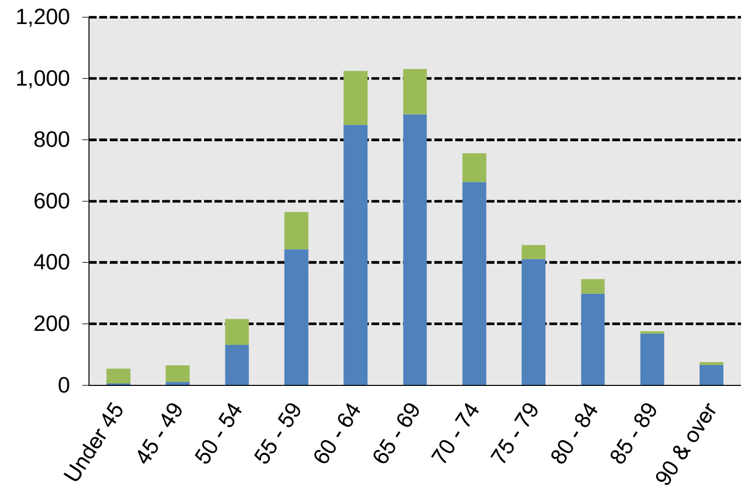


CHART 5

Distribution of Retired Members by Type and by Age as of June 30, 2011



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.

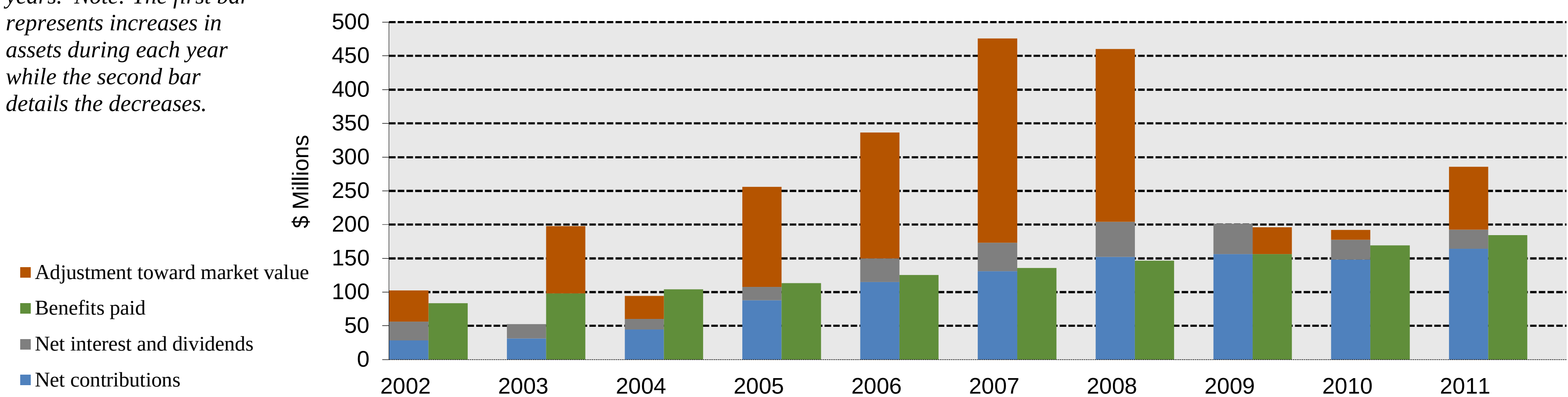
It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single 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, 2002 – 2011



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

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2011

		Original Amount	Deferral Percentage	Unrecognized Return**
1.	Market Value of Assets			$3,172,325,063
2.	Calculation of unrecognized return*	Original Amount	Deferral Percentage	Unrecognized Return**
	(a) Period ended June 30, 2011	$38,124,867	90%	$34,312,381
	(b) Period ended December 31, 2010	360,835,559	80%	288,668,447
	(c) Period ended June 30, 2010	(174,678,273)	70%	(122,274,791)
	(d) Period ended December 31, 2009	322,163,100	60%	193,297,860
	(e) Period ended June 30, 2009	21,055,314	50%	10,527,657
	(f) Period ended December 31, 2008	(850,539,989)	40%	(340,215,995)
	(g) Period ended June 30, 2008	(362,758,586)	30%	(108,827,576)
	(h) Period ended December 31, 2007	(96,901,051)	20%	(19,380,210)
	(i) Year ended June 30, 2007	248,896,193	0%	0
	(j) Total unrecognized return***			(63,892,227)
3.	Actuarial Value of Assets: (1) – (2j)			$3,236,217,290
4.	Actuarial Value as percentage of Market Value			102.0%
5.	Non-valuation reserves:			
	(a) STAR COLA			$238,479
	(b) Supplemental medical benefit			15,590,891
	(c) Statutory contingency			0
	(d) Subtotal			$15,829,370
6.	Valuation Value of Assets (3) – (5d)			$3,220,387,920

* *Using six-month basis starting July 1, 2007.*

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

*** *Deferred return as of June 30, 2011 recognized in each of the next five years:*

(a) Amount Recognized during 2011/2012	*$(148,539,811)*
(b) Amount Recognized during 2012/2013	*(92,883,743)*
(c) Amount Recognized during 2013/2014	*111,394,582*
(d) Amount Recognized during 2014/2015	*62,324,258*
(e) Amount Recognized during 2015/2016	*3,812,487*
	$(63,892,227)

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2011

The calculation of the valuation value of assets from June 30, 2010 to June 30, 2011 by category is provided below:

	Allocated Assets for Funding			
	General			
	Tier I	Tier II	Safety	Total
1. Allocated Assets as of Beginning of Plan Year	$694,134,518	$1,105,787,104	$1,316,062,708	$3,115,984,329
2. Member Contributions	511,841	23,477,520	4,872,977	28,862,338
3. Member Buybacks	250,332	1,417,595	372,867	2,040,794
4. Employer Pick-up Contributions Credited to Member Account	311,773	7,011,098	6,011,692	13,334,563
5. Employer Contributions	4,595,791	49,364,780	66,092,974	120,053,545
6. Refunds of Member Contributions and Death Benefits Paid	349,000	3,509,642	529,562	4,388,204
7. Retiree Benefit Payments Excluding STAR COLA and Supplemental Medical Payments	69,038,787	37,884,350	69,982,850	176,905,987
8. Subtotal (Items 1 + 2 + 3 + 4 + 5 – 6 – 7)	$630,416,468	$1,145,664,105	$1,322,900,806	$3,098,981,379
9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7)	662,275,493	1,125,725,604	1,319,481,757	3,107,482,854
10. Earnings Allocated in Proportion to Item 9	25,874,504	43,981,080	51,550,957	121,406,541
11. Valuation Value of Assets (Items 8 + 10)	$656,290,972	$1,189,645,185	$1,374,451,763	$3,220,387,920

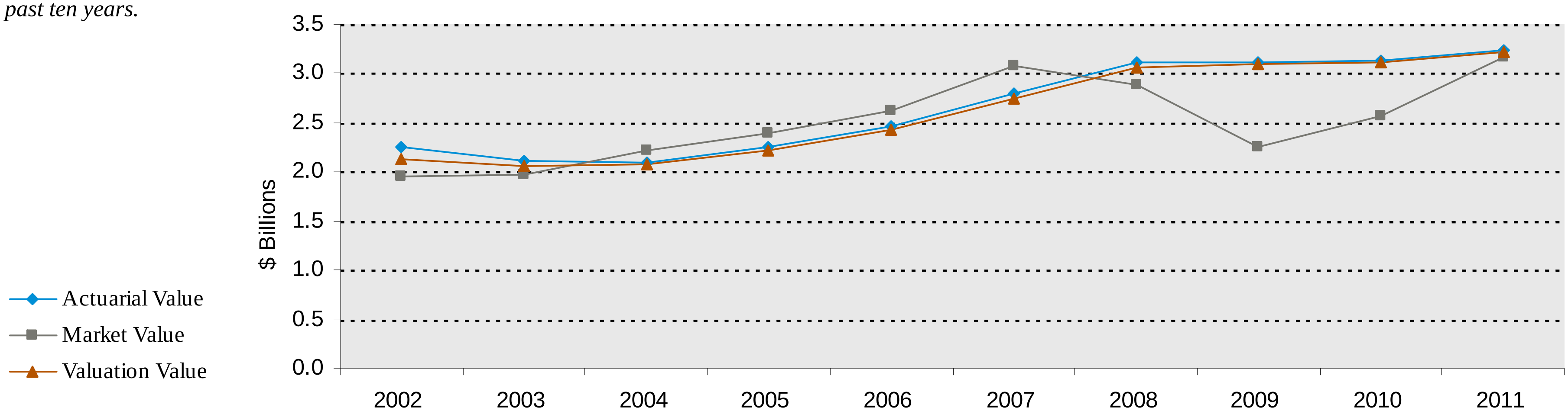
Note: Results may not add due to rounding.

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, 2002 – 2011



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C. ACTUARIAL EXPERIENCE

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

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

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

The total experience loss was $2.3 million, $127.2 million loss from investments and $124.9 million gain from all other sources. The net experience variation from individual sources other than investments was 3.1% 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, 2011

1.	Net loss from investments[1]	$(127,192,000)
2.	Net gain from other experience[2]	124,861,000
3.	Net experience loss: (1) + (2)	$(2,331,000)

[1] *Details in Chart 11.*

[2] *See Section 3, Exhibit H. Does not include the effect of assumption changes, if any.*

Investment Rate of Return
A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on VCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets is 8.00%. The actual rate of return on the valuation value of assets for the 2010/2011 plan year was 3.91%.

Since the actual return for the year was less than the assumed return, the VCERA experienced an actuarial loss during the year ended June 30, 2011 with regard to its investments.

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

CHART 11

Investment Experience for Year Ended June 30, 2011 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Actual return	$121,406,541	$121,406,541
2. Average value of assets	3,107,482,854	3,124,894,159
3. Actual rate of return: (1) ÷ (2)	3.91%	3.89%
4. Assumed rate of return	8.00%	8.00%
5. Expected return: (2) x (4)	$248,598,628	$249,991,533
6. Actuarial gain/(loss): (1) – (5)	$(127,192,087)	$(128,584,992)

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.

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

CHART 12

Investment Return – Market Value, Actuarial Value and Valuation Value: 2002 – 2011

	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
Year Ended June 30	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
2002	$(153,341,047)	(7.18)%	$73,939,525	3.35%	$(64,834,661)	(3.10)%
2003	78,016,465	4.06	(78,366,548)	(3.53)	(87,805,515)	(4.22)
2004	315,448,393	16.28	49,628,346	2.39	70,837,167	3.49
2005	203,080,574	9.19	168,122,229	8.05	168,122,229	8.16
2006	238,212,815	9.95	221,191,725	9.88	221,191,725	10.00
2007	458,962,761	17.48	344,644,568	14.06	308,000,514	12.68
2008	(211,806,573)	(6.86)	307,776,354	11.01	310,176,628	11.32
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
Total	$1,265,800,565		$1,257,285,559		$1,122,093,598	
Five-Year Average Return		4.37%		5.67%		5.65%
Ten-Year Average Return		5.28%		4.96%		4.51%

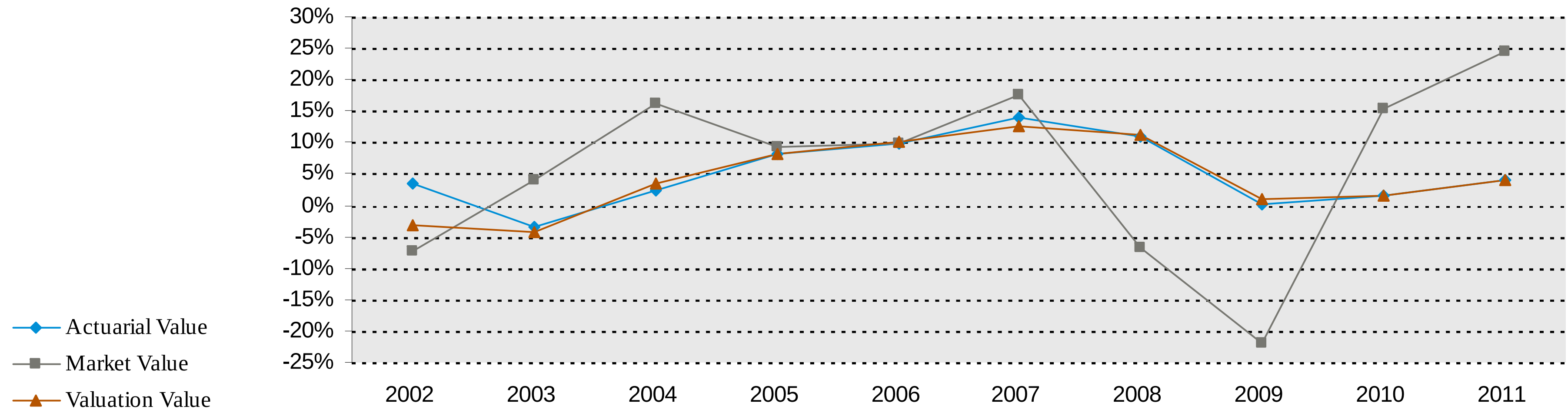
Note: Each year's yield is weighted by the average asset value in that year.

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

This chart illustrates how this leveling effect has actually worked over the years 2002 - 2011.

CHART 13

Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2002 - 2011



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, 2011 amounted to $124.9 million which is 3.1% of the actuarial accrued liability. This gain was mainly due to individual salary increases less than assumed. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

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

The recommended employer contributions are provided on Chart 14.

Member Contributions

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

CHART 14

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

	June 30, 2011 Actuarial Valuation					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost	7.31%	$1,178	2.11%	$340	9.42%	$1,518
UAAL	161.74%	26,064	0.67%	108	162.41%	26,172
Total Contribution	169.05%	$27,242	2.78%	$448	171.83%	$27,690
General Tier 2 Members w/o COLA						
Normal Cost	7.32%	$15,342	0.00%	$0	7.32%	$15,342
UAAL	2.83%	5,932	0.00%	0	2.83%	5,932
Total Contribution	10.15%	$21,274	0.00%	$0	10.15%	$21,274
General Tier 2 Members w/COLA						
Normal Cost	7.32%	$18,037	-0.32%	-$788	7.00%	$17,249
UAAL[2]	2.83%	6,973	0.67%	1,651	3.50%	8,624
Total Contribution	10.15%	$25,010	0.35%	$863	10.50%	$25,873
All General Members						
Normal Cost	7.32%	$34,557	-0.10%	-$448	7.22%	$34,109
UAAL	8.25%	38,969	0.38%	1,759	8.63%	40,728
Total Contribution	15.57%	$73,526	0.28%	$1,311	15.85%	$74,837
Safety Members						
Normal Cost	13.21%	$21,785	3.88%	$6,399	17.09%	$28,184
UAAL	32.66%	53,862	-3.12%	-5,146	29.54%	48,716
Total Contribution	45.87%	$75,647	0.76%	$1,253	46.63%	$76,900
All Categories Combined						
Normal Cost	8.84%	$56,342	0.94%	$5,951	9.78%	$62,293
UAAL	14.57%	92,831	-0.53%	-3,387	14.04%	89,444
Total Contribution	23.41%	$149,173	0.41%	$2,564	23.82%	$151,737

(1) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2011 annual payroll (also in thousands) shown below:*

General Tier 1	$16,115
General Tier 2	209,595
General Tier 2C	246,411
Safety	164,916
Total	$637,037

(2) *Includes 0.48% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

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CHART 14 (continued)

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

	June 30, 2010 Actuarial Valuation					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost	6.99%	$1,464	2.04%	$428	9.03%	$1,892
UAAL	105.42%	22,084	-0.16%	-33	105.26%	22,051
Total Contribution	112.41%	$23,548	1.88%	$395	114.29%	$23,943
General Tier 2 Members w/o COLA						
Normal Cost	7.37%	$15,838	0.00%	$0	7.37%	$15,838
UAAL	2.79%	5,996	0.00%	0	2.79%	5,996
Total Contribution	10.16%	$21,834	0.00%	$0	10.16%	$21,834
General Tier 2 Members w/COLA						
Normal Cost	7.37%	$18,268	-0.31%	-$768	7.06%	$17,500
UAAL[2]	2.79%	6,916	0.66%	1,636	3.45%	8,552
Total Contribution	10.16%	$25,184	0.35%	$868	10.51%	$26,052
All General Members						
Normal Cost	7.35%	$35,570	-0.07%	-$340	7.28%	$35,230
UAAL	7.23%	34,996	0.34%	1,603	7.57%	36,599
Total Contribution	14.58%	$70,566	0.27%	$1,263	14.85%	$71,829
Safety Members						
Normal Cost	13.12%	$22,449	3.87%	$6,622	16.99%	$29,071
UAAL	27.79%	47,550	-0.92%	-1,574	26.87%	45,976
Total Contribution	40.91%	$69,999	2.95%	$5,048	43.86%	$75,047
All Categories Combined						
Normal Cost	8.86%	$58,019	0.96%	$6,282	9.82%	$64,301
UAAL	12.61%	82,546	0.00%	29	12.61%	82,575
Total Contribution	21.47%	$140,565	0.96%	$6,311	22.43%	$146,876

[1] *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2010 annual payroll (also in thousands) shown below:*

General Tier 1	$20,949
General Tier 2	214,901
General Tier 2C	247,873
Safety	171,106
Total	$654,829

[2] *Includes 0.44% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

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

The employer contribution rates as of June 30, 2011 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.

CHART 15

Reconciliation of Recommended Average Employer Contribution Rate from June 30, 2010 to June 30, 2011 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost[1]
Recommended Average Employer Contribution Rate as of June 30, 2010	22.43%	$146,876
Effect of investment loss[2]	1.76%	11,212
Effect of difference in actual versus expected total and individual salary increases[3]	(0.92)%	(5,861)
Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in June 30, 2010 valuation	0.43%	2,739
Effect of net other changes[4]	0.12%	(3,229)
Total change	1.39%	$4,861
Recommended Average Employer Contribution Rate as of June 30, 2011	23.82%	$151,737

(1) *Based on projected payroll for each year.*

(2) *The Association's valuation value of assets earned 3.91% and was less than the 8.00% assumed rate of return.*

(3) *This item represents the impact of lower than expected individual salary increases and the effect of amortizing the UAAL over lower than expected total payroll.*

(4) *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.*

The member contribution rates as of June 30, 2011 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, 2010 to June 30, 2011 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost[1]
Recommended Average Member Contribution Rate in June 30, 2010 Valuation	8.24%	$53,969
Effect of changes in demographic profile of employee group[2]	0.00%	(1,493)
Total Change	0.00%	$(1,493)
Recommended Average Member Contribution Rate in June 30, 2011 Valuation	8.24%	$52,476

(1) *Based on projected payroll for each year.*

(2) *Estimated annual dollar cost also reflects change in payroll from prior valuation.*

E. INFORMATION REQUIRED BY THE GASB

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

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

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

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

These graphs show key GASB factors.

CHART 17

Required Versus Actual Contributions

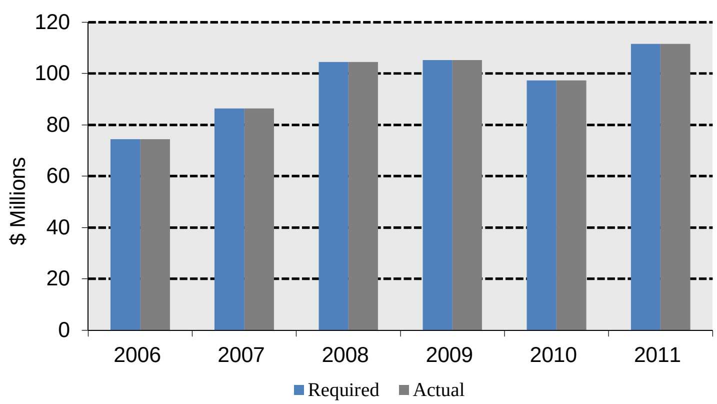

CHART 18

Funded Ratio

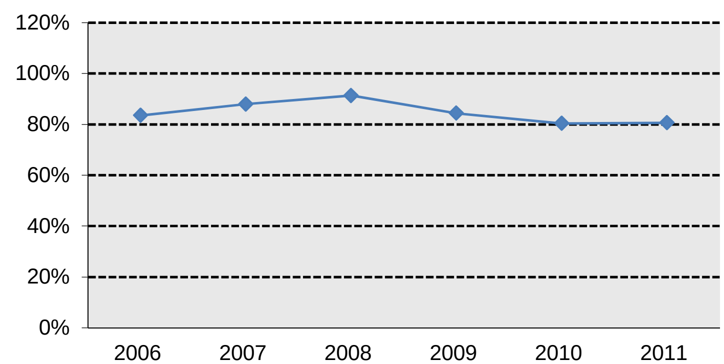

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EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30 2011	Year Ended June 30 2010	Change From Prior Year
Active members in valuation:			
Number	154	204	-24.5%
Average age	58.5	53.7	N/A
Average service	29.2	24.4	N/A
Projected total compensation[1]	\$16,114,959	\$20,948,928	-23.1%
Projected average compensation	\$104,643	\$102,691	1.9%
Account balances	\$25,905,478	\$28,471,105	-9.0%
Total active vested members	154	174	-11.5%
Vested terminated members[2]	62	69	-10.1%
Retired members:			
Number in pay status	1,607	1,635	-1.7%
Average age	73.2	72.8	N/A
Average monthly benefit[3]	\$3,101	\$2,959	4.8%
Disabled members:			
Number in pay status	134	140	-4.3%
Average age	71.4	71.1	N/A
Average monthly benefit[3]	\$2,015	\$1,929	4.5%
Beneficiaries:			
Number in pay status	346	342	1.2%
Average age	79.0	78.1	N/A
Average monthly benefit[3]	\$1,340	\$1,292	3.7%

(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 nonvested terminated members with member contributions on deposit.*

(3) *Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended June 30 2011	2010	Change From Prior Year
Active members in valuation:			
Number	6,362	6,301	1.0%
Average age	45.8	45.7	N/A
Average service	9.8	9.4	N/A
Projected total compensation[1]	$456,006,316	$462,773,680	-1.5%
Projected average compensation	$71,677	$73,444	-2.4%
Account balances	$312,646,786	$290,671,388	7.6%
Total active vested members	4,124	3,904	5.6%
Vested terminated members[2]	1,776	1,711	3.8%
Retired members:			
Number in pay status	1,732	1,574	10.0%
Average age	66.7	66.3	N/A
Average monthly benefit[3]	$1,349	$1,254	7.6%
Disabled members:			
Number in pay status	326	322	1.2%
Average age	61.1	60.5	N/A
Average monthly benefit[3]	$1,369	$1,318	3.9%
Beneficiaries:			
Number in pay status	194	170	14.1%
Average age	64.8	64.8	N/A
Average monthly benefit[3]	$781	$755	3.4%

(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 nonvested terminated members with member contributions on deposit.*

(3) *Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

iii. Safety

Category	Year Ended June 30 2011	Year Ended June 30 2010	Change From Prior Year
Active members in valuation:			
Number	1,524	1,498	1.7%
Average age	40.7	40.8	N/A
Average service	13.6	13.8	N/A
Projected total compensation[1]	$164,916,105	$171,105,613	-3.6%
Projected average compensation	$108,213	$114,223	-5.3%
Account balances	$147,480,015	$143,737,328	2.6%
Total active vested members	1,193	1,158	3.0%
Vested terminated members[2]	259	260	-0.4%
Retired members:			
Number in pay status	590	552	6.9%
Average age	64.8	64.5	N/A
Average monthly benefit[3]	$6,496	$6,123	6.1%
Disabled members:			
Number in pay status	377	372	1.3%
Average age	62.0	61.4	N/A
Average monthly benefit[3]	$4,522	$4,408	2.6%
Beneficiaries:			
Number in pay status	175	160	9.4%
Average age	66.2	65.8	N/A
Average monthly benefit[3]	$2,785	$2,817	-1.1%

(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 nonvested terminated members with member contributions on deposit.*

(3) *Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service

i. General Tier 1

		Years of Service								
Age	**Total**	**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	2	- -	- -	1	- -	1	- -	- -	- -	- -
	$201,764	- -	- -	$175,669	- -	$227,859	- -	- -	- -	- -
45 - 49	2	- -	- -	- -	2	- -	- -	- -	- -	- -
	240,523	- -	- -	- -	$240,523	- -	- -	- -	- -	- -
50 - 54	28	- -	3	2	1	4	1	16	1	- -
	130,982	- -	$192,349	151,735	153,463	179,602	$225,892	$100,480	$81,527	- -
55 - 59	66	- -	- -	2	3	6	5	33	17	- -
	94,149	- -	- -	208,454	84,015	135,899	110,557	81,624	87,242	- -
60 - 64	46	- -	2	4	4	5	6	12	10	3
	98,021	- -	90,852	147,524	109,672	110,487	91,778	92,415	83,921	$82,391
65 - 69	8	- -	1	1	1	- -	- -	2	2	1
	86,722	- -	51,047	84,001	130,335	- -	- -	90,491	99,355	48,699
70 & over	2	- -	- -	- -	- -	- -	- -	- -	1	1
	73,162	- -	- -	- -	- -	- -	- -	- -	96,200	50,124
Total	154	- -	6	10	11	16	12	63	31	5
	$104,643	- -	$134,967	$157,014	$132,325	$144,631	$110,778	$88,750	$87,057	$69,199

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service

ii. General Tier 2

		Years of Service								
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	109	108	1	- -	- -	- -	- -	- -	- -	- -
	$45,022	$44,972	$50,320	- -	- -	- -	- -	- -	- -	- -
25 - 29	531	440	91	- -	- -	- -	- -	- -	- -	- -
	56,775	56,965	55,856	- -	- -	- -	- -	- -	- -	- -
30 - 34	682	404	211	67	- -	- -	- -	- -	- -	- -
	64,222	62,800	66,815	$64,628	- -	- -	- -	- -	- -	- -
35 - 39	712	285	232	166	27	2	- -	- -	- -	- -
	69,861	65,856	72,757	72,721	$69,188	$76,537	- -	- -	- -	- -
40 - 44	865	268	232	205	113	47	- -	- -	- -	- -
	74,414	67,114	75,926	79,574	80,647	71,088	- -	- -	- -	- -
45 - 49	966	247	246	198	136	109	27	3	- -	- -
	74,836	68,901	74,808	78,835	79,330	75,708	$74,305	$71,036	- -	- -
50 - 54	1,021	215	226	187	139	140	93	21	- -	- -
	76,747	67,611	77,160	74,638	77,463	83,019	89,597	81,147	- -	- -
55 - 59	818	169	158	154	121	110	77	28	1	- -
	76,808	73,933	69,851	75,719	80,466	81,610	81,980	91,395	$51,805	- -
60 - 64	496	84	108	97	76	69	45	14	3	- -
	76,143	73,316	78,250	74,535	72,269	76,596	79,414	86,995	119,413	- -
65 - 69	129	19	36	31	21	15	4	3	- -	- -
	75,028	75,727	72,039	76,041	80,521	77,434	55,389	71,708	- -	- -
70 & over	33	6	11	7	2	3	3	1	- -	- -
	64,208	56,370	63,725	64,328	74,059	68,151	64,003	84,792	- -	- -
Total	6,362	2,245	1,552	1,112	635	495	249	70	4	- -
	$71,677	$64,157	$72,389	$75,521	$78,119	$78,782	$82,885	$85,630	$102,511	- -

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service

iii. Safety

		Years of Service							
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over
Under 25	58	57	1	- -	- -	- -	- -	- -	- -
	$69,570	$69,700	$62,161	- -	- -	- -	- -	- -	- -
25 - 29	176	135	40	1	- -	- -	- -	- -	- -
	83,199	80,891	91,226	$73,605	- -	- -	- -	- -	- -
30 - 34	230	70	110	49	1	- -	- -	- -	- -
	94,993	90,663	92,445	106,688	$105,357	- -	- -	- -	- -
35 - 39	261	38	55	121	46	1	- -	- -	- -
	107,001	90,350	100,283	110,122	120,350	$117,631	- -	- -	- -
40 - 44	282	14	31	96	88	53	- -	- -	- -
	113,131	103,864	97,085	107,764	117,432	127,545	- -	- -	- -
45 - 49	216	3	17	32	39	97	25	3	- -
	121,911	93,355	100,596	109,771	105,904	132,260	$139,403	$128,450	- -
50 - 54	197	6	2	14	11	59	56	49	- -
	128,952	120,247	108,390	111,606	108,182	125,307	134,953	138,006	- -
55 - 59	86	5	4	4	3	30	10	27	3
	128,099	158,774	85,140	105,736	104,326	124,095	134,699	134,458	$148,641
60 - 64	18	3	1	3	4	2	1	2	2
	100,360	95,351	154,543	82,785	95,452	74,737	147,025	98,952	120,662
65 - 69	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	1,524	331	261	320	192	242	92	81	5
	$108,213	$85,222	$95,124	$108,493	$114,534	$127,984	$136,266	$135,505	$137,449

EXHIBIT C

Reconciliation of Member Data – June 30, 2010 to June 30, 2011

	Active Members	Vested Terminated Members[1]	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2010	8,003	2,040	3,761	834	672	15,310
New members	518	42	0	0	72	632
Terminations – with vested rights	-168	168	0	0	0	0
Contributions refunds	-105	-62	0	0	0	-167
Retirements	-191	-66	257	0	0	0
New disabilities	-15	-1	-9	25	0	0
Return to work	15	-15	0	0	0	0
Died with or without beneficiary	-16	-7	-84	-22	-24	-153
Data adjustments	-1	-2	4	0	-5	-4
Number as of June 30, 2011	8,040	2,097	3,929	837	715	15,618

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

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2011		Year Ended June 30, 2010	
Contribution income:				
Employer contributions	$120,053,545		$105,702,929	
Member contributions	44,237,695		42,466,182	
Contribution income		$164,291,240		$148,169,111
Investment income:				
Interest, dividends and other income	$40,478,834		$40,171,342	
Adjustment toward market value [1]	93,102,991		14,295,448	
Less investment and administrative fees	(12,175,283)		(10,710,625)	
Net investment income		$121,406,542		$43,756,165
Total income available for benefits		$285,697,782		$191,925,276
Less benefit payments		$(184,458,061)		$(169,255,990)
Change in reserve for future benefits		$101,239,721		$22,669,286

[1] *Equals the "non-cash" earnings on investments included in the Actuarial Value of Assets.*

EXHIBIT E
Summary Statement of Net Assets

	Year Ended June 30, 2011		Year Ended June 30, 2010	
Cash equivalents		$188,845,554		$57,584,599
Accounts receivable:				
Securities sold	$23,957,578		$1,292,222	
Accrued interest and dividends	4,636,910		5,178,129	
Member and employer contributions	2,372,406		1,652,208	
Other	23,368		23,360	
Total accounts receivable		$30,990,262		$8,145,919
Investments:				
Equities	$2,026,968,094		$1,611,235,516	
Fixed income	807,313,342		742,041,837	
Real estate	253,973,321		156,440,846	
Currency	8,746,510		0	
Investments received on securities lending	122,498,629		171,561,750	
Total investments at market value		$3,219,499,896		$2,681,279,949
Total assets		$3,439,335,712		$2,747,010,467
Liabilities:				
Securities lending	$(122,498,629)		$(171,561,750)	
Security purchases	(142,597,140)		(4,175,431)	
Accounts payable	(1,890,154)		(1,698,276)	
Prepaid contributions	(24,726)		(23,155)	
Total liabilities		$(267,010,649)		$(177,458,612)
Net assets at market value		$3,172,325,063		$2,569,551,855
Net assets at actuarial value		$3,236,217,290		$3,134,977,569
Net assets at valuation value		$3,220,387,920		$3,115,984,329

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)

Assets	June 30, 2011	June 30, 2010
1. Total valuation value of assets	$3,220,388	$3,115,984
2. Present value of future contributions by members	419,378	433,553
3. Present value of future employer contributions for:		
a. Entry age normal cost	502,358	521,331
b. Unfunded actuarial accrued liability	774,964	761,459
4. Total current and future assets	$4,917,088	$4,832,327
Liabilities		
5. Present value of benefits for retirees and beneficiaries	$2,134,592	$1,989,393
6. Present value of benefits for vested terminated members	107,616	104,567
7. Present value of benefits for active members	2,674,880	2,738,367
8. Total liabilities	$4,917,088	$4,832,327

EXHIBIT G
Summary of Allocated Reserves

Reserves		
	June 30, 2011	**June 30, 2010**
Member deposit reserve [1]	$549,207,345	$525,189,736
Employer advance reserve [1]	1,314,951,721	1,202,911,271
Contra reserve	(591,568,674)	(421,006,839)
Retired member reserve [1]	1,810,061,793	1,674,735,344
Supplemental death benefit reserve [1]	12,297,923	11,820,240
Vested fixed supplemental reserve [1]	125,437,812	122,334,577
Undistributed excess earnings [1]	0	0
Valuation reserves	$3,220,387,920	$3,115,984,329
STAR COLA benefit reserve [2]	238,479	1,657,914
Supplemental medical benefit reserve [2]	15,590,891	17,335,326
Statutory contingency reserve [2]	0	0
Total reserves	$3,236,217,290	$3,134,977,569
Market stabilization reserve [2]	(63,892,227)	(565,425,714)
Net market value	$3,172,325,063	$2,569,551,855

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

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

EXHIBIT H

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2011

1. Unfunded actuarial accrued liability at beginning of year		$761,459,000
2. Total Normal Cost payable at middle of year		116,463,000
3. Actual employer and member contributions		(164,292,000)
4. Interest (whole year on (1) plus half year on (2) + (3))		59,003,000
5. Expected unfunded actuarial accrued liability at end of year*		$772,633,000
6. Actuarial (gain)/loss due to all changes:		
(a) Investment return	$127,192,000	
(b) Lower than expected individual salary increases	(131,928,000)	
(c) Other experience (gain)/loss	7,067,000	
Total changes		$2,331,000
7. Unfunded actuarial accrued liability at end of year		$774,964,000

* *Includes contribution loss of $35.8 million during the year from actual contributions less than expected.*

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	$50,781,000	8	$7,464,000
	June 30, 2005	Actuarial (Gain)/Loss	22,085,000	18,784,000	9	2,496,000
	June 30, 2006	Actuarial (Gain)/Loss	7,048,000	6,284,000	10	764,000
	June 30, 2006	Assumption Change	41,538,000	37,004,000	10	4,499,000
	June 30, 2007	Actuarial (Gain)/Loss	-19,901,000	(18,404,000)	11	(2,068,000)
	June 30, 2008	Actuarial (Gain)/Loss	-18,128,000	(17,260,000)	12	(1,808,000)
	June 30, 2009	Actuarial (Gain)/Loss	55,190,000	53,699,000	13	5,277,000
	June 30, 2009	Assumption Change	18,574,000	18,066,000	13	1,775,000
	June 30, 2010	Actuarial (Gain)/Loss	50,018,000	49,455,000	14	4,587,000
	June 30, 2011	Actuarial (Gain)/Loss	36,225,000	36,225,000	15	3,187,000
				$234,634,000		$26,173,000
General Tier 2	June 30, 2004	Restart of Amortization	$49,731,000	$39,838,000	8	$5,856,000
	June 30, 2005	Actuarial (Gain)/Loss	7,622,000	6,489,000	9	862,000
	June 30, 2006	Actuarial (Gain)/Loss	-9,108,000	(8,119,000)	10	(987,000)
	June 30, 2006	Assumption Change	19,085,000	17,001,000	10	2,067,000
	June 30, 2006	Plan Provision Change	14,731,000	13,118,000	10	1,595,000
	June 30, 2007	Actuarial (Gain)/Loss	-39,508,000	(36,538,000)	11	(4,106,000)
	June 30, 2008	Actuarial (Gain)/Loss	-34,794,000	(33,116,000)	12	(3,468,000)
	June 30, 2009	Actuarial (Gain)/Loss	71,253,000	69,314,000	13	6,812,000
	June 30, 2009	Assumption Change	22,696,000	22,086,000	13	2,170,000
	June 30, 2010	Actuarial (Gain)/Loss	47,615,000	47,083,000	14	4,367,000
	June 30, 2011	Actuarial (Gain)/Loss	(6,949,000)	(6,949,000)	15	(612,000)
				$130,207,000		$14,556,000
Safety	June 30, 2004	Restart of Amortization	$210,319,000	$168,457,000	8	$24,761,000
	June 30, 2005	Actuarial (Gain)/Loss	19,142,000	16,281,000	9	2,163,000
	June 30, 2006	Actuarial (Gain)/Loss	3,418,000	3,044,000	10	370,000
	June 30, 2006	Assumption Change	42,167,000	37,561,000	10	4,567,000
	June 30, 2007	Actuarial (Gain)/Loss	-37,489,000	(34,655,000)	11	(3,895,000)
	June 30, 2008	Actuarial (Gain)/Loss	-22,443,000	(21,351,000)	12	(2,236,000)
	June 30, 2009	Actuarial (Gain)/Loss	78,157,000	76,040,000	13	7,473,000
	June 30, 2009	Assumption Change	49,982,000	48,628,000	13	4,779,000
	June 30, 2010	Actuarial (Gain)/Loss	108,448,000	107,239,000	14	9,947,000
	June 30, 2011	Actuarial (Gain)/Loss	8,879,000	8,879,000	15	781,000
				$410,123,000		$48,710,000
Grand Total				$774,964,000		$89,439,000

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 $195,000 for 2010 and 2011. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Limits are also affected by the "grandfather" election under Section 415(b)(10).

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

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

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

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 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.

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 expected to be paid to active members during the twelve months following the valuation date. Only compensation earnable that would possibly go into the determination of retirement benefits is included.

EXHIBIT I

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2006	$74,373,000	$74,373,000	100.0%
2007	86,455,000	86,455,000	100.0%
2008	104,429,000	104,429,000	100.0%
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%

EXHIBIT II

Supplementary Information Required by the GASB – 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)]
06/30/2006	$2,430,048,000	$2,911,918,000	$481,870,000	83.45%	$519,145,000	92.82%
06/30/2007	2,736,558,000	3,112,583,000	376,025,000	87.92%	551,968,000	68.12%
06/30/2008	3,055,756,000	3,345,804,000	290,048,000	91.33%	599,173,000	48.41%
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%

(1) *Excludes assets for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.*

(2) *Excludes liabilities held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.*

EXHIBIT III

Supplementary Information Required by the GASB

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of payroll (4.25% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 will be separately amortized over a fixed (decreasing or closed) 15-year 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. Prior to June 30, 2007, the unrecognized return was determined on an annual basis. The Actuarial Value of Assets is reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.
Actuarial assumptions:	
Investment rate of return	8.00%[1]
Projected salary increases	5.00% - 13.25%[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	5,481
Terminated members entitled to, but not yet receiving benefits[3]	2,097
Active members	8,040
Total	15,618

(1) *Includes inflation at 3.50%.*
(2) *Includes inflation at 3.50%, "across the board" increases of 0.75%, plus merit and longevity increases. See Exhibit IV for these increases.*
(3) *Includes nonvested terminated members with member contributions on deposit.*

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Post – Retirement Mortality Rates:

Healthy: For all Members: RP-2000 Combined Healthy Mortality Table set back one year.

Disabled: For General Members: RP-2000 Combined Healthy Mortality Table set forward six years.

For Safety Members: RP-2000 Combined Healthy Mortality Table set back one year.

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.

These mortality tables were determined to contain provision appropriate to reasonably reflect past and future mortality improvement, based on a review of mortality experience in 2009.

Member Contribution Rates: For General Members: RP-2000 Combined Healthy Mortality Table set back one year weighted 35% male and 65% female.

For Safety Members: RP-2000 Combined Healthy Mortality Table set back one year weighted 80% male and 20% female.

Termination Rates Before Retirement:

	Rate (%) Mortality			
	General		Safety	
Age	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.07	0.04	0.07	0.04
40	0.10	0.06	0.10	0.06
45	0.14	0.10	0.14	0.10
50	0.20	0.16	0.20	0.16
55	0.32	0.24	0.32	0.24
60	0.59	0.44	0.59	0.44
65	1.13	0.86	1.13	0.86

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

Termination Rates Before Retirement (continued):

	Rate (%) Disability	
Age	General[1]	Safety[2]
25	0.02	0.11
30	0.04	0.24
35	0.08	0.57
40	0.13	0.90
45	0.24	1.15
50	0.48	2.15
55	0.69	4.10
60	0.75	5.75
65	0.75	0.00
70	0.75	0.00

(1) 45% of General disabilities are assumed to be duty disabilities and the other 55% 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.

Termination Rates Before Retirement (continued):

Rate (%)

Withdrawal (Less than Five Years of Service)*

Years of Service	General	Safety
0	16.00	10.00
1	12.00	7.00
2	10.00	7.00
3	8.00	6.00
4	8.00	5.50

Withdrawal (Five or More Years of Service)*

Age	General	Safety
20	8.00	5.00
25	8.00	4.70
30	7.10	3.60
35	5.60	2.40
40	4.10	1.40
45	3.05	0.70
50	2.00	0.20
55	1.35	0.00
60	1.10	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.

Retirement Rates:

	Rate (%)	
Age	General	Safety
40	0.00	1.00
41	0.00	1.00
42	0.00	1.00
43	0.00	1.00
44	0.00	1.00
45	0.00	1.00
46	0.00	1.00
47	0.00	1.00
48	0.00	1.00
49	0.00	1.00
50	4.00	2.00
51	4.00	2.00
52	5.00	5.00
53	5.00	8.00
54	7.00	18.00
55	8.00	20.00
56	8.00	20.00
57	9.00	18.00
58	10.00	18.00
59	12.00	30.00
60	14.00	30.00
61	20.00	30.00
62	25.00	50.00
63	20.00	50.00
64	30.00	50.00
65	40.00	100.00
66	35.00	100.00
67	35.00	100.00
68	35.00	100.00
69	20.00	100.00
70	20.00	100.00
71	20.00	100.00
72	20.00	100.00
73	20.00	100.00
74	50.00	100.00
75	100.00	100.00

Retirement Age and Benefit for Deferred Vested Members:	For deferred vested members, we make the following retirement assumption: General Age: 57 Safety Age: 53 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 5.00% 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:	75% 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:	8.00%, net of investment and administration expenses.
Member Contribution Crediting Rate:	3.50% (Actual increase is based on projected long term ten-year Treasury rate).
Consumer Price Index:	Increase of 3.50% 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.

In-Service Redemptions:

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

General Tier 1	8.00%
General Tier 2	3.25%
Safety	7.00%

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

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.50% per year; plus "across the board" salary increases of 0.75% per year; plus the following promotional and merit increases:

Years of Service	General	Safety
Less than 1	4.50%	9.00%
1	3.50	6.50
2	3.00	4.75
3	2.50	3.50
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	0.75	1.00
10	0.75	0.75
11	0.75	0.75
12	0.75	0.75
13	0.75	0.75
14	0.75	0.75
15	0.75	0.75
16	0.75	0.75
17	0.75	0.75
18	0.75	0.75
19	0.75	0.75
20 and Over	0.75	0.75

Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Prior to June 30, 2007, the unrecognized return was determined on an annual basis.
Valuation Value of Assets:	Actuarial Value of Assets reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an aggregate basis by taking the Present Value of Future Normal Costs (calculated as if the current benefit accrual rate had always been in effect) divided by the Present Value of Future Salaries to obtain a normal cost rate. This normal cost rate is then multiplied by the total of current salaries.
Changes in Actuarial Assumptions:	There have been no changes in actuarial assumptions since the prior valuation.

EXHIBIT V
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:
General Tier 1	All General members hired before June 30, 1979.
General Tier 2	All General members hired on or after June 30, 1979, except as noted above.
Safety	All Safety members.
Final Compensation for Benefit Determination:	
General Tier 1 and Safety	Highest consecutive twelve months of compensation earnable (§31462.1)(FAS1).
General Tier 2	Highest consecutive thirty-six months of compensation earnable (§31462)(FAS3).
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).

Benefit Formula:

	Retirement Age	Benefit Formula
General Tier 1 (§31676.11)	50	(1.24%xFAS1 – 1/3x1.24%x$350x12)xYrs
	55	(1.67%xFAS1 – 1/3x1.67%x$350x12)xYrs
	60	(2.18%xFAS1 – 1/3x2.18%x$350x12)xYrs
	62	(2.35%xFAS1 – 1/3x2.35%x$350x12)xYrs
	65	(2.61%xFAS1 – 1/3x2.61%x$350x12)xYrs

	Retirement Age	Benefit Formula
General Tier 2 (§31676.1)	50	(1.18%xFAS3 – 1/3x1.18%x$350x12)xYrs
	55	(1.49%xFAS3 – 1/3x1.49%x$350x12)xYrs
	60	(1.92%xFAS3 – 1/3x1.92%x$350x12)xYrs
	62	(2.09%xFAS3 – 1/3x2.09%x$350x12)xYrs
	65	(2.43%xFAS3 – 1/3x2.43%x$350x12)xYrs

	Retirement Age	Benefit Formula
Safety (Non-Integrated) (§31664)	50	(2.00%xFAS1xYrs)
	55	(2.62%xFAS1xYrs)
	60	(2.62%xFAS1xYrs)

Maximum Benefit:	100% of Highest Average Compensation (§31676.1, §31676.11, §31664)
Ordinary Disability:	
General Tier 1 and Tier 2	
Eligibility	Five years of service (§31720).
Benefit Formula	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).
Safety	
Eligibility	Five years of service (§31720).
Benefit Formula	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:	
All Members	
Eligibility	No age or service requirements (§31720).
Benefit Formula	50% of the Final Compensation or 100% of Service Retirement benefit, if larger (§31727.4).

Pre-Retirement Death:	
All Members	
Eligibility - A	None.
Benefit - A	Refund of employee contributions with interest, plus one month's compensation for each year of service to a maximum of six month's compensation (§31781). 50% of Final Compensation or 100% of Service Retirement benefit, if larger, payable to spouse if Line-of-Duty death (§31787). OR
Eligibility - B	Five years of service.
Benefit - B	60% of the greater of Service or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of above.
Death After Retirement:	
All Members	
Service or Ordinary Disability Retirement	60% of member's unmodified allowance continued to eligible spouse (§31760.1). In addition, there is a $5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).
Line-of-Duty Disability	100% of member's allowance continued to eligible spouse (§31786). In addition, there is a $5,000 lump sum benefit payable to member's beneficiary (§31789.3).
Withdrawal Benefits:	
Less than Five Years of Service	Refund of accumulated employee contributions with interest or earned benefit at age 70(§31628).
Five or More Years of Service	If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement Cost-of-Living Benefits:	
General Tier 1 and Safety	Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked" (§31870.1).
General Tier 2	SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March, 2003.
County Contributions:	Determined by the Entry Age Normal Actuarial Cost Method. The Unfunded Actuarial Accrued Liability is being funded as a level percent of compensation over a 15-year fixed (decreasing) layered amortization period.
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.
General Tier 1	
Basic	Provide for an average annuity at age 55 equal to 1/120 of FAS1 (§31621.1).
Cost-of-Living	Provide for one-half of future cost-of-living costs.
General Tier 2	
Basic	Provide for an average annuity at age 60 equal to 1/120 of FAS3 (§31621).
Cost-of-Living	Provide for a fixed 2% cost-of-living increase for SEIU members that applies to service after March 2003 (§31627). The contribution rate is currently a negotiated 2.63% of compensation.
Safety	
Basic	Provide for an average annuity at age 50 equal to 1/100 of FAS1 (§31639.25).
Cost-of-Living	Provide for one-half of future cost-of-living costs.

Other Information:	For members hired after November 1974, they will pay a contribution corresponding to a General and Safety member hired at entry age 36 and 27, respectively. Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for General members hired on or before March 7, 1973.
Plan Changes:	There have been no changes in plan provisions since the previous actuarial valuation.
Plan Provisions Not Valued:	The Board of Retirement has approved a STAR COLA benefit and a Supplemental Medical Benefit. These benefits are funded from Undistributed Excess Earnings, paid from reserves that are not included in the Valuation Value of Assets and are subject at all times to the availability of funds. The STAR COLA benefit is a benefit designed to protect against loss of purchasing power and is paid to a closed group of retirees and beneficiaries. 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.*

Appendix A

Member Contribution Rates

General Tier 1 Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic		COLA		Total	
Entry Age	**First $350**	**Over $350**	**First $350**	**Over $350**	**First $350**	**Over $350**
15	3.34%	5.01%	1.15%	1.72%	4.49%	6.73%
16	3.34%	5.01%	1.15%	1.72%	4.49%	6.73%
17	3.40%	5.10%	1.16%	1.74%	4.56%	6.84%
18	3.46%	5.18%	1.18%	1.78%	4.64%	6.96%
19	3.51%	5.27%	1.21%	1.81%	4.72%	7.08%
20	3.57%	5.36%	1.23%	1.84%	4.80%	7.20%
21	3.63%	5.45%	1.25%	1.87%	4.88%	7.32%
22	3.69%	5.54%	1.27%	1.90%	4.96%	7.44%
23	3.76%	5.63%	1.28%	1.93%	5.04%	7.56%
24	3.82%	5.73%	1.31%	1.96%	5.13%	7.69%
25	3.88%	5.82%	1.33%	1.99%	5.21%	7.81%
26	3.94%	5.92%	1.35%	2.02%	5.29%	7.94%
27	4.01%	6.01%	1.37%	2.06%	5.38%	8.07%
28	4.08%	6.11%	1.39%	2.10%	5.47%	8.21%
29	4.14%	6.21%	1.42%	2.13%	5.56%	8.34%
30	4.21%	6.32%	1.44%	2.16%	5.65%	8.48%
31	4.28%	6.42%	1.47%	2.20%	5.75%	8.62%
32	4.35%	6.52%	1.49%	2.24%	5.84%	8.76%
33	4.42%	6.63%	1.51%	2.27%	5.93%	8.90%
34	4.49%	6.74%	1.54%	2.31%	6.03%	9.05%
35	4.57%	6.85%	1.56%	2.34%	6.13%	9.19%
36	4.64%	6.96%	1.59%	2.38%	6.23%	9.34%
37	4.72%	7.07%	1.61%	2.43%	6.33%	9.50%

General Tier 1 Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic		COLA		Total	
Entry Age	**First $350**	**Over $350**	**First $350**	**Over $350**	**First $350**	**Over $350**
38	4.79%	7.19%	1.64%	2.46%	6.43%	9.65%
39	4.87%	7.31%	1.67%	2.50%	6.54%	9.81%
40	4.95%	7.43%	1.70%	2.54%	6.65%	9.97%
41	5.04%	7.55%	1.72%	2.59%	6.76%	10.14%
42	5.12%	7.68%	1.75%	2.63%	6.87%	10.31%
43	5.21%	7.81%	1.78%	2.68%	6.99%	10.49%
44	5.30%	7.95%	1.81%	2.72%	7.11%	10.67%
45	5.40%	8.09%	1.85%	2.78%	7.25%	10.87%
46	5.50%	8.24%	1.88%	2.83%	7.38%	11.07%
47	5.59%	8.38%	1.92%	2.88%	7.51%	11.26%
48	5.69%	8.54%	1.95%	2.92%	7.64%	11.46%
49	5.77%	8.66%	1.98%	2.97%	7.75%	11.63%
50	5.84%	8.76%	2.00%	3.00%	7.84%	11.76%
51	5.89%	8.84%	2.02%	3.02%	7.91%	11.86%
52	5.92%	8.88%	2.03%	3.05%	7.95%	11.93%
53	5.94%	8.91%	2.03%	3.05%	7.97%	11.96%
54 & Over	5.92%	8.88%	2.03%	3.04%	7.95%	11.92%

Interest:	8.00%
COLA:	3.00%
COLA Loading:	34.25%
Mortality:	RP-2000 Combined Health Mortality Table set back one year, weighted 35% male and 65% female.
Salary Increase:	See Exhibit IV.

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

General Tier 2 Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic Only			Basic Only	
Entry Age	**First $350**	**Over $350**	**Entry Age**	**First $350**	**Over $350**
16	2.74%	4.11%	38	3.95%	5.92%
17	2.79%	4.18%	39	4.01%	6.02%
18	2.83%	4.25%	40	4.07%	6.11%
19	2.89%	4.33%	41	4.14%	6.21%
20	2.93%	4.40%	42	4.21%	6.32%
21	2.99%	4.48%	43	4.28%	6.42%
22	3.03%	4.55%	44	4.35%	6.52%
23	3.09%	4.63%	45	4.42%	6.63%
24	3.14%	4.71%	46	4.49%	6.74%
25	3.19%	4.79%	47	4.57%	6.86%
26	3.25%	4.87%	48	4.65%	6.98%
27	3.30%	4.95%	49	4.73%	7.10%
28	3.35%	5.03%	50	4.81%	7.22%
29	3.41%	5.11%	51	4.89%	7.34%
30	3.47%	5.20%	52	4.97%	7.46%
31	3.52%	5.28%	53	5.04%	7.56%
32	3.58%	5.37%	54	5.09%	7.63%
33	3.64%	5.46%	55	5.13%	7.69%
34	3.70%	5.55%	56	5.15%	7.72%
35	3.76%	5.64%	57	5.14%	7.71%
36	3.82%	5.73%	58	5.34%	8.01%
37	3.88%	5.82%	59 & over	5.54%	8.31%

Interest: 8.00%
COLA: SEIU members contribute a negotiated 2.63% for a fixed 2% COLA pursuant to Government Code 31627.
Mortality: RP-2000 Combined Health Mortality Table set back one year, weighted 35% male and 65% female.
Salary Increase: See Exhibit IV.

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

Safety Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	7.52%	3.97%	11.49%
16	7.52%	3.97%	11.49%
17	7.52%	3.97%	11.49%
18	7.52%	3.97%	11.49%
19	7.52%	3.97%	11.49%
20	7.52%	3.97%	11.49%
21	7.52%	3.97%	11.49%
22	7.64%	4.05%	11.69%
23	7.77%	4.12%	11.89%
24	7.91%	4.18%	12.09%
25	8.04%	4.25%	12.29%
26	8.18%	4.32%	12.50%
27	8.32%	4.39%	12.71%
28	8.46%	4.47%	12.93%
29	8.60%	4.55%	13.15%
30	8.75%	4.63%	13.38%
31	8.90%	4.71%	13.61%
32	9.06%	4.79%	13.85%
33	9.22%	4.88%	14.10%
34	9.39%	4.96%	14.35%
35	9.56%	5.06%	14.62%
36	9.74%	5.15%	14.89%
37	9.93%	5.25%	15.18%
38	10.12%	5.36%	15.48%
39	10.33%	5.47%	15.80%
40	10.53%	5.58%	16.11%
41	10.73%	5.67%	16.40%
42	10.91%	5.78%	16.69%

Safety Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
43	11.07%	5.86%	16.93%
44	11.21%	5.92%	17.13%
45	11.31%	5.99%	17.30%
46	11.41%	6.03%	17.44%
47	11.42%	6.04%	17.46%
48	11.32%	5.99%	17.31%
49 & Over	11.06%	5.85%	16.91%

Interest: 8.00%
COLA: 3.00%
COLA Loading: 52.89%
Mortality: RP-2000 Combined Health Mortality Table set back one year, weighted 80% male and 20% female.
Salary Increase: See Exhibit IV.

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

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