



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

Date: July 28, 2014

To: Board of Trustees

From: Carl Nelson - Executive Secretary
Rosemarie Hewig – Deputy Executive Secretary

Agenda Item Number 10: January 1, 2014 Actuarial Valuation – Final Report

The June 23, 2014 Board of Trustees meeting included a presentation from Leslie Thompson of Gabriel Roeder Smith, the Plan's actuary on the results of the 2014 Annual Actuarial Valuation. At that time the Board of Trustees approved the recommendations of the actuary regarding the 2014 Actuarial Valuation –

- Continue smoothing the 2008 investment loss over 10 years instead of the five years used for other years.
- Accelerate the recognition of an additional \$10 million of the 2008 losses in this valuation in addition to the 10 year amortization of the 2008 losses into the Actuarial Value of Assets.
- No changes to earnings, salary growth, payroll growth, mortality, rates of retirement or any other assumptions except for changes to actuarial methods in the area of valuing the DROP feature and conforming Tier 2 retirement ages to those of Tier 3.
- Make no change to the current level of County Appropriation and Employee Contribution rates such that a Total Contribution Rate of 34.23% is targeted to fully fund the Annually Required Contribution (ARC).

The actuary has delivered the final 2014 Actuarial Valuation report which is attached. The document has been thoroughly reviewed by staff. It is recommended that the Board of Trustees –

- Approve, receive and file the 2014 Actuarial Valuation report.
- Approve the transfer of \$4,144,733 from the Current Reserve to the Retirees and Beneficiaries Reserve (per Comment H on page 3 of the 2014 Actuarial Valuation) on the Schedule of Reserves to be included in the 2014 financial statements of the Pension Trust.

Respectfully Submitted,

Carl Nelson
Executive Secretary

Rosemarie Hewig
Deputy Executive Secretary

SAN LUIS OBISPO COUNTY PENSION TRUST

ACTUARIAL VALUATION REPORT

FOR THE YEAR BEGINNING JANUARY 1, 2014

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July 10, 2014

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

Members of the Board:

Submitted in this report are the results of the regular Annual Actuarial Valuation as of January 1, 2014 of the San Luis Obispo County Pension Trust (SLOCPT). The valuation is intended to provide a measure of the funding status of the pension trust. This valuation provides information relative to the employer appropriation rates for the County's fiscal year beginning July 1, 2014.

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

The valuation results are developed using the Entry Age Cost Method. Under this method, normal cost is calculated as a constant percentage of the member's year-by-year projected, covered pay. The amortization of the unfunded actuarial accrued liabilities is done as a level percent of payroll over 26 years (30 year closed amortization period beginning with the January 1, 2010 valuation) for funding computations. In addition, the 2008 asset losses are recognized over 10 years, with recognition accelerated if a positive contribution margin develops. As of the January 1, 2014 valuation, the Board approved an acceleration in the recognition of the 2008 asset loss of \$10 million.

In the January 1, 2014 valuation, the Trust's funded status increased from 76.4% to 77.9%. The total annual required contribution is 34.23% as of January 1, 2014, compared to the total charged rates of 33.61%. Effective January 1, 2014, there was a 1.0% rate increase bringing the charged rate to 34.61%. Therefore, due to the positive difference between the charged rate and the Annual Required Contribution an increase in the charged rates is not recommended at this time.

The actuarial calculations were prepared for purposes of complying with the requirements of Statements No. 25 and No. 27 of the Governmental Accounting Standards Board (GASB). The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the SLOCPT's financial reporting requirements may produce significantly different results. This report may be provided to parties other than the SLOCPT only in its entirety and only with the permission of the SLOCPT.

San Luis Obispo County Pension Trust

July 10, 2014

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

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

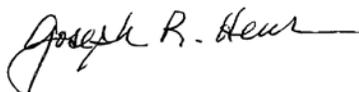
Respectfully submitted,

Gabriel, Roeder, Smith & Company



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

Senior Consultant



Joseph R. Herm

Senior Analyst

SECTION A

VALUATION COMMENTS & RECOMMENDATIONS

VALUATION COMMENTS & RECOMMENDATIONS

COMMENT A: This is the first valuation that includes members hired under the Tier 3 (aka AB 340) provisions. As of January 1, 2013, Tier 2 was effectively closed and all new hires enter under the provisions of Tier 3. As of January 1, 2014, there are 282 active members covered under Tier 2 and there are 194 active members covered under Tier 3. See Section F for additional details regarding the active membership in each tier.

COMMENT B: This valuation includes assumption changes adopted by the Board based on the Experience Study performed for the five-year period December 31, 2013. These changes include changing the retirement rates for Tier 2 members to match the Tier 3 rates and a change to the DROP methodology to more closely reflect actual experience. The net impact of these changes is a \$19.3 million decrease in the accrued liability.

COMMENT C: The total normal cost decreased from 23.38% to 22.52% reflecting the addition of lower cost Tier 3 members as Tier 1 members leave the plan. Employee contribution rates were unchanged since the prior valuation but the weighted average employee rate decreased from 14.61% to 14.12% as Tier 3 members entered the plan. The County share of the normal cost decreased from 8.77% to 8.40%. Overall, the computed County Employer actuarial appropriation rate for the Pension Trust decreased from 20.57% to 20.11% effective for the fiscal year beginning July 1, 2014. The funded ratio under the Entry Age Normal funding method increased from 76.4% to 77.9%.

COMMENT D: The total charged rate in 2014 is expected to be 34.61% including the 1.0% increase effective January 1, 2014. The total annual required contribution is 34.23% as of January 1, 2014. Since the charged rate exceeds the required rate, there is no increase recommended for the charged rate.

COMMENT E: As of the January 1, 2010 valuation, the total required contribution was based on smoothing the 2008 asset loss over a 10 year schedule. The funding policy of the Board is to accelerate the remaining deferred losses from the 2008 asset loss each valuation if a positive contribution margin develops between the actuarially determined rate and the charged rate. As of January 1, 2011, a margin had developed and an additional \$10 million of the 2008 loss was accelerated and recognized in the 2011 valuation. The return on the market value of assets was 13.80% for 2014 helping to create an additional margin this year. Based on the size of the margin, an additional acceleration of \$10 million has been recognized as of the January 1, 2014 valuation. Before the acceleration, the return on the actuarial value of assets was 7.13%. After the acceleration, the return on the actuarial value of assets was 6.24%.

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

- An actuarial loss of \$11.3 million from investments (described as the return on the actuarial value of assets less than the assumed 7.25% yield). This includes the additional \$10 million reconciliation from the deferred 2008 loss. The actuarial asset yield of 6.24% did not exceed the 7.25% benchmark for the prior year. The return on the market value of assets as calculated by the SLOCPT investment consultants was 13.80%.

VALUATION COMMENTS & RECOMMENDATIONS

- A \$15.4 million gain due to compensation increases for continuing active members being less than the expected increase. A continuing active member is a member who was active as of the last valuation date, and is active as of this valuation date. The average increase for continuing active members was 1.99%.
- A \$2.9 million loss due to retirement. This loss reflects a lesser number of retirements than anticipated.
- A \$5.3 million loss on retiree mortality, meaning that retired participants in pay status lived slightly longer than assumed.
- A \$19.3 million dollar gain due the change in the DROP methodology and the change in the Tier 2 retirement rates.

COMMENT G: The Pension Trust adopted a closed amortization period of 30 years as of January 1, 2010. Payments on the unfunded accrued liability are amortized over 26 years as of the January 1, 2014 valuation.

COMMENT H: We recommend that the reserve for Retirees and Beneficiaries be updated to reflect the computed liability in the most recent valuation. With the Trust's current accounting (the County pays for all COLA benefits), this can only be done for non-COLA benefits. The COLA reserve includes amounts attributable to current active and deferred vested members. According to the financial statements as of December 31, 2013, the reserve for retirees and beneficiaries is \$643,871,804. The non-COLA liabilities calculated were \$648,016,537. Accordingly, we recommend that the Trust transfer this \$4,144,733 difference out of the Current Reserve and back into the Retiree Reserve.

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

COMMENT J: Total pension costs also include the debt financing related to the 2003 pension obligation bond of \$135 million. The annual debt financing payment for calendar year 2014 is approximately \$9.3 million -- 5.63% of active member payroll. When this percent is added to the valuation computed appropriation rate of 20.11%, the total rate of 25.74% more accurately reflects total County pension costs.

COMMENT K: There are approximately \$47 million in deferred asset losses yet to be recognized, essentially all stemming from the 2008 loss. Barring continued recovery in the equity markets to offset the recognition of these losses, upward pressure will continue to exist on the required contribution rate. However, this pressure will be offset somewhat by the continued decrease in the total normal cost rate as Tier 3 members enter the plan.

SECTION B

EXECUTIVE SUMMARY AND RATE RECONCILIATION

EXECUTIVE SUMMARY

Valuation Date:	January 1, 2014	January 1, 2013
	(1)	(2)
Membership		
• Number of		
- Active Members	2,521	2,495
- Retirees and Beneficiaries	2,250	2,147
- Inactive, Vested	460	445
- Total	<u>5,231</u>	<u>5,087</u>
• Total Payroll (000s)	\$ 164,704	\$ 164,299
• Average Pay	\$ 65,333	\$ 65,851
Assets		
• Market Value (000s)	\$ 1,135,719	\$ 1,013,436
• Actuarial Value (000s)	\$ 1,182,924	\$ 1,122,151
• Return on Market Value	13.07%	12.02%
• Return on Actuarial Value	6.24%	6.16%
Actuarial Liabilities and Funded Ratio		
• Actuarial Accrued Liability (000s)		
- Active Members	\$ 612,267	\$ 623,662
- Retirees and Beneficiaries	847,672	788,046
- Inactive, Vested	58,812	56,293
- Total	<u>\$ 1,518,751</u>	<u>\$ 1,468,001</u>
• Unfunded Actuarial Accrued Liability (UAAL) (000s)	\$ 335,827	\$ 345,850
• Funded Ratio	77.9%	76.4%
• UAAL based on Market Value	\$ 383,032	\$ 454,565
• Funded Ratio Based on Market Value	74.8%	69.0%
Annual Required Contribution		
• Total Normal Cost	22.52%	23.38%
• Member Contributions	14.12%	14.61%
• County Normal Cost	8.40%	8.77%
• Amortization Payment	11.71%	11.80%
• Total County Cost (ARC)	20.11%	20.57%
• Total Combined ARC	34.23%	35.18%

RECONCILIATION OF CHARGED RATES AND TOTAL ARC

Valuation Date	January 1, 2014	January 1, 2013
Total Annual Required Contribution (ARC)	34.23%	35.18%
County Charged Rate	18.73%	18.87%
Member Charged Rate	<u>14.88%</u>	<u>15.37%</u>
Total Charged Rate	33.61%	34.24%
Increase to Charged Rate as of January 1, 2014	1.00%	N/A
Total Charged Rate as of January 1	34.61%	34.24%
Difference between the ARC and the Charged Rate	-0.38%	0.94%
Recommended Rate Increase as of January 1	0.00%	0.94%

SECTION C
FUNDING PROGRESS

FUNDING OBJECTIVE

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

CONTRIBUTION RATES

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

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

Computed contributions and appropriations as of the January 1, 2014 valuation are shown in the following section.

FUNDING POLICY

The policy adopted by the Board is to recommend the full funding of the Total Annual Required Contribution. This includes a 30 year closed amortization of the unfunded accrued liability. In addition, the 2008 asset loss was originally amortized over 10 years, with the understanding that, as contribution margin develops (the contribution margin is the difference between the charged rate and the total annual required contribution) then the recognition of the remaining deferred losses from the 2008 asset loss will be accelerated. As of the January 1, 2011 valuation, an additional \$10 million of the deferred losses was accelerated and recognized. As of the January 1, 2014 valuation, an additional \$10 million of the deferred losses was accelerated and recognized. The remaining losses will continue to be smoothed over the original 10 year period (5 years remaining as of January 1, 2014).

Schedule of Recognition of 2008 Asset Loss

Plan Year	Original Schedule			Updated Schedule		
	Remaining Loss at Beginning of Plan Year	Amount Recognized	Remaining Loss at End of Plan Year	Remaining Loss at Beginning of Plan Year	Amount Recognized	Remaining Loss at End of Plan Year
2009	\$ 299,363,960	\$ 29,936,396	\$ 269,427,564	\$ 299,363,960	\$ 29,936,396	\$ 269,427,564
2010	269,427,564	29,936,396	239,491,168	269,427,564	29,936,396	239,491,168
2011	239,491,168	29,936,396	209,554,772	239,491,168	29,936,396	199,554,772
2012	209,554,772	29,936,396	179,618,376	199,554,772	29,936,396	169,618,376
2013	179,618,376	29,936,396	149,681,980	169,618,376	29,936,396	139,681,980
2014	149,681,980	29,936,396	119,745,584	139,681,980	29,936,396	99,745,584
2015	119,745,584	29,936,396	89,809,188	99,745,584	29,936,396	69,809,188
2016	89,809,188	29,936,396	59,872,792	69,809,188	29,936,396	39,872,792
2017	59,872,792	29,936,396	29,936,396	39,872,792	29,936,396	9,936,396
2018	29,936,396	29,936,396	0	9,936,396	9,936,396	0

SECTION D
VALUATION RESULTS

ELEMENTS OF NORMAL COST

January 1, 2014

MISCELLANEOUS VALUATION GROUPS

	<u>Other</u>	<u>Management</u>			<u>SLOCEA</u>				<u>TOTAL MISC.</u>	
	<u>BU #21-22</u>	<u>Non Court</u>	<u>Court BU #18</u>	<u>Court BU #24-27</u>	<u>Total Mgmt</u>	<u>Non Court</u>	<u>Court BU #19</u>	<u>Court BU #20</u>		<u>Total SLOCEA</u>
Service Retirement	16.09%	18.03%	21.69%	22.43%	18.45%	16.72%	16.96%	15.45%	16.67%	17.21%
Vesting	2.56%	2.87%	1.89%	2.24%	2.79%	2.38%	2.65%	2.66%	2.39%	2.52%
Death-In-Service	0.13%	0.21%	0.16%	0.20%	0.21%	0.17%	0.09%	0.09%	0.16%	0.18%
Disability	0.28%	0.31%	0.28%	0.31%	0.31%	0.27%	0.32%	0.28%	0.27%	0.28%
Refunds	<u>1.71%</u>	<u>1.61%</u>	<u>1.36%</u>	<u>1.22%</u>	<u>1.58%</u>	<u>1.54%</u>	<u>1.16%</u>	<u>1.44%</u>	<u>1.54%</u>	<u>1.55%</u>
Total Normal Cost	20.77%	23.03%	25.38%	26.40%	23.34%	21.08%	21.18%	19.92%	21.03%	21.74%
Less										
Employee Contribution Rate	13.66%	14.24%	14.30%	12.87%	14.14%	13.55%	10.73%	10.98%	13.43%	13.65%
Equals										
County Normal Cost	7.11%	8.79%	11.08%	13.53%	9.20%	7.53%	10.45%	8.94%	7.60%	8.09%

ELEMENTS OF NORMAL COST

January 1, 2014

	Probation			Safety				GRAND TOTAL	
	Mgmt	Non	Total	Management		Non-Mgmt			Total
		Mgmt	Probation	Sworn	Non-Sworn	Sworn	Non-Sworn		Safety
Service Retirement	13.55%	14.99%	14.87%	24.65%	17.98%	20.38%	20.20%	20.44%	17.58%
Vesting	5.41%	4.59%	4.66%	2.13%	2.42%	2.30%	1.93%	2.13%	2.56%
Death-In-Service	0.28%	0.17%	0.18%	0.41%	0.17%	0.35%	0.28%	0.32%	0.20%
Disability	0.27%	0.28%	0.28%	3.05%	2.68%	2.65%	2.89%	2.77%	0.65%
Refunds	<u>3.44%</u>	<u>2.72%</u>	<u>2.78%</u>	<u>1.33%</u>	<u>1.35%</u>	<u>1.18%</u>	<u>0.80%</u>	<u>1.02%</u>	<u>1.53%</u>
Total Normal Cost	22.95%	22.75%	22.77%	31.57%	24.60%	26.86%	26.10%	26.68%	22.52%
				Less					
Employee Contribution Rate	18.04%	16.40%	16.54%	20.69%	18.18%	17.66%	13.72%	16.02%	14.12%
				Equals					
County Normal Cost	4.91%	6.35%	6.23%	10.88%	6.42%	9.20%	12.38%	10.66%	8.40%

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

County Appropriations	Miscellaneous		Probation	
	2014	2013	2014	2013
Total normal costs	8.09%	8.39%	6.23%	6.18%
Amortization (26 years)	<u>11.25%</u>	<u>11.27%</u>	<u>10.38%</u>	<u>10.59%</u>
Total Cost	19.34%	19.66%	16.61%	16.77%
Unfunded Liability (000's)	\$ 261,819	\$ 268,009	\$ 12,906	\$ 13,146

County Appropriations	Safety		Total Plan	
	2014	2013	2014	2013
Total normal costs	10.66%	11.56%	8.40%	8.77%
Amortization (26 years)	<u>14.67%</u>	<u>15.14%</u>	<u>11.71%</u>	<u>11.80%</u>
Total Cost	25.33%	26.70%	20.11%	20.57%
Unfunded Liability (000's)	\$ 61,102	\$ 64,695	\$ 335,827	\$ 345,850

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

<u>County Appropriations</u>	<u>Misc.</u>	<u>Prob.</u>	<u>Safety</u>	<u>2014</u>	<u>2013</u>
Basic Allowance	3.24%	0.90%	3.95%	3.24%	3.36%
Cost of Living	<u>4.85%</u>	<u>5.33%</u>	<u>6.71%</u>	<u>5.16%</u>	<u>5.41%</u>
Total Normal Costs	8.09%	6.23%	10.66%	8.40%	8.77%

UNFUNDED ACTUARIAL ACCRUED LIABILITY
DECEMBER 31, 2013

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

(1) UAAL at beginning of the year	\$345,850,139
(2) County normal cost	14,428,172
(3) County contributions made during year	30,795,872
(4) Interest accrual [(1) + ((2) - (3))/2] * 7.25%	24,480,806
(5) Increase/(Decrease) in UAAL due to assumption changes	(19,275,386)
(6) Increase in UAAL due to provision changes	0
(7) Expected UAAL at end of year	\$334,687,859
[(1) + (2) - (3) + (4) + (5) + (6)]	
(8) Actual UAAL at end of year	\$335,827,049
(9) Experience Gain/(Loss): (7) - (8)	(\$1,139,190)
(10) Gain (loss) as percentage of actuarial accrued liabilities at beginning of year	
\$1,468,000,678	-0.08%

Estimated Components of Experience Gain/(Loss)

Gain/(Loss) due to compensation increases	\$15,369,625
Gain/(Loss) due to investment experience	(1,333,571)
Gain/(Loss) due to accelerated recognition of 2008 loss	(10,000,000)
Gain/(Loss) due to retirement incidence	(2,855,735)
Gain/(Loss) due to termination experience	(8,965)
Gain/(Loss) due to active mortality experience	500,575
Gain/(Loss) due to disability experience	217,462
Gain/(Loss) due to retiree & beneficiary mortality experience and miscellaneous retiree data changes	(5,275,544)
Gain/(Loss) due to new members	(650,382)
Gain/(Loss) due to active data changes and miscellaneous factors	2,897,345
Total Estimated Experience Gain/(Loss)	(\$1,139,190)

EXPERIENCE GAIN (LOSS) – COMPARATIVE SCHEDULE
JANUARY 1, 2014

Percentage of Accrued Liabilities

Valuation Date	Actuarial Gain (Loss)	Beginning of Year Accrued Liabilities	Gain (Loss) Percentage Attributable to Investments	Gain (Loss) Percentage Not Attributable to Investments	Total Gain (Loss) Percentage
1/1/2002	(\$7,090,396)	\$446,333,883	(0.30)%	(1.29)%	(1.59)%
1/1/2003	(31,319,034)	492,795,245	(2.79)%	(3.57)%	(6.36)%
1/1/2004	(19,544,002)	556,320,953	(1.45)%	(2.06)%	(3.51)%
1/1/2005	(10,820,472)	642,734,312	(1.15)%	(0.53)%	(1.68)%
1/1/2006	(36,097,371)	715,084,943	(1.34)%	(3.71)%	(5.05)%
1/1/2007	(12,682,702)	831,289,683	0.01 %	(1.54)%	(1.53)%
1/1/2008	(8,713,157)	962,827,691	0.50 %	(1.40)%	(0.90)%
1/1/2009	(39,999,218)	1,057,124,348	(3.09)%	(0.70)%	(3.78)%
1/1/2010	3,281,208	1,150,214,145	(1.55)%	1.84 %	0.29 %
1/1/2011	3,596,270	1,216,153,057	(0.55)%	0.85 %*	0.30 %
1/1/2012	12,704,448	1,282,058,335	(1.73)%	2.72 %	0.99 %
1/1/2013	(18,925,942)	1,378,549,314	(0.83)%	(0.54)%	(1.37)%
1/1/2014	(1,139,190)	1,468,000,678	(0.77)%	0.69 %*	(0.08)%

*The Board elected to accelerate recognition of \$10 million of the 2008 loss for the year ending December 31, 2010 and December 31, 2013.

ACTUARIAL BALANCE SHEET
JANUARY 1, 2014

Present Resources and Expected Future Resources

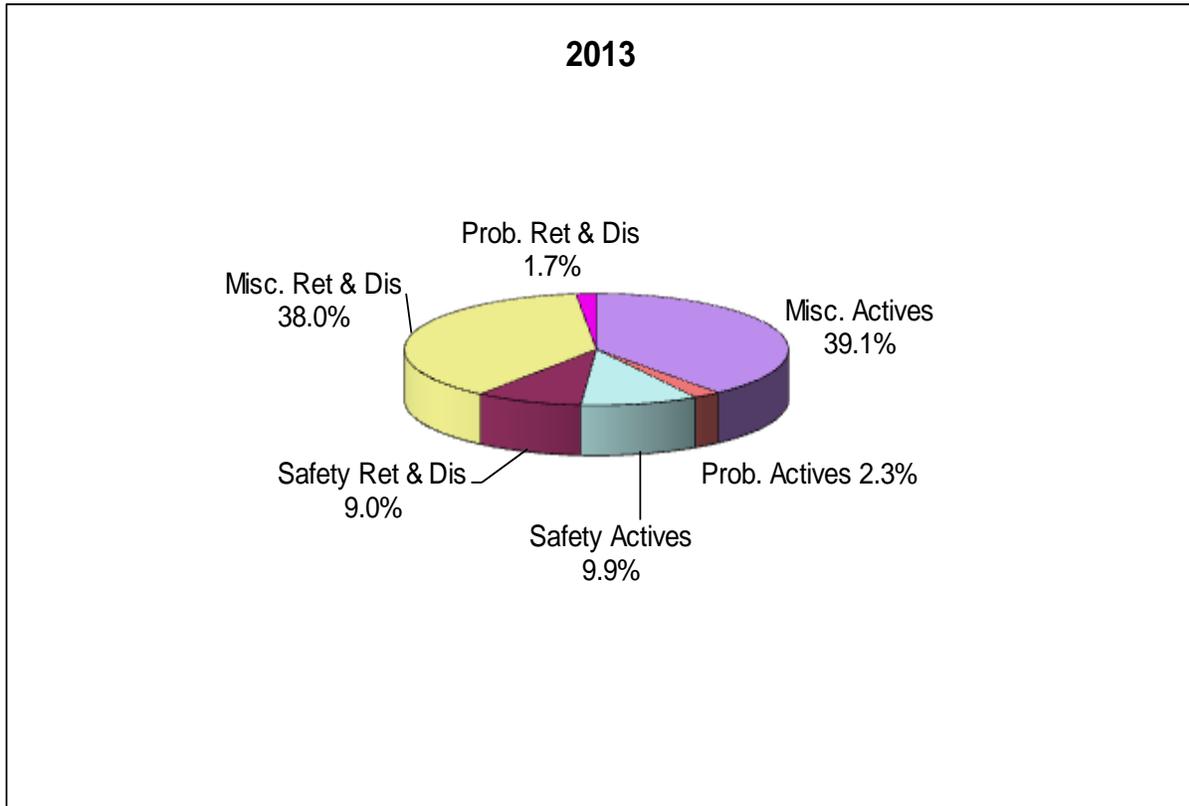
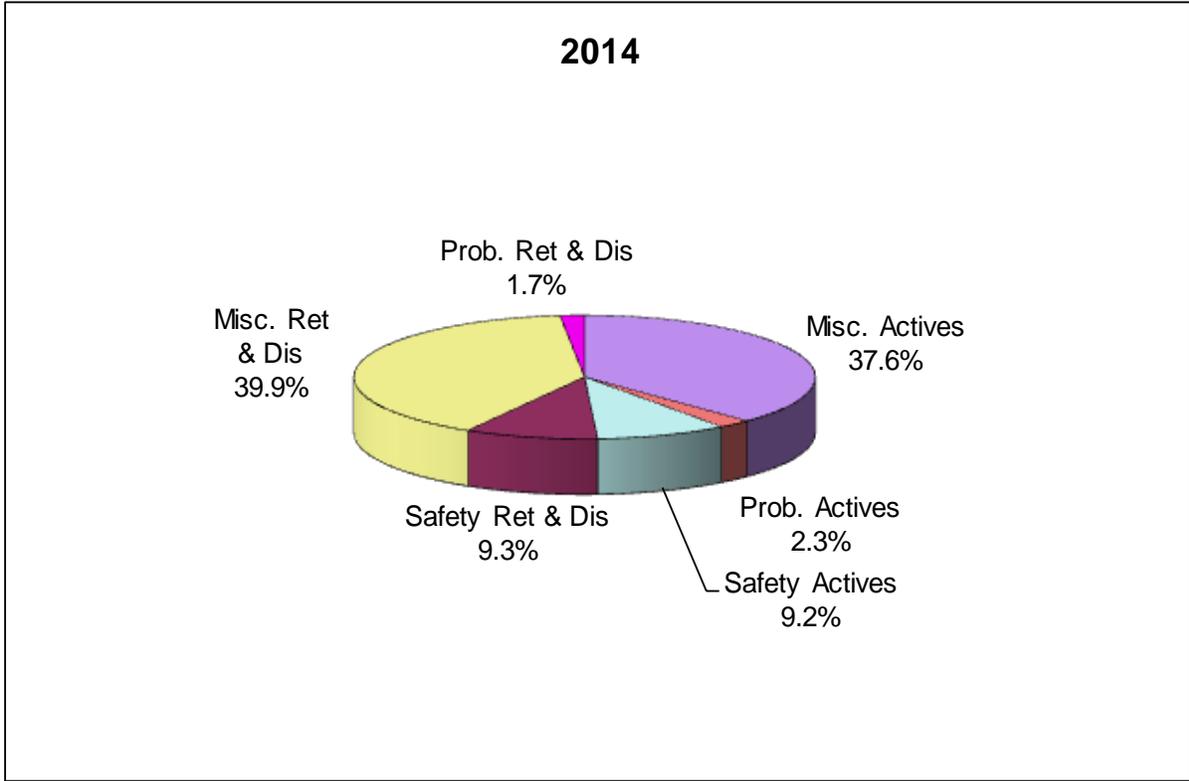
	(thousands*)			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
A. Actuarial value of system assets	\$922,237	\$45,460	\$215,228	\$1,182,924
B. Present value of expected future County appropriations				
1. Unfunded past service	261,819	12,906	61,102	335,827
2. Expected future service	<u>67,235</u>	<u>3,328</u>	<u>20,955</u>	<u>91,517</u>
3. Total future County appropriations	\$329,054	\$16,234	\$82,057	\$427,344
C. Present value of expected future member contributions	<u>125,935</u>	<u>9,348</u>	<u>32,378</u>	<u>167,662</u>
D. Total Present and Expected Future Resources	<u>\$1,377,226</u>	<u>\$71,042</u>	<u>\$329,663</u>	<u>\$1,777,930</u>

Present Value of Expected Future Benefit Payments and Reserve

	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
A. To Retirees and Beneficiaries	\$657,300	\$29,657	\$160,716	\$847,672
B. To Deferred and Reciprocal	52,363	1,234	5,215	58,812
C. Active members				
1. Service rendered prior to valuation date	474,393	27,475	110,399	612,267
2. Expected future service	<u>193,170</u>	<u>12,676</u>	<u>53,333</u>	<u>259,179</u>
D. Total Present Value of Expected Future Benefits	<u>\$1,377,226</u>	<u>\$71,042</u>	<u>\$329,663</u>	<u>\$1,777,930</u>

* Grand Total may not add due to rounding.

PRESENT VALUE OF BENEFIT ALLOCATION



FUNDING PROGRESS INDICATORS HISTORIC COMPARISON

(\$ in Thousands)

Valuation Date	Valuation Assets ¹	Actuarial Liability ¹	Funded Ratio	Unfunded		Ratio to Payroll
				Actuarial Liability	Member Payroll	
12/31/2001	\$404,751	\$492,795	92.1%	\$88,044	\$120,637	73.0%
12/31/2002	430,351	556,321	77.4%	125,970	131,997	95.4%
12/31/2003	604,808	619,257	97.7%	14,449	136,364	10.6%
12/31/2003 ⁵	604,808	637,075	94.9%	32,267	136,364	23.7%
12/31/2003 ^{2,5}	604,808	642,734	94.1%	37,926	136,364	27.8%
12/31/2004 ²	651,751	713,683	91.3%	61,932	135,189	45.8%
12/31/2004 ⁶	651,751	715,085	91.1%	63,334	135,189	46.8%
12/31/2005	700,060	803,124	87.2%	103,064	143,902	71.6%
12/31/2005 ⁷	700,060	818,864	85.5%	118,804	143,902	82.6%
12/31/2005 ^{2,7}	700,060	831,290	84.2%	131,230	143,902	91.2%
12/31/2006	759,758	912,458	83.3%	152,700	152,117	100.4%
12/31/2006 ²	759,758	920,285	82.6%	160,527	152,117	105.5%
12/31/2006 ^{2,8}	759,758	994,861	76.4%	235,103	152,117	154.6%
12/31/2006 ⁹	759,758	962,828	78.9%	345,850	152,117	227.4%
12/31/2007	829,764	1,055,868	78.6%	226,104	162,436	139.2%
12/31/2007 ¹⁰	829,764	1,057,124	78.5%	227,360	162,436	140.0%
12/31/2008	875,602	1,150,214	76.1%	274,612	168,677	162.8%
12/31/2009	937,279	1,216,153	77.1%	278,874	160,444	173.8%
12/31/2010	1,000,169	1,282,058	78.0%	281,889	161,783	174.2%
12/31/2011	1,057,922	1,334,545	79.3%	276,623	161,055	171.8%
12/31/2011 ^{2,11}	1,057,922	1,378,549	76.7%	320,627	161,055	199.1%
12/31/2012 ¹¹	1,122,151	1,468,001	76.4%	345,850	164,299	210.5%
12/31/2013 ¹²	1,182,924	1,518,751	77.9%	335,827	164,704	203.9%

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

12/31/2013	\$5,942,492	12/31/2008	\$10,397,974	12/31/2003	\$13,558,875
12/31/2012	6,606,149	12/31/2007	11,507,242	12/31/2002	13,510,256
12/31/2011	7,462,567	12/31/2006	12,181,467	12/31/2001	13,734,603
12/31/2010	8,558,571	12/31/2005	12,773,875	12/31/2000	13,584,256
12/31/2009	9,341,043	12/31/2004	13,601,745		

² Reflects assumption changes.

³ Reflects change to Entry Age Normal Funding.

⁴ Reflects benefit increases for most Miscellaneous and Probation active members.

⁵ Reflects benefit increases for all management employees, excluding Court management.

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

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

⁸ Reflects benefit increases for Probation and Safety members.

⁹ Reflects assumption change to 7.75%.

¹⁰ Reflects benefit increases for Miscellaneous Court employees in BU #18 and BU #20.

¹¹ Reflects benefit provisions under Tier 2 for certain new members.

¹² Reflects benefit provisions under Tier 3 for new members, and assumption changes.

SECTION E
SUMMARY OF BENEFIT PROVISIONS

**BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED
EFFECTIVE JANUARY 1, 2014**

1. Membership Requirements – All regular permanent employees of the County or district covered by the County or agencies that have contracted with the County to participate in the Pension Trust.

2. Tiers
 Tier 1 generally includes new members hired before January 1, 2011.
 Tier 2 generally includes new members hired on or after January 1, 2011 and before January 1, 2013. Tier 2 only applies to members hired after the date each particular bargaining unit adopted Tier 2. Members hired at a bargaining unit that did not adopt Tier 2 are considered Tier 1 members.
 Tier 3 includes all new members hired on or after January 1, 2013.

3. Final Compensation – Highest one-year average for employees in Tier1 and “Pick Up” included as compensation for various management employees. Bargaining Units #4, 7, 8, 9, 10, 11, 12, 17, 24-27

Pick Up Percentage included in final average compensation:

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

Highest three-year average for employees in Tier 2 and Tier 3

4. Member Contributions
 Please refer to Appendix A. Employee contribution rates used in the January 1, 2014 valuation have not increased since the January 1, 2013 valuation.

5. Service Retirement
 - A. Eligibility - Age 50 with 5 years of service (Age 52 with 5 years of service for Miscellaneous members in Tier 3).

 - B. Benefit Formula - Final Compensation multiplied by Years of Credited Service multiplied by Retirement Age Factor.

**BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED
EFFECTIVE JANUARY 1, 2014**

C. Retirement Age Factors

Safety					
Age	Tier 1 ¹	Tier 1 ²	Tier 2 ³	Tier 2 ⁴	Tier 3
50	2.30%	3.00%	2.000%	2.300%	2.00%
51	2.440	3.000	2.140	2.440	2.100
52	2.580	3.000	2.280	2.580	2.200
53	2.720	3.000	2.420	2.720	2.300
54	2.860	3.000	2.560	2.860	2.400
55	3.000	3.000	2.700	3.000	2.500
56	3.000	3.000	2.700	3.000	2.600
57+	3.000	3.000	2.700	3.000	2.700

Probation		
Age	Tier 1	Tier 3
50	2.30%	2.00%
51	2.440	2.100
52	2.580	2.200
53	2.720	2.300
54	2.860	2.400
55	3.000	2.500
56	3.000	2.600
57+	3.000	2.700

1 Safety Bargaining Units 6 & 7 and Non-Sworn Bargaining Units 3, 14, 15

2 Safety Bargaining Units 10 & 16 and Sworn Bargaining Units 15, 27, 28

3 Non-Sworn Safety members

4 Sworn Safety members

Miscellaneous			
Age	Tier 1	Tier 2	Tier 3
50	1.43%	1.092%	-
51	1.541	1.156	-
52	1.656	1.224	1.000%
53	1.770	1.296	1.100
54	1.885	1.376	1.200
55	2.000	1.460	1.300
56	2.117	1.552	1.400
57	2.233	1.650	1.500
58	2.350	1.758	1.600
59	2.466	1.874	1.700
60	2.583	2.000	1.800
61	2.699	2.134	1.900
62	2.816	2.272	2.000
63	2.932	2.418	2.100
64	3.049	2.458	2.200
65	3.165	2.500	2.300
66	3.165	2.500	2.400
67+	3.165	2.500	2.500

BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED
EFFECTIVE JANUARY 1, 2014

- D. Maximum Benefit
- a. Tier 1
 - 80% of Final Compensation for SLOCEA, and Misc. Other.
 - 90% of Final Compensation for Safety and Probation.
 - 100% of Final Compensation for Miscellaneous Management.
 - b. Tier 2
 - 90% of Final Compensation for all of Tier 2
 - c. Tier 3
 - No maximum benefit applies but pensionable compensation is limited to the Social Security Taxable Wage Base
6. Ordinary Disability
- A. Eligibility - Five years of service and less than 65 years old.
 - B. Benefit Formula - Greater of (1) 1.5% of Final Compensation times Credited Service, (2) 1/3 of Final Compensation if Credited Service is between 10 and 22.222 years, or (3) the earned Service Retirement Allowance (if eligible).
7. Line-of-Duty Disability
- A. Eligibility - No age or service requirement for Safety members.
 - B. Benefit Formula - Greater of (1) 50% of Final Compensation, or (2) Service Retirement Allowance (if eligible).
8. Ordinary Death Before Eligible for Retirement (Basic Death Benefit)
Refund of employee contributions with interest plus lump sum of one and one-half month's compensation for each year of service to a maximum of eighteen months' Compensation.
9. Ordinary Death After Eligible for Retirement
50% of earned benefit payable to surviving eligible spouse or children until age 18, or benefit in (6) above if greater. Spouse can elect an actuarially-reduced 100% Joint and Survivor benefit.
10. Line-of-Duty Death (Safety only)
50% of Final Compensation. Benefit increased to 62.5%, 70% or 75% respectively if violent death and 1, 2, or 3 children.
11. Death After Retirement
50% of member's unmodified allowance continued to eligible spouse.
\$1,000 payable in lump sum to the beneficiary or the estate of the retiree.

BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED
EFFECTIVE JANUARY 1, 2014

12. Withdrawal Benefits

A. Less than Five Years of Service

Refund of accumulated employee contributions with interest.

B. Five or More Years of Service

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

13. Post-Retirement Cost-of-Living Benefits

Based on changes in Consumer Price Index to a maximum of 3% per year (maximum of 2% per year for Tier 2 and Tier 3).

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

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

**SUMMARY OF REPORTED ASSET INFORMATION
SUBMITTED FOR THE JANUARY 1, 2014 VALUATION**

Market Value of Reported Assets as of January 1, 2014		Reserves as of January 1, 2014	
Cash/Short-term	\$34,395,473	Member Deposit Reserve	\$300,615,795
Receivables	70,659,485	Appropriation Reserves	128,450,159
Mutual Funds	608,334,230	Retired Members Reserve	643,871,804
Bonds	351,784,096	Cost-of Living	310,822,433
Mortgages	8,759,578	Contingency Reserves	(487,922,168)
Alternative Investments	73,001,695	Market Value Adjustments	<u>239,880,594</u>
Real Estate	97,722,859		
Other	989,510		
	<u>\$1,245,646,926</u>		
Liabilities	<u>(109,928,309)</u>		
Total Market Value	\$1,135,718,617	Total Reserves	\$1,135,718,617

REVENUES AND DISBURSEMENTS

Total Reserves	
Beginning of Year	\$ 1,013,436,059
Revenues	
Employer Contributions	\$ 30,795,872
Employee Contributions	24,459,738
Interest	5,829,239
Dividends	33,848,242
Real Estate Income	1,294,428
Realized and Unrealized Gains and Losses	96,396,611
Investment Expenses	<u>(5,520,161)</u>
Total Revenues	\$ 187,103,969
Disbursements	
Benefit Payments	\$ 60,237,341
Refunds of Member Contributions	2,373,490
Death Benefits	150,448
Administration	<u>2,060,132</u>
Total Disbursements	\$ 64,821,411
Net Increase	\$ 122,282,558
Total Reserves - End of year	\$ 1,135,718,617

San Luis Obispo County Pension Trust
Development of Funding Value of Assets - January 1, 2014

	<u>Plan Year Ended December 31, 2008</u>	<u>Plan Year Ended December 31, 2009</u>	<u>Plan Year Ended December 31, 2010</u>	<u>Plan Year Ended December 31, 2011</u>	<u>Plan Year Ended December 31, 2012</u>	<u>Plan Year Ended December 31, 2013</u>
A. Funding Value Beginning of Year	\$829,763,572	\$875,602,263	\$937,278,758	\$1,000,168,850	\$1,057,921,875	\$1,122,150,539
B. Gross Market Value End of Year	610,286,800	764,988,635	880,953,414	906,350,380	1,013,436,059	1,135,718,617
C. Gross Market Value Beginning of Year	832,236,083	610,286,800	764,988,635	880,953,414	906,350,380	1,013,436,059
D. Non-Investment Cash Flow	12,619,013	10,219,995	5,910,357	1,284,151	(1,761,812)	(9,565,801)
E. Investment Income						
E1. Market Total =B-C-D	(234,568,296)	144,481,840	110,054,422	24,112,815	108,847,491	131,848,359
E2 Immediate Recognition	<u>64,795,664</u>	<u>68,255,200</u>	<u>72,868,130</u>	<u>77,562,847</u>	<u>76,635,470</u>	<u>81,009,154</u>
E3. Phased-in Recognition	(299,363,960)	76,226,640	37,186,292	(53,450,032)	32,212,021	50,839,205
F. Phased-in Recognition						
F1. Current Year=E3x20%*	(29,936,396) *	15,245,328	7,437,258	(10,690,006)	6,442,404	10,167,841
F2. First Prior Year	(4,246,161)	(29,936,396)	15,245,328	7,437,258	(10,690,006)	6,442,404
F3. Second Prior Year	4,829,104	(4,246,161)	(29,936,396)	15,245,328	7,437,258	(10,690,006)
F4. Third Prior Year	(3,747,506)	4,829,104	(4,246,161)	(29,936,396)	15,245,328	7,437,258
F5. Fourth Prior Year	415,705	(3,747,506)	4,829,104	(4,246,161)	(29,936,396)	15,245,328
F6. Continued Recognition of 2008 Asset Loss	0	0	0	0	0	(29,936,396)
F7. Additional Recognition of 2008 Asset Loss	<u>0</u>	<u>0</u>	<u>(10,000,000) *</u>	<u>0</u>	<u>0</u>	<u>(10,000,000) *</u>
F8. Total Recognized Gain/(Loss)	(32,685,254)	(17,855,631)	(16,670,867)	(22,189,977)	(11,501,412)	(11,333,571)
G. Preliminary Funding Value						
=A+D+E2+F8	874,492,995	936,221,827	999,386,378	1,056,825,871	1,121,294,121	1,182,260,321
H. Excludable Assets						
H1. End of Year	10,397,974	9,341,043	8,558,571	7,462,567	6,606,149	5,942,492
H2. Beginning of Year	11,507,242	10,397,974	9,341,043	8,558,571	7,462,567	6,606,149
H3. Change=H1-H2	(1,109,268)	(1,056,931)	(782,472)	(1,096,004)	(856,418)	(663,657)
I. Final Funding Value=G-H3	\$875,602,263	\$937,278,758	\$1,000,168,850	\$1,057,921,875	\$1,122,150,539	\$1,182,923,978
J. Investment Return=(E2+F8)/(A+D/2)	3.84%	5.72%	5.98%	5.53%	6.16%	6.24%

*The Board originally decided to recognize the 2008 asset loss over 10 years with acceleration of the recognition in future years when the funding margin allowed it. The Board elected to accelerate recognition of \$10 million of the 2008 loss base for the year ending December 31, 2010 and an additional \$10 million for the year ending December 31, 2013.

**Allocation of Valuation Assets
January 1, 2014 Valuation**

	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
1) Valuation Assets as of December 31, 2012	\$869,586,011	\$42,653,728	\$209,910,800	\$1,122,150,539
2) Preliminary member contributions including pickups by group	\$18,651,489	\$1,184,162	\$3,913,767	\$23,749,418
3) Member contributions from financials, subgroups split in proportion to (2)	\$19,209,335	\$1,219,579	\$4,030,824	\$24,459,738
4) Preliminary employer contributions by group	\$24,382,950	\$1,066,676	\$5,861,210	\$31,310,835
5) Employer contributions from financials, subgroups split in proportion to (4)	\$23,981,928	\$1,049,133	\$5,764,811	\$30,795,872
6) Benefit Payments based on data - avg LY & TY	\$47,584,125	\$1,919,797	\$10,130,870	\$59,634,792
7) Benefit payments from financials, subgroups split in proportion to (6)	\$50,078,829	\$2,020,447	\$10,662,003	\$62,761,279
8) Subtotal = (1) + (3) + (5) - (7)	\$862,698,445	\$42,901,993	\$209,044,432	\$1,114,644,870
9) Valuation Assets as of December 31, 2013				1,182,923,978
10) Residual to allocate among groups (9) - (8)				68,279,108
11) Allocation of residual to equalize funded ratios	59,538,188	2,557,562	6,183,358	68,279,108
12) Valuation Assets Allocated by group: (8) + (11)	\$922,236,633	\$45,459,555	\$215,227,790	\$1,182,923,978

SECTION F
SUMMARY OF MEMBER DATA

RECONCILIATION OF MEMBERS FROM
JANUARY 1, 2013 TO JANUARY 1, 2014

	Actives	Disability	Terminated		DROP	Beneficiary	Total
			Vested	Retiree			
Counts as of January 1, 2013	2,495	132	445	1,790	45	180	5,087
Actives	5		(5)				0
Disability	(1)	3	(2)				0
Terminated Vested	(49)		49				0
Terminated Nonvested	(59)						(59)
Retiree	(87)		(30)	131	(14)		0
DROP	(13)				13		0
Beneficiary							0
Deceased	(2)	(2)		(36)		(11)	(51)
Refund			(9)				(9)
New Beneficiaries						15	15
New Actives	229						229
Return to Work	3						3
Not in last year's file			12	2	2		16
Counts as of January 1, 2014	2,521	133	460	1,887	46	184	5,231

SUMMARY OF ACTIVE MEMBERS INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
Miscellaneous Members					
1/1/2014	2,140	\$133,655,912	\$62,456	48.1	10.7
1/1/2013	2,118	\$133,374,909	\$62,972	48.4	10.7
Percent Increase	1.0%	0.2%	-0.8%		
Probation Members					
1/1/2014	108	\$7,139,642	\$66,108	40.9	10.5
1/1/2013	105	\$6,963,070	\$66,315	41.0	10.5
Percent Increase	2.9%	2.5%	-0.3%		
Safety Members					
1/1/2014	273	\$23,908,913	\$87,578	41.8	12.6
1/1/2013	272	\$23,961,434	\$88,094	41.9	12.7
Percent Increase	0.4%	-0.2%	-0.6%		
All Active Members					
1/1/2014	2,521	\$164,704,467	\$65,333	47.1	10.9
1/1/2013	2,495	\$164,299,413	\$65,851	47.4	10.9
Percent Increase	1.0%	0.2%	-0.8%		

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

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

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

Payroll is limited to the Social Security Taxable Wage Base (\$117,000 for 2014) for Tier 3 members.

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

	Counts				Total Payroll (000s*)			
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total
Miscellaneous Members								
1/1/2014	1,718	244	178	2,140	\$113,176	\$ 12,738	\$ 7,742	\$133,656
1/1/2013	1,873	245	0	2,118	\$121,133	\$ 12,242	\$ -	\$133,375
Percent Increase				1.0%				0.2%
Probation Members								
1/1/2014	101	0	7	108	\$ 6,827	\$ -	\$ 313	\$ 7,140
1/1/2013	105	0	0	105	\$ 6,963	\$ -	\$ -	\$ 6,963
Percent Increase				2.9%				2.5%
Safety Members								
1/1/2014	226	38	9	273	\$ 20,382	\$ 2,921	\$ 605	\$ 23,909
1/1/2013	242	30	0	272	\$ 21,757	\$ 2,204	\$ -	\$ 23,961
Percent Increase				0.4%				-0.2%
All Active Members								
1/1/2014	2,045	282	194	2,521	\$140,386	\$ 15,659	\$ 8,660	\$164,704
1/1/2013	2,220	275	0	2,495	\$149,854	\$ 14,446	\$ -	\$164,299
Percent Increase				1.0%				0.2%

* Total may not add due to rounding.

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
Miscellaneous Members					
1 Other - Units # 14, 21, 22					
1/1/2014	23	\$1,749,800	\$76,078	46.2	10.1
1/1/2013	23	\$1,749,280	\$76,056	45.7	10.1
2 Management Non-Court - Units # 4, 7, 8, 9, 10, 11, 12, 17, 99					
1/1/2014	402	\$36,392,106	\$90,528	49.6	13.1
1/1/2013	398	\$36,689,858	\$92,186	49.7	12.8
3 Management Court - Unit # 18					
1/1/2014	16	\$1,340,602	\$83,788	52.2	10.8
1/1/2013	16	\$1,298,086	\$81,130	51.2	9.8
4 Management Court - Units # 24, 25, 26, 27					
1/1/2014	29	\$2,880,155	\$99,316	53.0	12.6
1/1/2013	28	\$2,729,246	\$97,473	52.1	11.2
5 SLOCEA Non-Court - Units # 1, 2, 5, 13, 31, 98					
1/1/2014	1,586	\$86,974,680	\$54,839	47.7	10.1
1/1/2013	1,566	\$86,604,513	\$55,303	48.1	10.2
6 SLOCEA Court - Unit # 19					
1/1/2014	8	\$536,432	\$67,054	54.2	17.3
1/1/2013	9	\$574,912	\$63,879	52.8	16.2
7 SLOCEA Court - Unit # 20					
1/1/2014	76	\$3,782,137	\$49,765	46.1	10.3
1/1/2013	78	\$3,729,014	\$47,808	45.6	9.8

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
Probation Members					
8 Probation Management - Units # 8, 9, 29					
1/1/2014	5	\$596,149	\$119,230	50.3	21.7
1/1/2013	5	\$596,149	\$119,230	49.3	20.7
9 Probation Non-Management - Units # 31, 32					
1/1/2014	103	\$6,543,493	\$63,529	40.4	10.0
1/1/2013	100	\$6,366,922	\$63,669	40.6	10.0
Safety Members					
10 Safety Management - Units # 7, 10, 15, 16					
1/1/2014	10	\$1,377,750	\$137,775	49.4	19.5
1/1/2013	9	\$1,249,435	\$138,826	49.5	19.0
11 Safety Non-Management - Units # 3, 6, 14, 27, 28					
1/1/2014	263	\$22,531,163	\$85,670	41.5	12.3
1/1/2013	263	\$22,711,998	\$86,357	41.6	12.5

SUMMARY OF DEFERRED AND RECIPROCAL MEMBERS INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

	<u>No.</u>	<u>Member Contributions</u>	<u>Averages</u>			
			<u>Contribution Balance</u>	<u>Attained Age</u>	<u>Age at Termination</u>	<u>Service</u>
Miscellaneous						
Reciprocals	185	\$8,850,192	\$47,839	50.6	40.0	4.8
Deferred	<u>222</u>	<u>15,608,599</u>	70,309	51.0	41.0	8.7
Total	407	\$24,458,791	\$60,095	50.8	40.5	6.9
Probation						
Reciprocals	6	\$228,101	\$38,017	45.7	35.5	4.4
Deferred	<u>7</u>	<u>455,042</u>	65,006	43.1	36.5	7.7
Total	13	\$683,143	\$52,549	44.3	36.0	6.2
Safety						
Reciprocals	14	\$797,861	\$56,990	44.0	33.5	4.4
Deferred	<u>26</u>	<u>2,821,942</u>	108,536	42.9	37.0	9.2
Total	40	\$3,619,803	\$90,495	43.3	35.8	7.5
Total						
Reciprocals						
1/1/2014	205	\$9,876,154	\$48,176	50.0	39.4	4.8
1/1/2013	194	\$8,452,756	\$43,571	50.5	39.8	4.7
Percent Change	5.7%	16.8%	10.6%			
Deferred						
1/1/2014	255	\$18,885,583	\$74,061	50.0	40.4	8.7
1/1/2013	251	\$17,437,642	\$69,473	50.2	40.7	9.0
Percent Change	1.6%	8.3%	6.6%			
Grand Total 1/1/2014	460	\$28,761,737	\$62,526	50.0	40.0	7.0
Grand Total 1/1/2013	445	\$25,890,398	\$58,181	50.3	40.3	7.1
Percent Change	3.4%	11.1%	7.5%			

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

MISCELLANEOUS

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
Retired Members								
1/1/2014	1,810	\$46,722,637	\$25,814	68.5	58.7	122	\$27,269	59.9
1/1/2013	1,721	\$43,097,544	\$25,042	68.3	58.7	121	\$33,320	60.6
Percent Change	5.2%	8.4%	3.1%				-18.2%	
Beneficiaries								
1/1/2014	158	\$2,856,719	\$18,081	75.0	N/A	N/A	N/A	N/A
1/1/2013	154	\$2,491,349	\$16,178	75.1	N/A	N/A	N/A	N/A
Percent Change	2.6%	14.7%	11.8%					
Total 1/1/2014	1,968	\$49,579,356	\$25,193	69.0	58.7	122	\$27,269	59.9
Total 1/1/2013	1,875	\$45,588,893	\$24,314	68.9	58.7	121	\$33,320	60.6
Percent Change	5.0%	8.8%	3.6%				-18.2%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

PROBATION

	<u>No.</u>	Averages				New Retirees Only		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
Retired Members								
1/1/2014	50	\$1,886,534	\$37,731	63.0	56.0	3	\$28,615	56.6
1/1/2013	47	\$1,767,200	\$37,600	62.4	56.0	5	\$26,265	60.9
Percent Change	6.4%	6.8%	0.3%				8.9%	
Beneficiaries								
1/1/2014	3	\$94,077	\$31,359	71.0	N/A	N/A	N/A	N/A
1/1/2013	3	\$91,782	\$30,594	70.0	N/A	N/A	N/A	N/A
Percent Change	0.0%	2.5%	2.5%					
Total 1/1/2014	53	\$1,980,611	\$37,370	63.5	56.0	3	\$28,615	56.6
Total 1/1/2013	50	\$1,858,982	\$37,180	62.9	56.0	5	\$26,265	60.9
Percent Change	6.0%	6.5%	0.5%				8.9%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

SAFETY

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
Retired Members								
1/1/2014	206	\$10,016,655	\$48,625	63.4	52.7	12	\$58,111	55.1
1/1/2013	199	\$9,356,642	\$47,018	63.1	52.5	14	\$57,729	54.6
Percent Change	3.5%	7.1%	3.4%				0.7%	
Beneficiaries								
1/1/2014	23	\$450,072	\$19,568	73.1	N/A	N/A	N/A	N/A
1/1/2013	23	\$438,370	\$19,060	72.1	N/A	N/A	N/A	N/A
Percent Change	0.0%	2.7%	2.7%					
Total 1/1/2014	229	\$10,466,727	\$45,706	64.4	52.7	12	\$58,111	55.1
Total 1/1/2013	222	\$9,795,012	\$44,122	64.0	52.5	14	\$57,729	54.6
Percent Change	3.2%	6.9%	3.6%				0.7%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED
IN THE JANUARY 1, 2014 ACTUARIAL VALUATION

TOTAL

	<u>No.</u>	<u>Annual Allowance</u>	<u>Averages</u>			<u>New Retirees Only</u>		
			<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
Retired Members								
1/1/2014	2,066	\$58,625,826	\$28,376	67.9	58.0	137	\$30,000	59.4
1/1/2013	1,967	\$54,221,386	\$27,566	67.6	58.0	140	\$35,509	60.0
Percent Change	5.0%	8.1%	2.9%				-15.5%	
Beneficiaries								
1/1/2014	184	\$3,400,868	\$18,483	74.7	N/A	N/A	N/A	N/A
1/1/2013	180	\$3,021,501	\$16,786	74.6	N/A	N/A	N/A	N/A
Percent Change	2.2%	12.6%	10.1%					
Total 1/1/2014	2,250	\$62,026,694	\$27,567	68.5	58.0	137	\$30,000	59.4
Total 1/1/2013	2,147	\$57,242,887	\$26,662	68.2	58.0	140	\$35,509	60.0
Percent Change	4.8%	8.4%	3.4%				-15.5%	

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

SECTION G
ACTIVE DATA TABLES

**ACTIVE MEMBERS JANUARY 1, 2014
BY ATTAINED AGES AND YEARS OF SERVICE**

MISCELLANEOUS MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	18	0	0	0	0	0	0	18	\$694,491
25-29	99	21	0	0	0	0	0	120	5,616,395
30-34	106	95	12	1	0	0	0	214	11,315,242
35-39	88	75	51	5	0	0	0	219	12,760,488
40-44	47	88	64	25	3	1	0	228	14,762,327
45-49	48	68	87	47	28	6	1	285	18,983,556
50-54	57	81	71	54	51	33	9	356	22,833,782
55-59	46	73	84	55	51	53	21	383	26,087,563
60-64	22	46	58	47	39	29	9	250	16,399,938
65-69	10	16	16	6	7	2	1	58	3,584,183
70-74	0	2	3	0	0	1	1	7	529,110
75+	1	0	1	0	0	0	0	2	88,837
Totals	542	565	447	240	179	125	42	2,140	\$133,655,912

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

Averages

Age: 48.1
 Service: 10.7
 Compensation: \$62,456

ACTIVE MEMBERS JANUARY 1, 2014
BY ATTAINED AGES AND YEARS OF SERVICE

PROBATION MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	3	0	0	0	0	0	0	3	\$139,838
25-29	10	4	0	0	0	0	0	14	733,616
30-34	3	12	1	0	0	0	0	16	946,754
35-39	6	6	8	0	0	0	0	20	1,294,509
40-44	3	5	3	5	0	0	0	16	1,016,101
45-49	1	0	2	8	2	0	0	13	1,019,429
50-54	0	0	2	8	2	7	0	19	1,536,080
55-59	0	1	0	1	2	0	0	4	277,534
60-64	0	0	1	1	0	0	0	2	117,187
65-69	0	0	0	1	0	0	0	1	58,594
70-74	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0
Totals	26	28	17	24	6	7	0	108	\$7,139,642

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

Averages

Age: 40.9
Service: 10.5
Compensation: \$66,108

ACTIVE MEMBERS JANUARY 1, 2014
BY ATTAINED AGES AND YEARS OF SERVICE

SAFETY MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>		
20-24	1	0	0	0	0	0	0	1	\$64,230
25-29	19	7	0	0	0	0	0	26	1,966,536
30-34	13	24	9	0	0	0	0	46	3,819,774
35-39	10	11	12	5	0	0	0	38	3,113,968
40-44	5	12	7	19	7	0	0	50	4,391,067
45-49	1	7	6	15	15	9	1	54	5,163,247
50-54	3	0	4	15	13	10	0	45	4,230,408
55-59	0	1	1	6	3	2	0	13	1,159,683
60-64	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0
75+	0	0	0	0	0	0	0	0	0
Totals	52	62	39	60	38	21	1	273	\$23,908,913

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

Averages

Age: 41.8
Service: 12.6
Compensation: \$87,578

**ACTIVE MEMBERS JANUARY 1, 2014
BY ATTAINED AGES AND YEARS OF SERVICE**

TOTAL MEMBERS

Age Group	Years of Accrued Service							No.	Compensation Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30+		
20-24	22	0	0	0	0	0	0	22	\$898,559
25-29	128	32	0	0	0	0	0	160	8,316,547
30-34	122	131	22	1	0	0	0	276	16,081,770
35-39	104	92	71	10	0	0	0	277	17,168,965
40-44	55	105	74	49	10	1	0	294	20,169,495
45-49	50	75	95	70	45	15	2	352	25,166,232
50-54	60	81	77	77	66	50	9	420	28,600,270
55-59	46	75	85	62	56	55	21	400	27,524,780
60-64	22	46	59	48	39	29	9	252	16,517,125
65-69	10	16	16	7	7	2	1	59	3,642,777
70-74	0	2	3	0	0	1	1	7	529,110
75+	1	0	1	0	0	0	0	2	88,837
Totals	620	655	503	324	223	153	43	2,521	\$164,704,467

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

Averages

Age: 47.1

Service: 10.9

Compensation: \$65,333

AVERAGE PAY BY YEARS OF SERVICE

MISCELLANEOUS MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	36	108	144	\$6,460,522	\$44,865
1	27	113	140	6,861,442	49,010
2	44	76	120	6,277,835	52,315
3	16	72	88	4,832,402	54,914
4	18	32	50	3,012,880	60,258
5	31	61	92	6,207,036	67,468
6	37	97	134	8,136,861	60,723
7	34	104	138	8,451,518	61,243
8	46	81	127	8,132,691	64,037
9	26	48	74	4,593,992	62,081
10	32	50	82	5,486,494	66,908
11	26	44	70	4,833,431	69,049
12	41	75	116	7,473,762	64,429
13	23	65	88	5,575,752	63,361
14	37	54	91	6,080,214	66,816
15 & Up	215	371	586	41,239,079	70,374
Totals	689	1,451	2,140	\$133,655,912	\$62,456

AVERAGE PAY BY YEARS OF SERVICE

PROBATION MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	2	3	5	\$234,270	\$46,854
1	4	5	9	424,944	47,216
2	2	5	7	370,906	52,987
3	2	0	2	108,326	54,163
4	1	2	3	178,152	59,384
5	4	3	7	398,944	56,992
6	5	4	9	541,154	60,128
7	3	1	4	247,686	61,922
8	3	1	4	248,310	62,078
9	3	1	4	270,338	67,585
10	0	2	2	139,755	69,878
11	5	3	8	577,699	72,212
12	1	3	4	282,630	70,658
13	0	2	2	137,883	68,942
14	1	0	1	68,432	68,432
15 & Up	20	17	37	2,910,213	78,654
Totals	56	52	108	\$7,139,642	\$66,108

AVERAGE PAY BY YEARS OF SERVICE

SAFETY MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	12	2	14	\$1,015,768	\$72,555
1	11	4	15	1,149,886	76,659
2	14	6	20	1,553,094	77,655
3	2	1	3	334,173	111,391
4	0	0	0	0	N/A
5	6	0	6	473,637	78,940
6	20	1	21	1,830,130	87,149
7	13	1	14	1,150,386	82,170
8	9	4	13	1,148,867	88,374
9	8	0	8	676,645	84,581
10	6	0	6	505,274	84,212
11	8	0	8	695,760	86,970
12	8	3	11	967,658	87,969
13	5	2	7	591,157	84,451
14	5	2	7	618,758	88,394
15 & Up	106	14	120	11,197,720	93,314
Totals	233	40	273	\$23,908,913	\$87,578

AVERAGE PAY BY YEARS OF SERVICE

TOTAL MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	93	225	318	\$15,683,408	\$49,319
1	59	93	152	8,500,107	55,922
2	22	70	92	5,163,018	56,120
3	19	41	60	3,587,334	59,789
4	39	60	99	6,743,838	68,120
5	60	99	159	10,242,299	64,417
6	50	109	159	10,028,340	63,071
7	60	88	148	9,737,640	65,795
8	36	48	84	5,463,879	65,046
9	40	54	94	6,318,931	67,223
10	37	45	82	5,885,766	71,778
11	52	85	137	9,053,398	66,083
12	25	68	93	6,037,574	64,920
13	42	55	97	6,706,154	69,136
14	30	55	85	5,709,376	67,169
15 & Up	314	348	662	49,843,405	75,292
Totals	978	1,543	2,521	\$164,704,467	\$65,333

SECTION H
RETIREE DATA TABLES

RETIREES AND BENEFICIARIES JANUARY 1, 2014
MISCELLANEOUS
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
SERVICE RETIREMENT		
Unmodified	776	\$19,569,284
Cash Refund	129	2,744,601
100% Continuance	411	12,665,981
50% Continuance	169	5,756,646
Benefits Coordinated with Social Security		
Unmodified	136	\$2,248,182
Cash Refund	29	431,121
100% Continuance	45	1,255,572
50% Continuance	<u>24</u>	<u>688,353</u>
Total Service Retirement	1,719	\$45,359,741
DISABILITY RETIREMENT		
Unmodified	46	\$723,705
Cash Refund	15	197,051
100% Continuance	22	321,066
50% Continuance	<u>8</u>	<u>121,073</u>
Total Disability Retirement	91	\$1,362,896
BENEFICIARIES	<u>158</u>	<u>\$2,856,719</u>
Total Allowances	<u>1,968</u>	<u>\$49,579,356</u>

RETIREES AND BENEFICIARIES JANUARY 1, 2014
 PROBATION
 TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
SERVICE RETIREMENT		
Unmodified	14	\$444,849
Cash Refund	3	72,805
100% Continuance	20	970,541
50% Continuance	3	139,871
Benefits Coordinated with Social Security		
Unmodified	2	\$50,430
100% Continuance	1	33,320
50% Continuance	2	31,029
	<hr/>	<hr/>
Total Service Retirement	45	\$1,742,844
DISABILITY RETIREMENT		
Unmodified	5	\$143,690
BENEFICIARIES	<hr/>	<hr/>
	3	\$94,077
Total Allowances	<hr/> <hr/>	<hr/> <hr/>
	53	\$1,980,611

RETIREES AND BENEFICIARIES JANUARY 1, 2014
SAFETY
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
SERVICE RETIREMENT		
Unmodified	41	\$2,043,052
Cash Refund	10	645,908
100% Continuance	59	3,181,343
50% Continuance	22	1,231,387
Benefits Coordinated with Social Security		
Unmodified	11	\$452,632
Cash Refund	1	33,990
100% Continuance	15	659,245
50% Continuance	10	451,741
Total Service Retirement	169	\$8,699,297
DISABILITY RETIREMENT		
Unmodified	22	\$816,522
Cash Refund	1	28,920
100% Continuance	12	398,648
50% Continuance	2	73,268
Total Disability Retirement	37	\$1,317,358
BENEFICIARIES	23	\$450,072
Total Allowances	229	\$10,466,727

RETIREES AND BENEFICIARIES JANUARY 1, 2014
TOTAL
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
SERVICE RETIREMENT		
Unmodified	831	\$22,057,186
Cash Refund	142	3,463,314
100% Continuance	490	16,817,864
50% Continuance	194	7,127,904
Benefits Coordinated with Social Security		
Unmodified	149	\$2,751,243
Cash Refund	30	465,112
100% Continuance	61	1,948,137
50% Continuance	36	1,171,122
Total Service Retirement	1,933	\$55,801,882
DISABILITY RETIREMENT		
Unmodified	73	\$1,683,917
Cash Refund	16	225,971
100% Continuance	34	719,715
50% Continuance	10	194,342
Total Disability Retirement	133	\$2,823,944
BENEFICIARIES	184	\$3,400,868
Total Allowances	2,250	\$62,026,694

RETIREES AND BENEFICIARIES JANUARY 1, 2014
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

MISCELLANEOUS

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 1994	1	2	3	2	14	28	144	59	253
1994	0	1	0	3	4	5	8	0	21
1995	1	0	2	6	8	7	9	0	33
1996	0	1	0	5	8	8	13	2	37
1997	1	2	1	8	6	14	13	1	46
1998	0	3	3	15	16	13	14	2	66
1999	0	2	2	9	17	14	4	0	48
2000	0	1	9	7	9	6	5	1	38
2001	0	4	19	21	30	21	3	1	99
2002	1	8	13	22	22	4	2	0	72
2003	0	2	20	25	21	11	3	0	82
2004	2	15	32	29	28	9	2	2	119
2005	1	13	30	45	32	9	2	1	133
2006	1	26	34	44	18	4	0	1	128
2007	0	28	28	45	10	2	1	0	114
2008	0	19	25	39	11	0	3	0	97
2009	0	26	48	61	16	4	0	1	156
2010	2	26	28	29	5	0	0	0	90
2011	0	33	39	30	3	0	0	0	105
2012	4	32	43	31	6	0	0	0	116
2013	1	43	44	24	2	0	1	0	115
TOTALS	15	287	423	500	286	159	227	71	1,968

Age at Retirement¹: 58.7
 Attained Age: 69.0
 Average Annual Pension: \$25,193

¹ For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2014
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

PROBATION

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 2004	0	1	0	10	3	0	0	0	14
2004	0	1	1	0	1	0	0	0	3
2005	0	0	1	2	1	0	0	0	4
2006	0	0	1	1	0	0	0	0	2
2007	0	2	2	2	1	0	0	0	7
2008	0	1	1	1	0	0	0	0	3
2009	0	3	1	1	0	0	0	0	5
2010	1	1	1	0	0	0	0	0	3
2011	0	2	1	1	0	0	0	0	4
2012	0	2	1	2	0	0	0	0	5
2013	0	2	1	0	0	0	0	0	3
TOTALS	1	15	11	20	6	0	0	0	53

Age at Retirement¹: 56.0
 Attained Age: 63.5
 Average Annual Pension: \$37,370

¹ For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2014
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

SAFETY

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 1994	0	2	0	9	11	8	12	0	42
1994	0	3	0	0	4	1	1	0	9
1995	1	2	0	1	0	0	0	0	4
1996	0	0	0	1	3	3	0	0	7
1997	0	0	0	0	2	0	1	1	4
1998	1	0	1	2	1	1	0	0	6
1999	0	0	0	1	0	1	0	0	2
2000	0	0	0	2	2	0	2	0	6
2001	0	1	1	4	0	0	0	0	6
2002	0	0	1	3	2	0	0	0	6
2003	2	1	4	3	1	0	0	0	11
2004	2	1	4	0	2	1	0	0	10
2005	0	1	5	9	2	0	0	0	17
2006	0	1	2	2	0	0	0	0	5
2007	0	8	9	2	1	0	0	0	20
2008	1	3	5	0	0	0	0	0	9
2009	1	10	1	0	0	0	0	0	12
2010	0	9	3	0	0	0	0	0	12
2011	0	9	6	1	0	0	0	0	16
2012	0	12	3	0	0	0	0	0	15
2013	0	9	0	1	0	0	0	0	10
TOTALS	8	72	45	41	31	15	16	1	229

Age at Retirement¹: 52.7
 Attained Age: 64.4
 Average Annual Pension: \$45,706

¹ For retired and disabled members only; does not include beneficiaries.

RETIREES AND BENEFICIARIES JANUARY 1, 2014
TABULATED BY ATTAINED AGES AND YEAR OF RETIREMENT

TOTAL

Year Retired	Age Groups								Totals
	0-49	50-59	60-64	65-69	70-74	75-79	80-89	90+	
Pre 1994	1	4	3	11	25	36	156	59	295
1994	0	4	0	4	10	6	9	0	33
1995	2	2	2	9	8	7	9	0	39
1996	0	1	0	6	11	11	13	2	44
1997	1	2	1	8	8	14	14	2	50
1998	1	3	4	17	17	14	14	2	72
1999	0	2	2	10	17	15	4	0	50
2000	0	1	9	9	11	6	7	1	44
2001	0	5	20	25	31	21	3	1	106
2002	1	8	14	29	24	4	2	0	82
2003	2	4	24	31	22	11	3	0	97
2004	4	17	37	29	31	10	2	2	132
2005	1	14	36	56	35	9	2	1	154
2006	1	27	37	47	18	4	0	1	135
2007	0	38	39	49	12	2	1	0	141
2008	1	23	31	40	11	0	3	0	109
2009	1	39	50	62	16	4	0	1	173
2010	3	36	32	29	5	0	0	0	105
2011	0	44	46	32	3	0	0	0	125
2012	4	46	47	33	6	0	0	0	136
2013	1	54	45	25	2	0	1	0	128
TOTALS	24	374	479	561	323	174	243	72	2,250

Age at Retirement¹: 58.0
 Attained Age: 68.5
 Average Annual Pension: \$27,567

¹For retired and disabled members only; does not include beneficiaries.

SECTION I

VALUATION METHODS AND ASSUMPTIONS

ACTUARIAL METHODS AND ASSUMPTIONS USED FOR THE JANUARY 1, 2014 VALUATION

I. Valuation Date

The valuation date is December 31st of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

II. Actuarial Cost Method

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

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

Deferred and Reciprocal Member Actuarial Accrued Liability. Data provided includes date of birth, service credit, reciprocal status, and hourly pay rates at termination. The estimated benefit was used to compute the liabilities for reserve members. For reciprocal members, the estimated benefits were projected with 3.25% inflation from their date of termination to their assumed retirement date to compute those liabilities.

Amortization of Unfunded Actuarial Accrued Liabilities is done as a level percent of payroll over a closed 30 year period (26 years as of January 1, 2014) for funding computations.

III. Actuarial Value of Assets

The funding value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. The asset losses that occurred in 2008 are smoothed over a ten year period with recognition accelerated if a contribution margin develops. Expected investment income is determined using the assumed investment return rate and the actuarial value of assets (adjusted for receipts and disbursements during the year). Returns are measured net of all administrative expenses.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 7.25%, compounded annually, net of administrative expenses. This is made up of a 2.75% inflation rate and a 4.50% real rate of return.
2. Salary increase rate: Inflation rate of 2.75% plus productivity increase rate of 0.5% plus an additional service-related merit component as shown below:

% Merit Increases in Salaries Next Year	
Service Index	Rate
1	5.25%
2	5.00%
3	4.00%
4	3.00%
5	2.00%
6	1.00%
7	0.50%
8 +	0.00%

3. Cost-of-living increases:

Assumed to increase the full 2.75% each year (2% for Tier 2 and Tier 3).
4. Payroll growth:

3.75% per year
5. Increase to maximum earnings limit for Tier 3 members:

2.75% per year
6. Contribution accumulation: Member contribution rates are recalculated on an actuarial basis at each actuarial study. Contributions are credited with 6.75% interest, compounded biweekly.

B. Demographic Assumptions

1. Mortality after termination or retirement -

- a. Healthy males – RP-2000 with generational mortality improvements using scale AA, a 105% multiplier and white collar adjustment
- b. Healthy females - RP-2000 with generational mortality improvements using scale AA, a 105% multiplier and white collar adjustment

See sample rates below:

Ages	% Dying Within Next Year Retirees	
	Men	Women
45	0.12%	0.09%
50	0.17%	0.14%
55	0.28%	0.25%
60	0.48%	0.46%
65	0.98%	0.86%
70	1.69%	1.50%
75	2.98%	2.45%
80	5.53%	4.16%
85	10.10%	7.25%

2. Mortality rates of active members – RP-2000 Employee Mortality Tables, projected to 2020 using scale AA, setback one year with a 90% multiplier for males, and setback three years with a 50% multiplier for females, as shown below for selected ages:

Ages	% of Active Members Dying Within Next Year	
	Men	Women
30	0.03%	0.01%
35	0.06%	0.01%
40	0.08%	0.02%
45	0.10%	0.03%
50	0.13%	0.05%
55	0.17%	0.07%
60	0.29%	0.14%
65	0.48%	0.21%
70	0.65%	0.30%

3. Disability mortality after termination or retirement- RP-2000 Disabled Mortality Tables, projected to 2020 using scale AA, with no setback and an 80% multiplier for males, and setback one year with a 50% multiplier for females, as shown below for selected ages:

Ages	% of Disabled Members Dying Within Next Year	
	Men	Women
30	1.63%	0.29%
35	1.63%	0.30%
40	1.54%	0.28%
45	1.39%	0.28%
50	1.61%	0.37%
55	1.93%	0.63%
60	2.44%	0.94%
65	3.03%	1.20%
70	3.70%	1.60%

4. Retirement –

- a. As shown below for Tier 1 members for selected ages (rates are only applied to members eligible for retirement):

Age	Percent of Eligible Active Members Retiring Within Next Year		
	Miscellaneous	Probation	Safety
50	4.0%	7.5%	12.0%
51	3.0%	7.5%	14.0%
52	3.0%	7.5%	10.0%
53	3.0%	7.5%	10.0%
54	4.0%	7.5%	12.0%
55	6.0%	10.0%	15.0%
56	6.0%	12.0%	12.0%
57	8.0%	12.0%	12.0%
58	8.0%	12.0%	12.0%
59	8.0%	12.0%	18.0%
60	10.0%	15.0%	25.0%
61	10.0%	15.0%	30.0%
62	20.0%	20.0%	40.0%
63	20.0%	20.0%	50.0%
64	20.0%	20.0%	75.0%
65	40.0%	40.0%	100.0%
66	30.0%	20.0%	
67	25.0%	20.0%	
68	25.0%	40.0%	
69	25.0%	50.0%	
70	100.0%	100.0%	

Current deferred vested members are assumed to retire at the later of age 60 (age 55 for Reserve Members) or attained age.

- b. As shown below for Tier 2 and future Tier 3 members for selected ages (rates are only applied to members eligible for retirement):

Age	Percent of Eligible Active Members Retiring Within Next Year		
	Miscellaneous	Probation	Safety
50	3.0%	7.5%	9.0%
51	3.0%	7.5%	9.0%
52	3.0%	7.5%	10.0%
53	3.0%	7.5%	10.0%
54	3.0%	7.5%	10.0%
55	6.0%	7.5%	10.0%
56	6.0%	7.5%	10.0%
57	6.0%	7.5%	10.0%
58	6.0%	9.0%	11.0%
59	6.0%	9.0%	15.0%
60	8.0%	10.0%	20.0%
61	8.0%	10.0%	25.0%
62	20.0%	20.0%	30.0%
63	20.0%	20.0%	40.0%
64	20.0%	20.0%	60.0%
65	40.0%	40.0%	100.0%
66	30.0%	20.0%	
67	25.0%	20.0%	
68	25.0%	40.0%	
69	25.0%	50.0%	
70	100.0%	100.0%	

5. Rates of separation from active membership (for causes other than death or retirement) - As shown below for selected ages:

Sample Ages	% of Active Members Separating Within Next Year			
	Miscellaneous and Probation Members			
	Disability	Withdrawal < 5 years	Withdrawal >= 5 years	Vested Termination
20	0.00%	12.50%	8.50%	0.00%
25	0.00%	11.00%	7.75%	3.50%
30	0.01%	9.50%	3.75%	4.00%
35	0.04%	8.00%	2.00%	3.50%
40	0.06%	7.00%	1.25%	3.00%
45	0.09%	6.00%	0.50%	3.00%
50	0.11%	6.00%	0.00%	2.50%
55	0.14%	6.00%	0.00%	2.00%
60	0.16%	6.00%	0.00%	0.00%
64	0.18%	6.00%	0.00%	0.00%
GRS Table No.	762			1188

Sample Ages	% of Active Members Separating Within Next Year			
	Safety Members			
	Disability	Withdrawal < 5 years	Withdrawal >= 5 years	Vested Termination
20	0.00%	5.20%	1.50%	3.00%
25	0.03%	5.00%	1.50%	2.00%
30	0.13%	4.70%	1.00%	1.50%
35	0.23%	4.00%	0.50%	1.50%
40	0.33%	3.50%	0.50%	1.50%
45	0.43%	2.50%	0.00%	1.50%
50	0.53%	1.50%	0.00%	1.50%
55	0.63%	0.00%	0.00%	0.00%
60	0.73%	0.00%	0.00%	0.00%
64	0.81%	0.00%	0.00%	0.00%
GRS Table No.	761			1189

Vested termination rates and disability rates are applied after the member is eligible for reduced or unreduced retirement benefits. 100% of the Safety disabilities and 0% of the Miscellaneous and Probation disabilities are duty-related.

40% of Vested Terminations are assumed to be Reciprocal.

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

C. Other Assumptions

Member Refunds. All or part of the employee contribution rate is subject to potential "Pick Up" by the employer. Our understanding is that "Pick Ups", and related interest, are subject to refund.

Deferral Age. The assumed retirement age for future Reserve and Reciprocal members is age 57.

Active Death. 100% of active deaths are assumed to be duty related.

Survivor Benefits. Marital status and spouses' census data were imputed with respect to active and deferred members.

Marital Status - 70% of men and 50% of women were assumed married at retirement.

Spouse Census - Women were assumed to be 3 years younger than men for active employees.

Disability Benefits. Benefits are not assumed to be offset by Social Security benefits.

Line-of-Duty Death. Social Security offset equal to 27.5% of Final Compensation.

IRC Section 415 Limits. We are assuming that IRC Section 415 limits, although applicable to this plan, will not impact any individual benefits.

ANALYSIS OF SELECTED ACTUARIAL ASSUMPTIONS COMPARED TO ACTUAL EXPERIENCE

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

	Year Ended December 31					Averages		
	2013	2012	2011	2010	2009	3 Year	5 Year	10 Year
Inflation ¹	1.9%	2.1%	2.6%	1.4%	2.2%	2.2%	2.0%	2.3%
Current Assumption	2.75%							
Average Pay Increase	-0.8%	0.0%	0.9%	1.9%	0.9%	0.0%	0.6%	2.8%
Current Assumption	3.25%							
Merit & Longevity Pay Increase	-2.7%	-2.1%	-1.7%	0.5%	-1.3%	-2.2%	-1.4%	0.5%
Current Assumption	0.50%							
Total Payroll	0.2%	2.0%	-0.5%	0.8%	-4.9%	0.6%	-0.5%	1.9%
Current Assumption	3.75%							
Investment Return Rate ²	6.2%	6.2%	5.5%	6.0%	5.7%	6.0%	5.9%	6.2%
Current Assumption	7.25%							
Real Rate of Investment Return	4.3%	4.1%	2.9%	4.6%	3.5%	3.8%	3.9%	3.9%
Current Assumption	4.50%							

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

² Based on actuarial value of assets NOT market value or book value.

SECTION J

DEFINITIONS OF TECHNICAL TERMS

DEFINITIONS OF TECHNICAL TERMS

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

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

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

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

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

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

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

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

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

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

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

SECTION K

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

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

CONTRIBUTIONS MADE JANUARY 1, 2013 TO DECEMBER 31, 2013

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

During the period January 1, 2013 to December 31, 2013 applicable contributions of \$55,013,425 were made. The contribution breakdown is as follows:

Contributions Made*

Employer Appropriations	\$30,795,872
Member Contributions	<u>24,217,553</u>
Grand Totals	\$55,013,425

* Does not include Employee Additional Voluntary (\$84,620) and County Additional for Employee Contributions (\$157,565). These contributions are excluded as both assets and liabilities.

ACCOUNTING DISCLOSURE

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

Year Ended	Total Annual Required Contribution	Actual Employee Contribution	Actuarially Required Contributions (ARC) ⁵	Employer Contributions Made	Percent Contributed	Investment Return ¹	NPO Balance/(Asset)
31-Dec	Contribution	Contribution	(ARC) ⁵	Made	Contributed	Return ¹	Balance/(Asset)
2001	\$6,776,216	\$9,200,681	\$15,976,897	\$12,639,251 ²	79%	7.4%	\$6,069,723
2002	6,927,576	10,636,366	17,563,942	14,628,625	83%	4.4%	9,303,300
2003	8,036,014	12,136,923	20,172,937	150,813,215	748%	6.1%	(126,038,417) ³
2004	4,227,686	12,663,198	16,890,884	16,520,585	98%	6.5%	(129,305,544)
2005	5,874,058	14,133,919	20,007,977	18,209,481	91%	6.4%	(131,184,818)
2006	6,520,975	15,496,805	22,017,780	19,177,491	87%	7.8%	(132,036,486)
2007	16,434,264	17,406,316	33,840,580 ⁴	24,014,202	71%	8.4%	(124,651,921)
2008	12,093,156	22,840,488	34,933,644	30,860,282	88%	0.3%	(122,266,199)
2009	55,127,772	24,170,461	30,957,311 ⁶	31,427,297	102%	5.7%	(125,154,822)
2010	54,826,804	24,548,625	30,278,179 ⁶	32,148,424	106%	6.0%	(129,971,714)
2011	55,314,049	25,262,362	30,051,687 ⁶	30,435,940	101%	5.5%	(133,213,404)
2012	56,329,706	25,207,165	31,122,541 ⁶	30,942,038	99%	6.2%	(135,119,408)
2013	57,876,463	24,459,738	33,416,725 ⁶	30,795,872	92%	6.2%	(134,355,317)

¹ Based on actuarial value of assets.

² Excludes County Employee Additional Contributions.

³ Due to 2003 issuance of Pension Obligation Bond (POB).

⁴ The figures represent the valuation year commencing January 1, 2007.

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

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

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

SECTION L

APPENDIX A: CURRENT MEMBER CONTRIBUTION RATES AND COLLECTIVE BARGAINING UNITS

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

JANUARY 1, 2014 ACTUARIAL VALUATION
MEMBER CONTRIBUTION RATES*

MISCELLANEOUS - TIER 1

BU	14,21,22	7 (LAFCO)	7,8,9,10,11,17,99	4,12	17C (Interpreter)	24,25,26,27	18	1,5,13,98	2	19	20
Entry	Other	Non-Court Management	Non-Court Management	Non-Court Management	Non-Court Management	Court Management	Court Management	Non-Court SLOCEA	Non-Court SLOCEA	Court SLOCEA	Court SLOCEA
18	9.01%	10.17%	13.78%	13.22%	12.41%	11.18%	12.41%	13.47%	12.91%	9.33%	9.89%
19	9.08%	10.24%	13.85%	13.29%	12.48%	11.25%	12.48%	13.54%	12.98%	9.40%	9.96%
20	9.15%	10.31%	13.92%	13.36%	12.55%	11.32%	12.55%	13.61%	13.05%	9.47%	10.03%
21	9.21%	10.37%	13.98%	13.42%	12.61%	11.38%	12.61%	13.67%	13.11%	9.53%	10.09%
22	9.23%	10.39%	14.00%	13.44%	12.63%	11.40%	12.63%	13.69%	13.13%	9.55%	10.11%
23	9.25%	10.41%	14.02%	13.46%	12.65%	11.42%	12.65%	13.71%	13.15%	9.57%	10.13%
24	9.28%	10.44%	14.05%	13.49%	12.68%	11.45%	12.68%	13.74%	13.18%	9.60%	10.16%
25	9.32%	10.48%	14.09%	13.53%	12.72%	11.49%	12.72%	13.78%	13.22%	9.64%	10.20%
26	9.37%	10.53%	14.14%	13.58%	12.77%	11.54%	12.77%	13.83%	13.27%	9.69%	10.25%
27	9.42%	10.58%	14.19%	13.63%	12.82%	11.59%	12.82%	13.88%	13.32%	9.74%	10.30%
28	9.48%	10.64%	14.25%	13.69%	12.88%	11.65%	12.88%	13.94%	13.38%	9.80%	10.36%
29	9.55%	10.71%	14.32%	13.76%	12.95%	11.72%	12.95%	14.01%	13.45%	9.87%	10.43%
30	9.62%	10.78%	14.39%	13.83%	13.02%	11.79%	13.02%	14.08%	13.52%	9.94%	10.50%
31	9.70%	10.86%	14.47%	13.91%	13.10%	11.87%	13.10%	14.16%	13.60%	10.02%	10.58%
32	9.79%	10.95%	14.56%	14.00%	13.19%	11.96%	13.19%	14.25%	13.69%	10.11%	10.67%
33	9.88%	11.04%	14.65%	14.09%	13.28%	12.05%	13.28%	14.34%	13.78%	10.20%	10.76%
34	9.98%	11.14%	14.75%	14.19%	13.38%	12.15%	13.38%	14.44%	13.88%	10.30%	10.86%
35	10.08%	11.24%	14.85%	14.29%	13.48%	12.25%	13.48%	14.54%	13.98%	10.40%	10.96%
36	10.18%	11.34%	14.95%	14.39%	13.58%	12.35%	13.58%	14.64%	14.08%	10.50%	11.06%
37	10.29%	11.45%	15.06%	14.50%	13.69%	12.46%	13.69%	14.75%	14.19%	10.61%	11.17%
38	10.40%	11.56%	15.17%	14.61%	13.80%	12.57%	13.80%	14.86%	14.30%	10.72%	11.28%
39	10.52%	11.68%	15.29%	14.73%	13.92%	12.69%	13.92%	14.98%	14.42%	10.84%	11.40%
40	10.64%	11.80%	15.41%	14.85%	14.04%	12.81%	14.04%	15.10%	14.54%	10.96%	11.52%
41	10.77%	11.93%	15.54%	14.98%	14.17%	12.94%	14.17%	15.23%	14.67%	11.09%	11.65%
42	10.90%	12.06%	15.67%	15.11%	14.30%	13.07%	14.30%	15.36%	14.80%	11.22%	11.78%
43	11.04%	12.20%	15.81%	15.25%	14.44%	13.21%	14.44%	15.50%	14.94%	11.36%	11.92%
44	11.18%	12.34%	15.95%	15.39%	14.58%	13.35%	14.58%	15.64%	15.08%	11.50%	12.06%
45	11.32%	12.48%	16.09%	15.53%	14.72%	13.49%	14.72%	15.78%	15.22%	11.64%	12.20%
46	11.47%	12.63%	16.24%	15.68%	14.87%	13.64%	14.87%	15.93%	15.37%	11.79%	12.35%
47	11.63%	12.79%	16.40%	15.84%	15.03%	13.80%	15.03%	16.09%	15.53%	11.95%	12.51%
48	11.79%	12.95%	16.56%	16.00%	15.19%	13.96%	15.19%	16.25%	15.69%	12.11%	12.67%
49	11.95%	13.11%	16.72%	16.16%	15.35%	14.12%	15.35%	16.41%	15.85%	12.27%	12.83%
50	12.12%	13.28%	16.89%	16.33%	15.52%	14.29%	15.52%	16.58%	16.02%	12.44%	13.00%
51	12.29%	13.45%	17.06%	16.50%	15.69%	14.46%	15.69%	16.75%	16.19%	12.61%	13.17%
52	12.46%	13.62%	17.23%	16.67%	15.86%	14.63%	15.86%	16.92%	16.36%	12.78%	13.34%
53	12.64%	13.80%	17.41%	16.85%	16.04%	14.81%	16.04%	17.10%	16.54%	12.96%	13.52%
54	12.82%	13.98%	17.59%	17.03%	16.22%	14.99%	16.22%	17.28%	16.72%	13.14%	13.70%
55	13.01%	14.17%	17.78%	17.22%	16.41%	15.18%	16.41%	17.47%	16.91%	13.33%	13.89%
56	13.20%	14.36%	17.97%	17.41%	16.60%	15.37%	16.60%	17.66%	17.10%	13.52%	14.08%
57	13.39%	14.55%	18.16%	17.60%	16.79%	15.56%	16.79%	17.85%	17.29%	13.71%	14.27%
58	13.59%	14.75%	18.36%	17.80%	16.99%	15.76%	16.99%	18.05%	17.49%	13.91%	14.47%
59+	13.79%	14.95%	18.56%	18.00%	17.19%	15.96%	17.19%	18.25%	17.69%	14.11%	14.67%

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

JANUARY 1, 2014 ACTUARIAL VALUATION
MEMBER CONTRIBUTION RATES*

BU Entry	PROBATION - TIER 1		
	8	9	31,32 Non-
<u>Age</u>	<u>Management</u>	<u>Management</u>	<u>Management</u>
18	17.19%	18.69%	16.00%
19	17.27%	18.77%	16.08%
20	17.35%	18.85%	16.16%
21	17.42%	18.92%	16.23%
22	17.44%	18.94%	16.25%
23	17.46%	18.96%	16.27%
24	17.49%	18.99%	16.30%
25	17.54%	19.04%	16.35%
26	17.59%	19.09%	16.40%
27	17.65%	19.15%	16.46%
28	17.71%	19.21%	16.52%
29	17.79%	19.29%	16.60%
30	17.87%	19.37%	16.68%
31	17.96%	19.46%	16.77%
32	18.06%	19.56%	16.87%
33	18.16%	19.66%	16.97%
34	18.27%	19.77%	17.08%
35	18.38%	19.88%	17.19%
36	18.49%	19.99%	17.30%
37	18.61%	20.11%	17.42%
38	18.73%	20.23%	17.54%
39	18.86%	20.36%	17.67%
40	19.00%	20.50%	17.81%
41	19.14%	20.64%	17.95%
42	19.28%	20.78%	18.09%
43	19.44%	20.94%	18.25%
44	19.59%	21.09%	18.40%
45	19.75%	21.25%	18.56%
46	19.92%	21.42%	18.73%
47	20.09%	21.59%	18.90%
48	20.27%	21.77%	19.08%
49	20.45%	21.95%	19.26%
50	20.63%	22.13%	19.44%
51	20.82%	22.32%	19.63%
52	21.01%	22.51%	19.82%
53	21.21%	22.71%	20.02%
54	21.41%	22.91%	20.22%
55	21.62%	23.12%	20.43%
56	21.83%	23.33%	20.64%
57	22.04%	23.54%	20.85%
58	22.26%	23.76%	21.07%
59+	22.48%	23.98%	21.29%

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

JANUARY 1, 2014 ACTUARIAL VALUATION
MEMBER CONTRIBUTION RATES*

BU Entry	SAFETY - TIER 1							
	6 Non- Management	3,14 Non- Management	27,28 Non- Management	7 Management	10 (Sheriff-Coroner) Management	15 Management#	15 Management@	16 Management
18	13.46%	10.08%	17.51%	15.12%	19.77%	17.20%	21.95%	21.95%
19	13.57%	10.19%	17.62%	15.23%	19.88%	17.31%	22.06%	22.06%
20	13.68%	10.30%	17.73%	15.34%	19.99%	17.42%	22.17%	22.17%
21	13.79%	10.41%	17.84%	15.45%	20.10%	17.53%	22.28%	22.28%
22	13.90%	10.52%	17.95%	15.56%	20.21%	17.64%	22.39%	22.39%
23	14.02%	10.64%	18.07%	15.68%	20.33%	17.76%	22.51%	22.51%
24	14.14%	10.76%	18.19%	15.80%	20.45%	17.88%	22.63%	22.63%
25	14.26%	10.88%	18.31%	15.92%	20.57%	18.00%	22.75%	22.75%
26	14.38%	11.00%	18.43%	16.04%	20.69%	18.12%	22.87%	22.87%
27	14.50%	11.12%	18.55%	16.16%	20.81%	18.24%	22.99%	22.99%
28	14.62%	11.24%	18.67%	16.28%	20.93%	18.36%	23.11%	23.11%
29	14.74%	11.36%	18.79%	16.40%	21.05%	18.48%	23.23%	23.23%
30	14.86%	11.48%	18.91%	16.52%	21.17%	18.60%	23.35%	23.35%
31	14.98%	11.60%	19.03%	16.64%	21.29%	18.72%	23.47%	23.47%
32	15.10%	11.72%	19.15%	16.76%	21.41%	18.84%	23.59%	23.59%
33	15.22%	11.84%	19.27%	16.88%	21.53%	18.96%	23.71%	23.71%
34	15.34%	11.96%	19.39%	17.00%	21.65%	19.08%	23.83%	23.83%
35	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
36	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
37	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
38	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
39	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
40	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
41	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
42	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
43	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
44	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
45	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
46	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
47	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
48	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
49	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
50	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
51	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
52	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
53	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
54	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
55	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
56	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
57	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
58	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
59+	15.46%	12.08%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%

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

#Includes Non Sworn members of Bargaining Unit 15.

@ Includes Sworn members of Bargaining Unit 15.

JANUARY 1, 2014 ACTUARIAL VALUATION
MEMBER CONTRIBUTION RATES

<u>Entry Age</u>	Tier 2		
	<u>Miscellaneous</u>	<u>Safety - Non-Sworn</u>	<u>Safety - Sworn</u>
18	4.89%	7.35%	8.04%
19	5.01%	7.70%	8.44%
20	5.13%	8.05%	8.84%
21	5.28%	8.40%	9.24%
22	5.39%	8.75%	9.64%
23	5.55%	9.10%	10.04%
24	5.67%	9.45%	10.45%
25	5.81%	9.80%	10.85%
26	6.01%	10.15%	11.25%
27	6.11%	10.50%	11.65%
28	6.30%	10.85%	12.05%
29	6.45%	11.20%	12.45%
30	6.75%	11.55%	12.85%
31	6.91%	11.90%	13.25%
32	7.20%	12.25%	13.66%
33	7.35%	12.60%	14.06%
34	7.53%	12.95%	14.46%
35	7.85%	13.30%	14.86%
36	8.00%	13.30%	14.86%
37	8.21%	13.30%	14.86%
38	8.44%	13.30%	14.86%
39	8.65%	13.30%	14.86%
40	8.85%	13.30%	14.86%
41	9.00%	13.30%	14.86%
42	9.03%	13.30%	14.86%
43	9.26%	13.30%	14.86%
44	9.49%	13.30%	14.86%
45	9.58%	13.30%	14.86%
46	9.86%	13.30%	14.86%
47	10.10%	13.30%	14.86%
48	10.20%	13.30%	14.86%
49	10.48%	13.30%	14.86%
50	10.52%	13.30%	14.86%
51	10.73%	13.30%	14.86%
52	10.79%	13.30%	14.86%
53	10.99%	13.30%	14.86%
54	11.18%	13.30%	14.86%
55	11.48%	13.30%	14.86%
56	11.54%	13.30%	14.86%
57	11.56%	13.30%	14.86%
58	11.58%	13.30%	14.86%
59	11.60%	13.30%	14.86%
60	11.62%	13.30%	14.86%
61	11.64%	13.30%	14.86%
62+	11.66%	13.30%	14.86%

JANUARY 1, 2014 ACTUARIAL VALUATION
MEMBER CONTRIBUTION RATES

<u>Entry Age</u>	<u>Tier 3</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Probation</u>
18	3.75%	6.75%	5.25%
19	4.00%	7.25%	5.50%
20	4.00%	7.50%	5.75%
21	4.25%	7.75%	5.75%
22	4.25%	8.00%	6.00%
23	4.50%	8.50%	6.25%
24	4.50%	8.75%	6.50%
25	4.75%	9.00%	6.75%
26	5.00%	9.50%	7.00%
27	5.00%	9.75%	7.25%
28	5.25%	10.00%	7.75%
29	5.50%	10.50%	8.00%
30	5.50%	10.75%	8.25%
31	5.75%	11.00%	8.75%
32	6.00%	11.50%	9.00%
33	6.25%	11.75%	9.25%
34	6.50%	12.00%	9.75%
35	6.50%	12.50%	10.00%
36	6.75%	12.50%	10.50%
37	7.00%	12.50%	10.75%
38	7.25%	12.50%	11.00%
39	7.50%	12.50%	11.25%
40	7.75%	12.50%	11.50%
41	8.00%	12.50%	11.75%
42	8.00%	12.50%	12.00%
43	8.25%	12.50%	12.25%
44	8.50%	12.50%	12.50%
45	8.75%	12.50%	12.75%
46	9.00%	12.50%	13.00%
47	9.25%	12.50%	13.25%
48	9.50%	12.50%	13.50%
49	9.75%	12.50%	13.50%
50	10.00%	12.50%	13.75%
51	10.25%	12.50%	14.00%
52	10.50%	12.50%	14.00%
53	10.75%	12.50%	14.25%
54	11.00%	12.50%	14.25%
55	11.25%	12.50%	14.50%
56	11.50%	12.50%	14.75%
57	11.50%	12.50%	14.75%
58	11.50%	12.50%	15.00%
59	11.50%	12.50%	15.25%
60	11.50%	12.50%	15.25%
61	11.50%	12.50%	15.25%
62+	11.50%	12.50%	15.25%

SUMMARY OF BENEFITS
BY COLLECTIVE BARGAINING UNIT
AS OF JANUARY 1, 2014

Tier 1

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

**SUMMARY OF BENEFITS
BY COLLECTIVE BARGAINING UNIT
AS OF JANUARY 1, 2014**

Collective Bargaining Unit	Valuation Group	Benefit % at age	FAC Period	Benefit Maximum
Tier 2	Miscellaneous Non-Court	2% @ 60	Three year	90%
Tier 2	Non Sworn Safety Non Management	2.7% @ 55	Three year	90%
Tier 2	Sworn Safety Non Management	3.0% @ 55	Three year	90%
Tier 3	Miscellaneous	2% @ 62	Three year	N/A*
Tier 3	Safety	2.7% @ 55	Three year	N/A*
Tier 3	Probation	2.7% @ 55	Three year	N/A*

* No benefit maximum but pensionable compensation is capped at the Social Security Taxable Wage Base.

San Luis Obispo County Pension Trust

Projection Based on January 1, 2014 Actuarial Valuation with Tier 3 (AB 340)

7.25% Investment Rate of Return Assumption

3.75% Payroll Growth Assumption

Valuation as of January 1,	Input Market Return for Past Fiscal Year	Market Return for Past Fiscal Year	Total Contribution Rate	Compensation at Valuation	Total Contribution	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded AAL	Funded Ratio	Total Normal Cost Rate	Market Value of Assets (MVA)	Funded Ratio Using MVA
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2014	7.25%	13.07%	34.23%	\$ 165	\$ 56.4	\$ 1,519	\$ 1,183	\$ 336	77.9%	22.52%	\$ 1,136	74.8%
2015	7.25%	7.25%	34.23%	170	58.0	1,596	1,239	357	77.6%	21.82%	1,205	75.5%
2016	7.25%	7.25%	34.59%	175	60.5	1,674	1,287	387	76.9%	21.22%	1,275	76.2%
2017	7.25%	7.25%	34.60%	181	62.5	1,752	1,346	405	76.9%	20.65%	1,347	76.9%
2018	7.25%	7.25%	34.87%	186	65.0	1,829	1,399	430	76.5%	20.10%	1,421	77.7%
2019	7.25%	7.25%	34.85%	192	67.0	1,905	1,462	444	76.7%	19.60%	1,495	78.5%
2020	7.25%	7.25%	34.52%	199	68.5	1,980	1,534	446	77.5%	19.15%	1,570	79.3%
2021	7.25%	7.25%	34.19%	205	70.1	2,054	1,608	446	78.3%	18.75%	1,645	80.1%
2022	7.25%	7.25%	33.85%	212	71.8	2,127	1,682	445	79.1%	18.37%	1,720	80.9%
2023	7.25%	7.25%	33.53%	219	73.5	2,197	1,756	442	79.9%	18.02%	1,794	81.7%
2024	7.25%	7.25%	33.25%	227	75.3	2,266	1,830	437	80.7%	17.72%	1,868	82.4%
2025	7.25%	7.25%	32.98%	234	77.3	2,333	1,903	430	81.6%	17.45%	1,942	83.2%
2026	7.25%	7.25%	32.74%	243	79.4	2,399	1,977	422	82.4%	17.21%	2,016	84.0%
2027	7.25%	7.25%	32.51%	251	81.6	2,463	2,052	412	83.3%	16.99%	2,090	84.9%
2028	7.25%	7.25%	32.32%	260	84.0	2,525	2,126	399	84.2%	16.80%	2,165	85.7%
2029	7.25%	7.25%	32.13%	269	86.5	2,586	2,201	385	85.1%	16.62%	2,240	86.6%
2030	7.25%	7.25%	31.96%	279	89.1	2,645	2,278	368	86.1%	16.47%	2,317	87.6%
2031	7.25%	7.25%	31.80%	289	91.8	2,704	2,356	348	87.1%	16.32%	2,395	88.6%
2032	7.25%	7.25%	31.66%	299	94.7	2,761	2,436	325	88.2%	16.20%	2,475	89.6%
2033	7.25%	7.25%	31.53%	310	97.7	2,817	2,518	299	89.4%	16.09%	2,557	90.8%
2034	7.25%	7.25%	31.40%	321	100.9	2,873	2,604	270	90.6%	15.98%	2,643	92.0%
2035	7.25%	7.25%	31.29%	333	104.2	2,929	2,693	236	91.9%	15.89%	2,732	93.3%
2036	7.25%	7.25%	31.19%	345	107.6	2,985	2,786	199	93.3%	15.81%	2,825	94.6%
2037	7.25%	7.25%	31.09%	358	111.3	3,041	2,884	157	94.8%	15.74%	2,923	96.1%
2038	7.25%	7.25%	30.99%	371	115.0	3,098	2,988	110	96.5%	15.68%	3,026	97.7%
2039	7.25%	7.25%	30.89%	385	118.8	3,156	3,098	58	98.2%	15.62%	3,136	99.4%
2040	7.25%	7.25%	15.56%	399	62.1	3,215	3,215	(0)	100.0%	15.58%	3,254	101.2%
2041	7.25%	7.25%	15.25%	414	63.1	3,276	3,278	(1)	100.0%	15.53%	3,316	101.2%
2042	7.25%	7.25%	15.24%	429	65.4	3,340	3,341	(1)	100.0%	15.50%	3,380	101.2%
2043	7.25%	7.25%	15.24%	445	67.9	3,407	3,408	(1)	100.0%	15.47%	3,446	101.2%
2044	7.25%	7.25%	15.24%	462	70.4	3,477	3,478	(1)	100.0%	15.44%	3,516	101.1%

Projection assumes no actuarial gains and losses, other than from assets. Projection based on constant population.

Tier 3 changes include No DROP, 2% COLA, pay limited to Social Security Taxable Wage Base (\$117,000 for 2014), 3 year Final Average Compensation for members hired on or after January 1, 2013.

All dollar amounts in millions.