



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

Date: June 22, 2015

To: Board of Trustees

From: Carl Nelson - Executive Secretary  
Amy Burke - Deputy Executive Secretary

**Agenda Item Number 8: January 1, 2015 Actuarial Valuation – Final Report**

**Recommendation:**

Accompanying this memo is the draft January 1, 2015 Annual Actuarial Valuation prepared by the Plan's actuary Gabriel Roeder Smith (GRS).

It is recommended that the Board take the following actions:

1. Approve the January 1, 2015 Actuarial Valuation.
2. Approve the transfer of \$10,649,619 from the Current Reserve to the Retiree Reserve as recommended by GRS in Comment H of the Valuation.
3. Approve the recommendation of GRS to increase the current level of County Appropriation and Employee Contribution rates such that a Total Contribution Rate of 34.77% effective January 1, 2015 is received - an increase of 0.95%. This increase is subject to delayed implementation as may be requested by the Plan Sponsor, with adjustments to the rate calculated by the actuary to account for the deferred implementation.

**Discussion:**

The valuation results indicate that it is necessary to increase the current level of County Appropriation and Employee Contribution rates such that a Total Contribution Rate of 34.77% effective January 1, 2015 is received. The Charged Rate of Total Contribution for 2015 is expected to be 33.82%, so an increase of 0.95% in the Total Contribution Rate will be necessary. The Total Contribution Rate increase will need to be actuarially adjusted upward for a deferred implementation date should the plan sponsor request deferral. For example, an implementation date of January 1, 2016 would require 1.02% increase in rates.

Sincerely,

Carl Nelson  
Executive Secretary

Amy Burke  
Deputy Executive Secretary

**SAN LUIS OBISPO COUNTY PENSION TRUST**

*ACTUARIAL VALUATION REPORT*

*FOR THE YEAR BEGINNING JANUARY 1, 2015*

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June 18, 2015

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, 2015 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, 2015.

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 25 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. However, a margin does not exist this year and no acceleration has been recognized.

In the January 1, 2015 valuation, the Trust's funded status decreased from 77.9% to 76.7%. The total annual required contribution is 34.77% as of January 1, 2015, compared to the total charged rates of 33.82%. Therefore, due the difference between the charged rate and the Annual Required Contribution an increase in the charged rates is 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.

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.

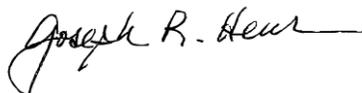
The cooperation of the Pension Trust Office in furnishing materials requested for this valuation is deeply acknowledged with appreciation.

Respectfully submitted,

**Gabriel, Roeder, Smith & Company**



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



Joseph R. Herm  
Senior Analyst

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**SECTION A**

**VALUATION COMMENTS & RECOMMENDATIONS**

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## VALUATION COMMENTS & RECOMMENDATIONS

**COMMENT A:** This is the second valuation that includes members hired under the Tier 3 (aka AB 340) provisions. As of January 1, 2013, Tier 2 was effectively closed and most new hires enter under the provisions of Tier 3 (some new members enter Tier 2 by virtue of reciprocity). As of January 1, 2015, there are 387 active members covered under Tier 3 compared to 194 active members covered as of the prior valuation. See Section F for additional details regarding the active membership in each tier.

**COMMENT B:** There were no assumption changes since the prior valuation.

**COMMENT C:** The total normal cost decreased from 22.52% to 21.64% reflecting the addition of lower cost Tier 3 members as Tier 1 members leave the plan. Employee contribution rates were increased since the prior valuation for most members in Tier 1 and Tier 2. In addition, the weighted average employee rate decreased from 14.12% to 13.93% as Tier 3 members entered the plan. The County share of the normal cost decreased from 8.40% to 7.71%. Overall, the computed County Employer actuarial appropriation rate for the Pension Trust increased from 20.11% to 20.84% effective for the fiscal year beginning July 1, 2015. While the cost for the Tier 3 members is expected to bring down the total normal cost of the plan, the blended member contribution rate due to the additional Tier 3 members declined as well. In fact the overall charged member rate declined more rapidly than the blended normal cost rate. This is due to the fact that as more than expected Tier 1 members enter retirement they are being replaced by Tier 3 members with lower member rates. The actuarial loss associated with the greater than expected Tier 1 retirements, coupled with the lower rates being charged for the replacement Tier 3 members is ultimately contributing to the increased actuarially determined contribution rate. The funded ratio under the Entry Age Normal funding method decreased from 77.9% to 76.7%.

**COMMENT D:** The total charged rate in 2015 is expected to be 33.82%. The total annual required contribution is 34.77% as of January 1, 2015. Since the margin between the charged rate and the required rate has grown to 0.95%, an increase in the charged rate is recommended.

**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 and again as of January 1, 2014, a margin had developed and an additional \$10 million of the 2008 loss was accelerated and recognized in the 2011 and 2014 valuations. The return on the market value of assets was 5.10% for the past year, and the return on the actuarial value of assets was 5.27%. As noted above, a contribution shortfall exists and no acceleration of the loss has been recognized this year.

**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 \$23.3 million from investments (described as the return on the actuarial value of assets less than the assumed 7.25% yield). The actuarial asset yield of 5.27% 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 5.10%.

- A \$6.0 million gain due to compensation increases for continuing active members being less than the expected increase. A continuing active member is a member who was active as of the last valuation date, and is active as of this valuation date. The average increase for continuing active members was 3.39%.
- An \$11.6 million loss due to retirement. This loss reflects more retirements than anticipated.
- A \$7.3 million loss on retiree mortality, meaning that retired participants in pay status lived slightly longer than assumed.

**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 25 years as of the January 1, 2015 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, 2014, the reserve for retirees and beneficiaries is \$712,348,575. The non-COLA liabilities calculated were \$722,998,194. Accordingly, we recommend that the Trust transfer this \$10,649,619 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 2015 is approximately \$9.3 million -- 5.53% of active member payroll. When this percent is added to the valuation computed appropriation rate of 20.84%, the total rate of 26.37% more accurately reflects total County pension costs.

**COMMENT K:** There are approximately \$58 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.

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## SECTION B

### EXECUTIVE SUMMARY AND RATE RECONCILIATION

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## EXECUTIVE SUMMARY

Valuation Date:	January 1, 2015	January 1, 2014
	(1)	(2)
<b>Membership</b>		
• Number of		
- Active Members	2,550	2,521
- Retirees and Beneficiaries	2,401	2,250
- Inactive, Vested	451	460
- Total	5,402	5,231
• Total Payroll (000s)	\$ 167,695	\$ 164,704
• Average Pay	\$ 65,763	\$ 65,333
<b>Assets</b>		
• Market Value (000s)	\$1,173,336	\$1,135,719
• Actuarial Value (000s)	\$1,231,474	\$1,182,924
• Return on Market Value	4.58%	13.07%
• Return on Actuarial Value	5.27%	6.24%
<b>Actuarial Liabilities and Funded Ratio</b>		
• Actuarial Accrued Liability (000s)		
- Active Members	\$ 598,424	\$ 612,267
- Retirees and Beneficiaries	946,455	847,672
- Inactive, Vested	60,712	58,812
- Total	\$1,605,591	\$1,518,751
• Unfunded Actuarial Accrued Liability (UAAL) (000s)	\$ 374,117	\$ 335,827
• Funded Ratio	76.7%	77.9%
• UAAL based on Market Value	\$ 432,255	\$ 383,032
• Funded Ratio Based on Market Value	73.1%	74.8%
<b>Annual Required Contribution</b>		
• Total Normal Cost	21.64%	22.52%
• Member Contributions	13.93%	14.12%
• County Normal Cost	7.71%	8.40%
• Amortization Payment	13.13%	11.71%
• Total County Cost (ARC)	20.84%	20.11%
• Total Combined ARC	34.77%	34.23%

## RECONCILIATION OF CHARGED RATES AND TOTAL ARC

Valuation Date	January 1, 2015	January 1, 2014
Total Annual Required Contribution (ARC)	34.77%	34.23%
County Charged Rate	19.19%	18.73%
Member Charged Rate	<u>14.62%</u>	<u>14.88%</u>
Total Charged Rate	33.82%	33.61%
Increase to Charged Rate as of January 1, 2015		1.00%
Total Charged Rate as of January 1	33.82%	34.61%
Difference between the ARC and the Charged Rate	0.95%	-0.38%
Recommended Rate Increase as of January 1	0.95%	0.00%

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SECTION C  
FUNDING PROGRESS

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## FUNDING OBJECTIVE

The funding objective of the Pension Trust is to establish and receive contributions, expressed as a percent 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, 2015 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 and again as of the January 1, 2014 valuations, 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 (4 years remaining as of January 1, 2015).

### 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

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SECTION D  
VALUATION RESULTS

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ELEMENTS OF NORMAL COST

January 1, 2015

MISCELLANEOUS VALUATION GROUPS

	<u>Other</u>	<u>Management</u>				<u>SLOCEA</u>				<u>TOTAL MISC.</u>
	<u>BU #21-23</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	15.03%	17.78%	20.52%	22.24%	18.14%	15.91%	16.93%	14.85%	15.87%	16.55%
Vesting	2.49%	2.76%	2.04%	2.28%	2.71%	2.32%	2.61%	2.70%	2.33%	2.45%
Death-In-Service	0.12%	0.20%	0.10%	0.23%	0.20%	0.16%	0.08%	0.09%	0.16%	0.17%
Disability	0.28%	0.30%	0.29%	0.31%	0.30%	0.27%	0.31%	0.28%	0.27%	0.28%
Refunds	<u>1.46%</u>	<u>1.37%</u>	<u>1.49%</u>	<u>1.05%</u>	<u>1.35%</u>	<u>1.35%</u>	<u>1.08%</u>	<u>1.37%</u>	<u>1.35%</u>	<u>1.35%</u>
<b>Total Normal Cost</b>	19.38%	22.41%	24.44%	26.11%	22.70%	20.01%	21.01%	19.29%	19.98%	20.80%
<b>Less</b>										
Employee Contribution Rate	12.96%	14.35%	14.48%	13.11%	14.27%	13.15%	10.80%	11.18%	13.06%	13.42%
<b>Equals</b>										
<b>County Normal Cost</b>	6.42%	8.06%	9.96%	13.00%	8.43%	6.86%	10.21%	8.11%	6.92%	7.38%

ELEMENTS OF NORMAL COST

January 1, 2015

	<b>Probation</b>			<b>Safety</b>				<b>GRAND TOTAL</b>	
	<b>Mgmt</b>	<b>Non</b>	<b>Total</b>	<b>Management</b>		<b>Non-Mgmt</b>			<b>Total</b>
		<b>Mgmt</b>	<b>Probation</b>	<b>Sworn</b>	<b>Non-Sworn</b>	<b>Sworn</b>	<b>Non-Sworn</b>		<b>Safety</b>
Service Retirement	14.03%	14.39%	14.36%	25.78%	18.36%	20.50%	19.66%	20.33%	<b>16.99%</b>
Vesting	5.60%	4.71%	4.79%	1.42%	2.14%	2.16%	1.94%	2.03%	<b>2.49%</b>
Death-In-Service	0.29%	0.17%	0.18%	0.46%	0.23%	0.35%	0.27%	0.32%	<b>0.19%</b>
Disability	0.28%	0.27%	0.28%	2.77%	2.62%	2.69%	2.82%	2.75%	<b>0.63%</b>
Refunds	<u>3.38%</u>	<u>2.74%</u>	<u>2.80%</u>	<u>0.84%</u>	<u>0.85%</u>	<u>0.95%</u>	<u>0.70%</u>	<u>0.83%</u>	<b><u>1.34%</u></b>
<b>Total Normal Cost</b>	23.58%	22.28%	22.41%	31.27%	24.20%	26.65%	25.39%	26.26%	<b>21.64%</b>
				<b>Less</b>					
Employee Contribution Rate	18.53%	16.35%	16.53%	19.91%	18.83%	17.70%	14.02%	16.13%	<b>13.93%</b>
				<b>Equals</b>					
<b>County Normal Cost</b>	5.05%	5.93%	5.88%	11.36%	5.37%	8.95%	11.37%	10.13%	<b>7.71%</b>

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

<b>County Appropriations</b>	<b>Miscellaneous</b>		<b>Probation</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Total normal costs	7.38%	8.09%	5.88%	6.23%
Amortization (25 years)	<u>12.50%</u>	<u>11.25%</u>	<u>12.13%</u>	<u>10.38%</u>
Total Cost	19.88%	19.34%	18.01%	16.61%
Unfunded Liability (000's)	\$291,332	\$261,819	\$ 14,871	\$ 12,906

<b>County Appropriations</b>	<b>Safety</b>		<b>Total Plan</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Total normal costs	10.13%	10.66%	7.71%	8.40%
Amortization (25 years)	<u>17.12%</u>	<u>14.67%</u>	<u>13.13%</u>	<u>11.71%</u>
Total Cost	27.25%	25.33%	20.84%	20.11%
Unfunded Liability (000's)	\$ 67,915	\$ 61,102	\$374,118	\$335,827

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

<b><u>County</u></b>	<b><u>Misc.</u></b>	<b><u>Prob.</u></b>	<b><u>Safety</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Basic Allowance	2.80%	0.66%	3.65%	2.82%	3.24%
Cost of Living	<u>4.58%</u>	<u>5.22%</u>	<u>6.48%</u>	<u>4.89%</u>	<u>5.16%</u>
Total Normal Costs	7.38%	5.88%	10.13%	7.71%	8.40%

**UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**DECEMBER 31, 2014**

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	\$335,827,049
(2) County normal cost	13,903,363
(3) County contributions made during year	32,046,545
(4) Interest accrual $[(1) + ((2) - (3))/2] * 7.25\%$	23,689,771
(5) Increase/(Decrease) in UAAL due to assumption changes	0
(6) Increase in UAAL due to provision changes	0
(7) Expected UAAL at end of year [(1) + (2) - (3) + (4) + (5) + (6)]	\$341,373,638
(8) Actual UAAL at end of year	\$374,117,632
(9) Experience Gain/(Loss): (7) - (8)	(\$32,743,994)
(10) Gain (loss) as percentage of actuarial accrued liabilities at beginning of year \$1,518,751,027	-2.16%

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

Gain/(Loss) due to compensation increases	\$5,948,286
Gain/(Loss) due to investment experience	(23,294,868)
Gain/(Loss) due to accelerated recognition of 2008 loss	0
Gain/(Loss) due to retirement incidence	(11,580,016)
Gain/(Loss) due to termination experience	(693,443)
Gain/(Loss) due to active mortality experience	(20,190)
Gain/(Loss) due to disability experience	(359,856)
Gain/(Loss) due to retiree & beneficiary mortality experience and miscellaneous retiree data changes	(7,282,098)
Gain/(Loss) due to new members	(361,649)
Gain/(Loss) due to active data changes and miscellaneous factors	4,899,840
Total Estimated Experience Gain/(Loss)	(\$32,743,994)

**EXPERIENCE GAIN (LOSS) – COMPARATIVE SCHEDULE**  
**JANUARY 1, 2015**

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	(85,180,942)	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)%
1/1/2015	(32,743,994)	1,518,751,027	(1.53)%	(0.63)%	(2.16)%

\*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, 2015**

**Present Resources and Expected Future Resources**

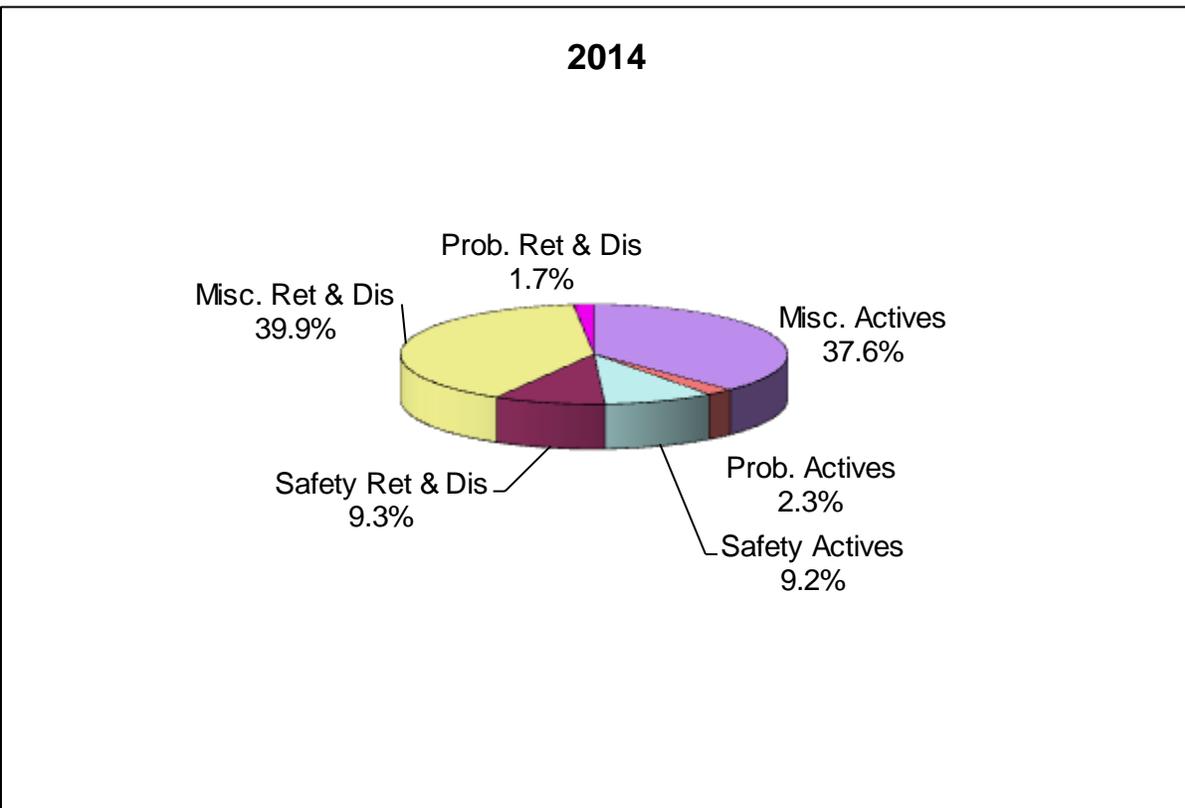
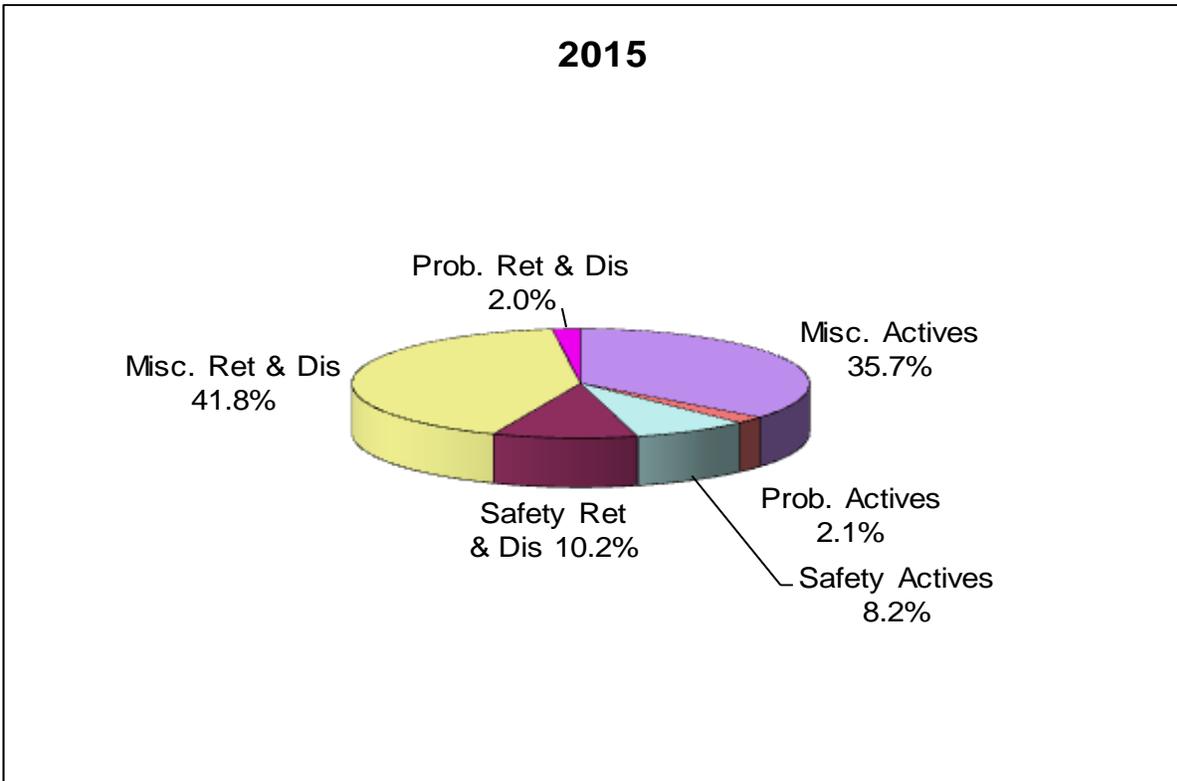
	(thousands)			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total*</u>
A. Actuarial value of system assets	\$958,971	\$48,949	\$223,553	\$1,231,474
B. Present value of expected future County appropriations				
1. Unfunded past service	291,332	14,871	67,915	374,118
2. Expected future service	<u>64,667</u>	<u>3,319</u>	<u>19,827</u>	<u>87,811</u>
3. Total future County	\$355,999	\$18,190	\$87,742	\$461,929
C. Present value of expected future member contributions	<u>128,582</u>	<u>9,708</u>	<u>32,309</u>	<u>170,599</u>
D. Total Present and Expected Future Resources	<u>\$1,443,552</u>	<u>\$76,847</u>	<u>\$343,604</u>	<u>\$1,864,002</u>

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

	(thousands)			
	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total*</u>
A. To Retirees and Beneficiaries	\$726,125	\$35,764	\$184,566	\$946,455
B. To Deferred and Reciprocal	53,789	1,413	5,510	60,712
C. Active members				
1. Service rendered prior to valuation date	470,388	26,644	101,392	598,424
2. Expected future service	<u>193,250</u>	<u>13,026</u>	<u>52,136</u>	<u>258,411</u>
D. Total Present Value of Expected Future Benefits	<u>\$1,443,552</u>	<u>\$76,847</u>	<u>\$343,604</u>	<u>\$1,864,002</u>

\* Grand Total may not add due to rounding.

### PRESENT VALUE OF BENEFIT ALLOCATION



## FUNDING PROGRESS INDICATORS HISTORIC COMPARISON

(\$ in Thousands)

Valuation Date	Valuation Assets <sup>1</sup>	Actuarial Liability <sup>1</sup>	Funded Ratio	Unfunded		Ratio to Payroll
				Actuarial Liability	Member Payroll	
12/31/2001	\$404,751	\$492,795	92.1%	\$88,044	\$120,637	73.0%
12/31/2002	430,351	556,321	77.4%	125,970	131,997	95.4%
12/31/2003	604,808	619,257	97.7%	14,449	136,364	10.6%
12/31/2003 <sup>5</sup>	604,808	637,075	94.9%	32,267	136,364	23.7%
12/31/2003 <sup>2,5</sup>	604,808	642,734	94.1%	37,926	136,364	27.8%
12/31/2004 <sup>2</sup>	651,751	713,683	91.3%	61,932	135,189	45.8%
12/31/2004 <sup>6</sup>	651,751	715,085	91.1%	63,334	135,189	46.8%
12/31/2005	700,060	803,124	87.2%	103,064	143,902	71.6%
12/31/2005 <sup>7</sup>	700,060	818,864	85.5%	118,804	143,902	82.6%
12/31/2005 <sup>2,7</sup>	700,060	831,290	84.2%	131,230	143,902	91.2%
12/31/2006	759,758	912,458	83.3%	152,700	152,117	100.4%
12/31/2006 <sup>2</sup>	759,758	920,285	82.6%	160,527	152,117	105.5%
12/31/2006 <sup>2,8</sup>	759,758	994,861	76.4%	235,103	152,117	154.6%
12/31/2006 <sup>9</sup>	759,758	962,828	78.9%	335,827	152,117	220.8%
12/31/2007	829,764	1,055,868	78.6%	226,104	162,436	139.2%
12/31/2007 <sup>10</sup>	829,764	1,057,124	78.5%	227,360	162,436	140.0%
12/31/2008	875,602	1,150,214	76.1%	274,612	168,677	162.8%
12/31/2009	937,279	1,216,153	77.1%	278,874	160,444	173.8%
12/31/2010	1,000,169	1,282,058	78.0%	281,889	161,783	174.2%
12/31/2011	1,057,922	1,334,545	79.3%	276,623	161,055	171.8%
12/31/2011 <sup>2,11</sup>	1,057,922	1,378,549	76.7%	320,627	161,055	199.1%
12/31/2012 <sup>11</sup>	1,122,151	1,468,001	76.4%	345,850	164,299	210.5%
12/31/2013 <sup>12</sup>	1,182,924	1,518,751	77.9%	335,827	164,704	203.9%
12/31/2014	1,231,474	1,605,591	76.7%	374,117	167,695	223.1%

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

12/31/2014	\$5,295,316	12/31/2009	\$9,341,043	12/31/2004	\$13,601,745
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

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

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

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

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

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

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

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

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

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

<sup>11</sup> Reflects benefit provisions under Tier 2 for certain new members.

<sup>12</sup> Reflects benefit provisions under Tier 3 for new members, and assumption changes.

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**SECTION E**

**SUMMARY OF BENEFIT PROVISIONS**

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**BRIEF SUMMARY OF BENEFIT PROVISIONS EVALUATED  
EFFECTIVE JANUARY 1, 2015**

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 in 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 Tier 1 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, 2015 valuation have increased since the January 1, 2014 valuation for most Tier 1 and Tier 2 members.
  
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, 2015

C. Retirement Age Factors

Safety					
Age	Tier 1 <sup>1</sup>	Tier 1 <sup>2</sup>	Tier 2 <sup>3</sup>	Tier 2 <sup>4</sup>	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, 2015

- 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, 2015

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, 2015 VALUATION

Market Value of Reported Assets as of January 1, 2015		Reserves as of January 1, 2015	
Cash/Short-term	\$42,130,016	Member Deposit Reserve	\$310,700,774
Receivables	103,548,214	Appropriation Reserves	117,451,147
Mutual Funds	589,122,741	Retired Members Reserve	712,348,575
Bonds	375,620,255	Cost-of-Living	329,870,785
Mortgages	5,260,525	Contingency Reserves	(529,562,529)
Alternative Investments	64,158,619	Market Value Adjustments	<u>232,527,311</u>
Real Estate	103,490,193		
Other	751,665		
	<u>\$1,284,082,228</u>		
Liabilities	<u>(110,746,165)</u>		
Total Market Value	\$1,173,336,063	Total Reserves	\$1,173,336,063

REVENUES AND DISBURSEMENTS

Total Reserves	
<b>Beginning of Year</b>	<b>\$ 1,135,718,617</b>
<b>Revenues</b>	
Employer Contributions	\$ 32,046,545
Employee Contributions	24,415,512
Interest	5,545,469
Dividends	22,750,408
Real Estate Income	2,312,846
Realized and Unrealized Gains and Losses	26,096,960
Investment Expenses	<u>(5,033,040)</u>
<b>Total Revenues</b>	<b>\$ 108,134,700</b>
<b>Disbursements</b>	
Benefit Payments	\$ 66,162,944
Refunds of Member Contributions	1,629,307
Death Benefits	302,770
Administration	<u>2,422,233</u>
<b>Total Disbursements</b>	<b>\$ 70,517,254</b>
Net Increase	\$ 37,617,446
<b>Total Reserves - End of year</b>	<b>\$ 1,173,336,063</b>

**San Luis Obispo County Pension Trust**  
**Development of Funding Value of Assets - January 1, 2015**

	<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>	<u>Plan Year Ended December 31, 2014</u>
A. Funding Value Beginning of Year	\$937,278,758	\$1,000,168,850	\$1,057,921,875	\$1,122,150,539	\$1,182,923,978
B. Gross Market Value End of Year	880,953,414	906,350,380	1,013,436,059	1,135,718,617	1,173,336,063
C. Gross Market Value Beginning of Year	764,988,635	880,953,414	906,350,380	1,013,436,059	1,135,718,617
D. Non-Investment Cash Flow	5,910,357	1,284,151	(1,761,812)	(9,565,801)	(14,055,197)
E. Investment Income					
E1. Market Total =B-C-D	110,054,422	24,112,815	108,847,491	131,848,359	51,672,643
E2 Immediate Recognition	<u>72,868,130</u>	<u>77,562,847</u>	<u>76,635,470</u>	<u>81,009,154</u>	<u>85,252,488</u>
E3. Phased-in Recognition	37,186,292	(53,450,032)	32,212,021	50,839,205	(33,579,845)
F. Phased-in Recognition					
F1. Current Year=E3x20%*	7,437,258	(10,690,006)	6,442,404	10,167,841	(6,715,969)
F2. First Prior Year	15,245,328	7,437,258	(10,690,006)	6,442,404	10,167,841
F3. Second Prior Year	(29,936,396)	15,245,328	7,437,258	(10,690,006)	6,442,404
F4. Third Prior Year	(4,246,161)	(29,936,396)	15,245,328	7,437,258	(10,690,006)
F5. Fourth Prior Year	4,829,104	(4,246,161)	(29,936,396)	15,245,328	7,437,258
F6. Continued Recognition of 2008 Asset Loss	0	0	0	(29,936,396)	(29,936,396)
F7. Additional Recognition of 2008 Asset Loss	<u>(10,000,000) *</u>	<u>0</u>	<u>0</u>	<u>(10,000,000) *</u>	<u>0</u>
F8. Total Recognized Gain/(Loss)	(16,670,867)	(22,189,977)	(11,501,412)	(11,333,571)	(23,294,868)
G. Preliminary Funding Value					
=A+D+E2+F8	\$999,386,378	\$1,056,825,871	\$1,121,294,121	\$1,182,260,321	\$1,230,826,401
H. Excludable Assets					
H1. End of Year	8,558,571	7,462,567	6,606,149	5,942,492	5,295,316
H2. Beginning of Year	9,341,043	8,558,571	7,462,567	6,606,149	5,942,492
H3. Change=H1-H2	(782,472)	(1,096,004)	(856,418)	(663,657)	(647,176)
I. Final Funding Value=G-H3	\$1,000,168,850	\$1,057,921,875	\$1,122,150,539	\$1,182,923,978	\$1,231,473,577
J. Investment Return=(E2+F8)/(A+D/2)	5.98%	5.53%	6.16%	6.24%	5.27%

\*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, 2015 Valuation**

	<u>Miscellaneous</u>	<u>Probation</u>	<u>Safety</u>	<u>Grand Total</u>
1) Valuation Assets as of December 31, 2013	\$922,236,633	\$45,459,555	\$215,227,790	\$1,182,923,978
2) Preliminary member contributions including pickups by	\$19,267,513	\$1,241,401	\$3,822,358	\$24,331,272
3) Member contributions from financials, subgroups split in proportion to (2)	\$19,334,221	\$1,245,699	\$3,835,592	\$24,415,512
4) Preliminary employer contributions by group	\$24,962,095	\$1,126,135	\$5,806,530	\$31,894,759
5) Employer contributions from financials, subgroups split in proportion to (4)	\$25,080,888	\$1,131,494	\$5,834,163	\$32,046,545
6) Benefit Payments based on data - avg LY & TY	\$51,881,965	\$2,212,561	\$11,452,684	\$65,547,210
7) Benefit payments from financials, subgroups split in proportion to (6)	\$53,898,610	\$2,298,563	\$11,897,848	\$68,095,021
8) Subtotal = (1) + (3) + (5) - (7)	\$912,753,132	\$45,538,185	\$212,999,697	\$1,171,291,014
9) Valuation Assets as of December 31, 2014				1,231,473,577
10) Residual to allocate among groups (9) - (8)				60,182,563
11) Allocation of residual to equalize funded ratios	46,217,776	3,411,226	10,553,561	60,182,563
12) Valuation Assets Allocated by group: (8) + (11)	\$958,970,908	\$48,949,411	\$223,553,258	\$1,231,473,577

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**SECTION F**  
**SUMMARY OF MEMBER DATA**

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RECONCILIATION OF MEMBERS FROM  
JANUARY 1, 2014 TO JANUARY 1, 2015

	Actives	Disability	Terminated			Beneficiary	Total
			Vested	Retiree	DROP		
Counts as of January 1, 2014	2,521	133	460	1,887	46	184	<b>5,231</b>
Actives	<b>2</b>		(2)				0
Disability	(3)	<b>6</b>		(3)			0
Terminated Vested	(27)		<b>27</b>				0
Terminated Nonvested	(56)		(3)				(59)
Retiree	(113)		(34)	<b>162</b>	(15)		0
DROP	(24)				<b>24</b>		0
Beneficiary							0
Deceased	(2)	(3)		(39)		(6)	(50)
Refund			(8)				(8)
New Beneficiaries						15	15
New Actives	247						247
Return to Work	5		5				10
Missing						(1)	(1)
Not included last year		3	6	6	2		17
Counts as of January 1, 2015	<b>2,550</b>	<b>139</b>	<b>451</b>	<b>2,013</b>	<b>57</b>	<b>192</b>	<b>5,402</b>

SUMMARY OF ACTIVE MEMBERS INCLUDED  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Miscellaneous Members</b>					
1/1/2015	2,179	\$137,128,998	\$62,932	47.5	10.3
1/1/2014	2,140	\$133,655,912	\$62,456	48.1	10.7
Percent Increase	1.8%	2.6%	0.8%		
<b>Probation Members</b>					
1/1/2015	104	\$7,216,206	\$69,387	40.0	10.1
1/1/2014	108	\$7,139,642	\$66,108	40.9	10.5
Percent Increase	-3.7%	1.1%	5.0%		
<b>Safety Members</b>					
1/1/2015	267	\$23,350,228	\$87,454	41.4	11.9
1/1/2014	273	\$23,908,913	\$87,578	41.8	12.6
Percent Increase	-2.2%	-2.3%	-0.1%		
<b>All Active Members</b>					
1/1/2015	2,550	\$167,695,432	\$65,763	46.6	10.4
1/1/2014	2,521	\$164,704,467	\$65,333	47.1	10.9
Percent Increase	1.2%	1.8%	0.7%		

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 (\$118,500 for 2015) for Tier 3 members.

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

	Counts				Total Payroll (000s*)			
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total
<b>Miscellaneous Members</b>								
1/1/2015	1,567	258	354	2,179	\$105,855	\$15,135	\$16,139	\$137,129
1/1/2014	1,718	244	178	2,140	\$113,176	\$12,738	\$ 7,742	\$133,656
Percent Increase				1.8%				2.6%
<b>Probation Members</b>								
1/1/2015	91	0	13	104	\$ 6,565	\$ -	\$ 651	\$ 7,216
1/1/2014	101	0	7	108	\$ 6,827	\$ -	\$ 313	\$ 7,140
Percent Increase				-3.7%				1.1%
<b>Safety Members</b>								
1/1/2015	203	44	20	267	\$ 18,362	\$ 3,539	\$ 1,450	\$ 23,350
1/1/2014	226	38	9	273	\$ 20,382	\$ 2,921	\$ 605	\$ 23,909
Percent Increase				-2.2%				-2.3%
<b>All Active Members</b>								
1/1/2015	1,861	302	387	2,550	\$130,782	\$18,674	\$18,239	\$167,695
1/1/2014	2,045	282	194	2,521	\$140,386	\$15,659	\$ 8,660	\$164,704
Percent Increase				1.2%				1.8%

\* Total may not add due to rounding.

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP

## IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Miscellaneous Members</b>					
1 Other - Units # 14, 21, 22					
1/1/2015	27	\$2,010,674	\$74,469	44.2	9.0
1/1/2014	23	\$1,749,800	\$76,078	46.2	10.1
2 Management Non-Court - Units # 4, 7, 8, 9, 10, 11, 12, 17, 99					
1/1/2015	410	\$37,822,731	\$92,251	49.2	12.6
1/1/2014	402	\$36,392,106	\$90,528	49.6	13.1
3 Management Court - Unit # 18					
1/1/2015	10	\$823,035	\$82,304	49.6	9.5
1/1/2014	16	\$1,340,602	\$83,788	52.2	10.8
4 Management Court - Units # 24, 25, 26, 27					
1/1/2015	28	\$2,822,893	\$100,818	52.6	13.6
1/1/2014	29	\$2,880,155	\$99,316	53.0	12.6
5 SLOCEA Non-Court - Units # 1, 2, 5, 13, 31, 98					
1/1/2015	1,622	\$89,366,040	\$55,096	47.0	9.6
1/1/2014	1,586	\$86,974,680	\$54,839	47.7	10.1
6 SLOCEA Court - Unit # 19					
1/1/2015	10	\$660,962	\$66,096	51.3	15.6
1/1/2014	8	\$536,432	\$67,054	54.2	17.3
7 SLOCEA Court - Unit # 20					
1/1/2015	72	\$3,622,663	\$50,315	46.4	11.0
1/1/2014	76	\$3,782,137	\$49,765	46.1	10.3

SUMMARY OF ACTIVE MEMBERS BY VALUATION GROUP  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

	<u>No.</u>	<u>Total Payroll</u>	<u>Averages</u>		
			<u>Annual Compensation</u>	<u>Age</u>	<u>Service</u>
<b>Probation Members</b>					
8 Probation Management - Units # 8, 9, 29					
1/1/2015	5	\$609,856	\$121,971	51.3	22.7
1/1/2014	5	\$596,149	\$119,230	50.3	21.7
9 Probation Non-Management - Units # 31, 32					
1/1/2015	99	\$6,606,350	\$66,731	39.4	9.5
1/1/2014	103	\$6,543,493	\$63,529	40.4	10.0
<b>Safety Members</b>					
10 Safety Management - Units # 7, 10, 15, 16					
1/1/2015	9	\$1,256,218	\$139,580	51.4	16.9
1/1/2014	10	\$1,377,750	\$137,775	49.4	19.5
11 Safety Non-Management - Units # 3, 6, 14, 27, 28					
1/1/2015	258	\$22,094,010	\$85,636	41.1	11.7
1/1/2014	263	\$22,531,163	\$85,670	41.5	12.3

SUMMARY OF DEFERRED AND RECIPROCAL MEMBERS INCLUDED  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

	<u>No.</u>	<u>Member Contributions</u>	<u>Averages</u>			
			<u>Contribution Balance</u>	<u>Attained Age</u>	<u>Age at Termination</u>	<u>Service</u>
<b>Miscellaneous</b>						
Reciprocals	185	\$9,596,617	\$51,874	50.8	40.1	4.8
Deferred	<u>212</u>	<u>16,439,779</u>	77,546	51.1	40.7	8.9
Total	397	\$26,036,396	\$65,583	50.9	40.4	7
<b>Probation</b>						
Reciprocals	5	\$233,881	\$46,776	43.5	32.6	5.1
Deferred	<u>8</u>	<u>555,237</u>	69,405	42.4	35.9	7.3
Total	13	\$789,118	\$60,701	42.8	34.6	6.5
<b>Safety</b>						
Reciprocals	14	\$851,496	\$60,821	45.0	33.5	4.4
Deferred	<u>27</u>	<u>2,841,204</u>	105,230	43.3	36.7	8.3
Total	41	\$3,692,700	\$90,066	43.9	35.6	7.0
<b>Total</b>						
Reciprocals						
1/1/2015	204	\$10,681,994	\$52,363	50.2	39.4	4.8
1/1/2014	205	\$9,876,154	\$48,176	50.0	39.4	4.8
Percent Change	-0.5%	8.2%	8.7%			
Deferred						
1/1/2015	247	\$19,836,220	\$80,309	49.9	40.1	8.8
1/1/2014	255	\$18,885,583	\$74,061	50.0	40.4	8.7
Percent Change	-3.1%	5.0%	8.4%			
<b>Grand Total 1/1/2015</b>	451	\$30,518,214	\$67,668	50.0	39.8	7.0
<b>Grand Total 1/1/2014</b>	460	\$28,761,737	\$62,526	50.0	40.0	7.0
Percent Change	-2.0%	6.1%	8.2%			

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2015 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>
<b>Retired Members</b>								
1/1/2015	1,909	\$51,207,238	\$26,824	68.6	58.9	150	\$32,118	60.5
1/1/2014	1,810	\$46,722,637	\$25,814	68.5	58.7	122	\$27,269	59.9
Percent Change	5.5%	9.6%	3.9%				17.8%	
<b>Beneficiaries</b>								
1/1/2015	165	\$2,977,335	\$18,044	75.4	N/A	N/A	N/A	N/A
1/1/2014	158	\$2,856,719	\$18,081	75.0	N/A	N/A	N/A	N/A
Percent Change	4.4%	4.2%	-0.2%					
Total 1/1/2015	2,074	\$54,184,573	\$26,126	69.1	58.9	150	\$32,118	60.5
Total 1/1/2014	1,968	\$49,579,356	\$25,193	69.0	58.7	122	\$27,269	59.9
Percent Change	5.4%	9.3%	3.7%				17.8%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

PROBATION

	<u>No.</u>	<u>Averages</u>				<u>New Retirees Only</u>		
		<u>Annual Allowance</u>	<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2015	62	\$2,329,180	\$37,567	63.3	56.3	11	\$36,362	57.8
1/1/2014	50	\$1,886,534	\$37,731	63.0	56.0	3	\$28,615	56.6
Percent Change	24.0%	23.5%	-0.4%				27.1%	
<b>Beneficiaries</b>								
1/1/2015	4	\$115,330	\$28,833	71.8	N/A	N/A	N/A	N/A
1/1/2014	3	\$94,077	\$31,359	71.0	N/A	N/A	N/A	N/A
Percent Change	33.3%	22.6%	-8.1%					
Total 1/1/2015	66	\$2,444,510	\$37,038	63.8	56.3	11	\$36,362	57.8
Total 1/1/2014	53	\$1,980,611	\$37,370	63.5	56.0	3	\$28,615	56.6
Percent Change	24.5%	23.4%	-0.9%				27.1%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2015 ACTUARIAL VALUATION

SAFETY

	<u>No.</u>	<u>Annual Allowance</u>	<u>Averages</u>			<u>New Retirees Only</u>		
			<u>Annual Allowance</u>	<u>Attained Age</u>	<u>Age at Retirement*</u>	<u>No.</u>	<u>Average Annual Allowance</u>	<u>Average Age at Retirement</u>
<b>Retired Members</b>								
1/1/2015	238	\$11,817,557	\$49,654	63.0	52.5	27	\$55,434	51.4
1/1/2014	206	\$10,016,655	\$48,625	63.4	52.7	12	\$58,111	55.1
Percent Change	15.5%	18.0%	2.1%				-4.6%	
<b>Beneficiaries</b>								
1/1/2015	23	\$621,083	\$27,004	71.6	N/A	N/A	N/A	N/A
1/1/2014	23	\$450,072	\$19,568	73.1	N/A	N/A	N/A	N/A
Percent Change	0.0%	38.0%	38.0%					
Total 1/1/2015	261	\$12,438,640	\$47,658	63.8	52.5	27	\$55,434	51.4
Total 1/1/2014	229	\$10,466,727	\$45,706	64.4	52.7	12	\$58,111	55.1
Percent Change	14.0%	18.8%	4.3%				-4.6%	

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

SUMMARY OF RETIRED MEMBERS AND BENEFICIARIES INCLUDED  
IN THE JANUARY 1, 2015 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>
<b>Retired Members</b>								
1/1/2015	2,209	\$65,353,975	\$29,585	67.8	58.1	188	\$35,715	59.0
1/1/2014	2,066	\$58,625,826	\$28,376	67.9	58.0	137	\$30,000	59.4
Percent Change	6.9%	11.5%	4.3%				19.0%	
<b>Beneficiaries</b>								
1/1/2015	192	\$3,713,748	\$19,342	74.9	N/A	N/A	N/A	N/A
1/1/2014	184	\$3,400,868	\$18,483	74.7	N/A	N/A	N/A	N/A
Percent Change	4.3%	9.2%	4.7%					
Total 1/1/2015	2,401	\$69,067,723	\$28,766	68.4	58.1	188	\$35,715	59.0
Total 1/1/2014	2,250	\$62,026,694	\$27,567	68.5	58.0	137	\$30,000	59.4
Percent Change	6.7%	11.4%	4.3%				19.0%	

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

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**SECTION G**  
**ACTIVE DATA TABLES**

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ACTIVE MEMBERS JANUARY 1, 2015  
BY ATTAINED AGES AND YEARS OF SERVICE

MISCELLANEOUS MEMBERS

Age Group	Years of Accrued Service							Compensation	
	<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>	<u>No.</u>	<u>Totals</u>
20-24	23	0	0	0	0	0	0	23	\$903,573
25-29	109	11	0	0	0	0	0	120	5,625,485
30-34	148	83	15	0	0	0	0	246	13,231,379
35-39	121	76	48	7	0	0	0	252	15,033,618
40-44	70	78	57	27	5	0	0	237	15,305,176
45-49	60	57	68	61	19	10	0	275	18,913,008
50-54	56	74	68	67	48	29	12	354	22,929,104
55-59	56	66	78	52	47	48	22	369	25,112,225
60-64	26	43	52	52	16	41	11	241	15,783,226
65-69	9	13	18	6	7	2	0	55	3,810,061
70-74	0	4	1	0	0	0	2	7	482,144
75+	0	0	0	0	0	0	0	0	0
Totals	678	505	405	272	142	130	47	2,179	\$137,128,998

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

Averages

Age: 47.5  
 Service: 10.3  
 Compensation: \$62,932

ACTIVE MEMBERS JANUARY 1, 2015  
BY ATTAINED AGES AND YEARS OF SERVICE

PROBATION MEMBERS

Age Group	Years of Accrued Service							Compensation	
	<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>	<u>No.</u>	<u>Totals</u>
20-24	4	0	0	0	0	0	0	4	\$186,722
25-29	9	1	0	0	0	0	0	10	558,646
30-34	5	14	2	0	0	0	0	21	1,325,022
35-39	5	6	9	0	0	0	0	20	1,370,824
40-44	4	3	3	5	0	0	0	15	1,010,589
45-49	2	1	2	8	2	0	0	15	1,182,709
50-54	0	0	2	7	3	5	0	17	1,435,324
55-59	0	0	1	1	0	0	0	2	146,370
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	29	25	19	21	5	5	0	104	\$7,216,206

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

Averages

Age: 40.0  
Service: 10.1  
Compensation: \$69,387

ACTIVE MEMBERS JANUARY 1, 2015  
BY ATTAINED AGES AND YEARS OF SERVICE

SAFETY MEMBERS

Age Group	Years of Accrued Service							Compensation	
	<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>	<u>No.</u>	<u>Totals</u>
20-24	5	0	0	0	0	0	0	5	\$327,558
25-29	20	3	0	0	0	0	0	23	1,770,787
30-34	17	21	6	0	0	0	0	44	3,630,931
35-39	10	12	17	5	1	0	0	45	3,811,350
40-44	9	10	6	13	3	0	0	41	3,605,077
45-49	1	6	5	16	18	9	0	55	5,050,158
50-54	5	1	2	13	12	8	0	41	3,963,024
55-59	0	1	2	5	1	3	0	12	1,072,843
60-64	1	0	0	0	0	0	0	1	118,500
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	68	54	38	52	35	20	0	267	\$23,350,228

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

Averages

Age: 41.4  
Service: 11.9  
Compensation: \$87,454

ACTIVE MEMBERS JANUARY 1, 2015  
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	32	0	0	0	0	0	0	32	\$1,417,853
25-29	138	15	0	0	0	0	0	153	7,954,918
30-34	170	118	23	0	0	0	0	311	18,187,332
35-39	136	94	74	12	1	0	0	317	20,215,792
40-44	83	91	66	45	8	0	0	293	19,920,842
45-49	63	64	75	85	39	19	0	345	25,145,875
50-54	61	75	72	87	63	42	12	412	28,327,452
55-59	56	67	81	58	48	51	22	383	26,331,438
60-64	27	43	52	52	16	41	11	242	15,901,726
65-69	9	13	18	6	7	2	0	55	3,810,061
70-74	0	4	1	0	0	0	2	7	482,144
75+	0	0	0	0	0	0	0	0	0
Totals	775	584	462	345	182	155	47	2,550	\$167,695,432

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

Averages

Age:	46.6
Service:	10.4
Compensation:	\$65,763

## AVERAGE PAY BY YEARS OF SERVICE

## MISCELLANEOUS MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	49	81	130	\$6,428,282	\$49,448
1	61	168	229	10,971,254	47,909
2	25	105	130	6,904,812	53,114
3	42	69	111	6,285,781	56,629
4	15	63	78	4,612,587	59,136
5	17	30	47	3,031,621	64,503
6	30	60	90	6,126,964	68,077
7	35	86	121	7,718,100	63,786
8	30	95	125	7,913,942	63,312
9	45	77	122	7,979,182	65,403
10	25	47	72	4,472,291	62,115
11	31	45	76	5,327,400	70,097
12	24	40	64	4,391,712	68,621
13	39	72	111	7,366,580	66,366
14	22	60	82	5,436,101	66,294
15 & Up	228	363	591	42,162,390	71,341
Totals	718	1,461	2,179	\$137,128,998	\$62,932

## AVERAGE PAY BY YEARS OF SERVICE

## PROBATION MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	3	2	5	\$243,090	\$48,618
1	3	4	7	357,614	51,088
2	4	5	9	508,622	56,514
3	2	4	6	368,493	61,416
4	2	0	2	123,157	61,579
5	1	2	3	191,069	63,690
6	3	2	5	306,259	61,252
7	5	4	9	577,866	64,207
8	3	1	4	260,936	65,234
9	3	1	4	267,426	66,857
10	3	1	4	281,258	70,315
11	0	2	2	152,526	76,263
12	4	3	7	544,170	77,739
13	1	3	4	304,616	76,154
14	0	2	2	135,283	67,642
15 & Up	18	13	31	2,593,821	83,672
Totals	55	49	104	\$7,216,206	\$69,387

## AVERAGE PAY BY YEARS OF SERVICE

## SAFETY MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	11	2	13	\$969,969	\$74,613
1	17	2	19	1,430,083	75,268
2	11	4	15	1,207,336	80,489
3	13	6	19	1,582,693	83,300
4	2	0	2	275,142	137,571
5	1	2	3	223,891	74,630
6	6	0	6	481,707	80,285
7	19	1	20	1,762,446	88,122
8	13	1	14	1,164,509	83,179
9	7	4	11	981,947	89,268
10	8	0	8	681,075	85,134
11	6	0	6	513,947	85,658
12	8	0	8	705,723	88,215
13	7	2	9	804,752	89,417
14	5	2	7	602,722	86,103
15 & Up	93	14	107	9,962,286	93,105
Totals	227	40	267	\$23,350,228	\$87,454

## AVERAGE PAY BY YEARS OF SERVICE

## TOTAL MEMBERS

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	142	253	395	\$20,035,064	\$50,722
1	40	112	152	8,507,223	55,969
2	58	83	141	8,452,350	59,946
3	19	66	85	5,191,035	61,071
4	18	32	50	3,163,680	63,274
5	39	57	96	6,706,640	69,861
6	60	94	154	10,292,953	66,837
7	46	99	145	9,398,126	64,815
8	56	83	139	9,387,591	67,537
9	36	46	82	5,375,136	65,550
10	36	49	85	6,000,114	70,590
11	36	42	78	5,616,874	72,011
12	48	77	125	8,514,896	68,119
13	28	64	92	6,159,930	66,956
14	43	49	92	6,499,537	70,647
15 & Up	295	344	639	48,394,283	75,734
Totals	1,000	1,550	2,550	\$167,695,432	\$65,763

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## SECTION H

### RETIREE DATA TABLES

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RETIREES AND BENEFICIARIES JANUARY 1, 2015  
MISCELLANEOUS  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	831	\$21,574,398
Cash Refund	127	2,797,119
100% Continuance	452	14,361,074
50% Continuance	180	6,435,804
Benefits Coordinated with Social Security		
Unmodified	133	\$2,275,717
Cash Refund	29	456,464
100% Continuance	42	1,197,736
50% Continuance	<u>23</u>	<u>684,206</u>
<b>Total Service Retirement</b>	1,817	\$49,782,518
<b>DISABILITY RETIREMENT</b>		
Unmodified	46	\$750,415
Cash Refund	15	201,028
100% Continuance	23	349,783
50% Continuance	<u>8</u>	<u>123,495</u>
<b>Total Disability Retirement</b>	92	\$1,424,720
<b>BENEFICIARIES</b>	<u>165</u>	<u>\$2,977,335</u>
<b>Total Allowances</b>	<u><b>2,074</b></u>	<u><b>\$54,184,573</b></u>

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
 PROBATION  
 TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	19	\$567,385
Cash Refund	6	173,622
100% Continuance	21	1,027,946
50% Continuance	4	212,827
Benefits Coordinated with Social Security		
Unmodified	4	\$135,201
100% Continuance	1	33,987
50% Continuance	2	31,649
<b>Total Service Retirement</b>	<b>57</b>	<b>\$2,182,616</b>
<b>DISABILITY RETIREMENT</b>		
Unmodified	5	\$146,564
<b>BENEFICIARIES</b>	<b>4</b>	<b>\$115,330</b>
<b>Total Allowances</b>	<b>66</b>	<b>\$2,444,510</b>

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
SAFETY  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	50	\$2,631,259
Cash Refund	11	649,896
100% Continuance	72	3,919,023
50% Continuance	27	1,517,345
Benefits Coordinated with Social Security		
Unmodified	10	\$428,341
Cash Refund	1	34,670
100% Continuance	15	670,502
50% Continuance	10	460,776
<b>Total Service Retirement</b>	<b>196</b>	<b>\$10,311,812</b>
<b>DISABILITY RETIREMENT</b>		
Unmodified	24	\$890,900
Cash Refund	2	73,927
100% Continuance	14	466,184
50% Continuance	2	74,734
<b>Total Disability Retirement</b>	<b>42</b>	<b>\$1,505,745</b>
<b>BENEFICIARIES</b>	<b>23</b>	<b>\$621,083</b>
<b>Total Allowances</b>	<b><u>261</u></b>	<b><u>\$12,438,640</u></b>

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
TOTAL  
TABULATED BY TYPE OF ALLOWANCES BEING PAID

<u>Type of Allowance</u>	<u>No.</u>	<u>Annual Allowances</u>
<b>SERVICE RETIREMENT</b>		
Unmodified	900	\$24,773,042
Cash Refund	144	3,620,636
100% Continuance	545	19,308,043
50% Continuance	211	8,165,976
Benefits Coordinated with Social Security		
Unmodified	147	\$2,839,259
Cash Refund	30	491,134
100% Continuance	58	1,902,225
50% Continuance	<u>35</u>	<u>1,176,631</u>
<b>Total Service Retirement</b>	2,070	\$62,276,946
<b>DISABILITY RETIREMENT</b>		
Unmodified	75	\$1,787,879
Cash Refund	17	274,955
100% Continuance	37	815,967
50% Continuance	<u>10</u>	<u>198,229</u>
<b>Total Disability Retirement</b>	139	\$3,077,029
<b>BENEFICIARIES</b>	<u>192</u>	<u>\$3,713,748</u>
<b>Total Allowances</b>	<u><u>2,401</u></u>	<u><u>\$69,067,723</u></u>

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
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 1995	1	3	1	7	15	28	140	59	254
1995	0	0	2	4	10	7	9	0	32
1996	0	1	0	4	7	7	16	2	37
1997	0	2	1	7	5	11	16	1	43
1998	0	3	2	15	11	18	12	1	62
1999	0	2	1	6	16	16	7	0	48
2000	0	1	7	9	9	6	4	1	37
2001	0	3	17	19	25	27	5	1	97
2002	1	6	12	20	25	5	3	0	72
2003	0	1	18	25	22	12	4	0	82
2004	2	8	30	33	29	9	5	2	118
2005	1	11	22	49	32	14	2	1	132
2006	1	20	32	42	25	6	0	1	127
2007	0	23	24	47	14	0	3	0	111
2008	0	17	18	40	17	1	3	0	96
2009	0	18	37	67	25	4	1	1	153
2010	2	22	28	27	8	3	0	0	90
2011	0	28	39	35	2	0	0	0	104
2012	3	29	35	40	8	0	0	0	115
2013	2	48	50	33	2	0	1	0	136
2014	1	45	50	28	3	0	1	0	128
TOTALS	14	291	426	557	310	174	232	70	2,074

Age at Retirement<sup>1</sup>: 58.9  
 Attained Age: 69.1  
 Average Annual Pension: \$26,126

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

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
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 2005	0	1	2	6	8	1	0	0	18
2005	0	0	0	2	1	1	0	0	4
2006	0	0	2	1	0	0	0	0	3
2007	0	1	2	3	1	0	0	0	7
2008	0	1	2	0	1	0	0	0	4
2009	0	2	2	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	1	1	3	0	0	0	0	5
2013	0	2	1	0	0	0	0	0	3
2014	0	5	3	2	0	0	0	0	10
<b>TOTALS</b>	1	16	17	19	11	2	0	0	66

Age at Retirement<sup>1</sup>: 56.3  
 Attained Age: 63.8  
 Average Annual Pensio \$37,038

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

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
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 1995	0	4	1	9	12	11	13	0	50
1995	1	3	0	0	1	0	0	0	5
1996	0	0	0	1	3	3	0	0	7
1997	1	0	0	0	2	0	2	0	5
1998	0	1	0	3	1	2	0	0	7
1999	0	0	0	1	0	1	0	0	2
2000	0	0	0	0	4	0	1	0	5
2001	0	1	1	4	0	0	0	0	6
2002	0	0	1	3	2	0	0	0	6
2003	1	1	3	5	1	0	0	0	11
2004	2	1	4	1	1	2	0	0	11
2005	0	0	7	9	2	0	0	0	18
2006	0	1	2	2	0	0	0	0	5
2007	0	8	10	2	1	0	0	0	21
2008	1	2	6	0	0	0	0	0	9
2009	1	8	3	0	0	0	0	0	12
2010	0	8	4	0	0	0	0	0	12
2011	0	10	6	1	0	0	0	0	17
2012	0	13	3	0	0	0	0	0	16
2013	0	10	2	1	0	0	0	0	13
2014	1	20	2	0	0	0	0	0	23
TOTALS	8	91	55	42	30	19	16	0	261

Age at Retirement<sup>1</sup>: 52.5  
 Attained Age: 63.8  
 Average Annual Pension \$47,658

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

RETIREES AND BENEFICIARIES JANUARY 1, 2015  
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 1995	1	7	2	17	29	40	153	59	308
1995	1	3	2	5	12	7	9	0	39
1996	0	1	0	5	10	10	16	2	44
1997	1	2	1	7	7	11	18	1	48
1998	0	4	2	18	12	20	12	1	69
1999	0	2	1	7	16	17	7	0	50
2000	0	1	7	9	13	6	5	1	42
2001	0	4	18	23	26	27	5	1	104
2002	1	6	13	24	30	5	3	0	82
2003	1	3	21	33	23	12	4	0	97
2004	4	9	36	34	31	11	5	2	132
2005	1	11	29	60	35	15	2	1	154
2006	1	21	36	45	25	6	0	1	135
2007	0	32	36	52	16	0	3	0	139
2008	1	20	26	40	18	1	3	0	109
2009	1	28	42	68	25	4	1	1	170
2010	3	31	33	27	8	3	0	0	105
2011	0	40	46	37	2	0	0	0	125
2012	3	43	39	43	8	0	0	0	136
2013	2	60	53	34	2	0	1	0	152
2014	2	70	55	30	3	0	1	0	161
TOTALS	23	398	498	618	351	195	248	70	2,401

Age at Retirement<sup>1</sup>: 58.1

Attained Age: 68.4

Average Annual Pension: \$28,766

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

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## SECTION I

### VALUATION METHODS AND ASSUMPTIONS

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## ACTUARIAL METHODS AND ASSUMPTIONS USED FOR THE JANUARY 1, 2015 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 (25 years as of January 1, 2015) 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 positive 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:

<b>% Merit Increases in Salaries Next Year</b>	
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	0.16%	0.13%
55	0.27%	0.24%
60	0.47%	0.46%
65	0.95%	0.85%
70	1.64%	1.49%
75	2.90%	2.41%
80	5.42%	4.10%
85	9.96%	7.16%

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		
	2014	2013	2012	2011	2010	3 Year	5 Year	10 Year
Inflation <sup>1</sup>	1.7%	1.9%	2.1%	2.6%	1.4%	1.9%	1.9%	2.2%
Current Assumption	2.75%							
Average Pay Increase	0.7%	-0.8%	0.0%	0.9%	1.9%	0.0%	0.5%	2.4%
Current Assumption	3.25%							
Merit & Longevity Pay Increase	-1.0%	-2.7%	-2.1%	-1.7%	0.5%	-1.9%	-1.4%	0.2%
Current Assumption	0.50%							
Total Payroll	1.8%	0.2%	2.0%	-0.5%	0.8%	1.4%	0.9%	2.2%
Current Assumption	3.75%							
Investment Return Rate <sup>2</sup>	5.3%	6.2%	6.2%	5.5%	6.0%	5.9%	5.8%	6.1%
Current Assumption	7.25%							
Real Rate of Investment Return	3.6%	4.3%	4.1%	2.9%	4.6%	4.0%	3.9%	3.9%
Current Assumption	4.50%							

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

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

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## SECTION J

### DEFINITIONS OF TECHNICAL TERMS

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## DEFINITIONS OF TECHNICAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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## SECTION K

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

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

### CONTRIBUTIONS MADE JANUARY 1, 2014 TO DECEMBER 31, 2014

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, 2014 to December 31, 2014 applicable contributions of \$56,247,011 were made. The contribution breakdown is as follows:

<u>Contributions Made*</u>	
Employer Appropriations	\$32,046,545
Member Contributions	<u>24,200,466</u>
Grand Totals	\$56,247,011

\* Does not include Employee Additional Voluntary (\$70,128) and County Additional for Employee Contributions (\$144,918). These contributions are excluded as both assets and liabilities.

## ACCOUNTING DISCLOSURE

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

<b>Year Ended</b>	<b>Total Annual Required Contribution</b>	<b>Actual Employee Contribution</b>	<b>Actuarially Required Contributions (ARC) <sup>5</sup></b>	<b>Employer Contributions Made</b>	<b>Percent Contributed</b>	<b>Investment Return <sup>1</sup></b>	<b>Net Pension Obligation Balance/(Asset)</b>
<b>31-Dec</b>	<b>Contribution</b>	<b>Contribution</b>	<b>(ARC) <sup>5</sup></b>	<b>Made</b>	<b>Contributed</b>	<b>Return <sup>1</sup></b>	<b>Balance/(Asset)</b>
2001	\$6,776,216	\$9,200,681	\$15,976,897	\$12,639,251 <sup>2</sup>	79%	7.4%	\$6,069,723
2002	6,927,576	10,636,366	17,563,942	14,628,625	83%	4.4%	9,303,300
2003	8,036,014	12,136,923	20,172,937	150,813,215	748%	6.1%	(126,038,417) <sup>3</sup>
2004	4,227,686	12,663,198	16,890,884	16,520,585	98%	6.5%	(129,305,544)
2005	5,874,058	14,133,919	20,007,977	18,209,481	91%	6.4%	(131,184,818)
2006	6,520,975	15,496,805	22,017,780	19,177,491	87%	7.8%	(132,036,486)
2007	16,434,264	17,406,316	33,840,580 <sup>4</sup>	24,014,202	71%	8.4%	(124,651,921)
2008	12,093,156	22,840,488	34,933,644	30,860,282	88%	0.3%	(122,266,199)
2009	55,127,772	24,170,461	30,957,311 <sup>6</sup>	31,427,297	102%	5.7%	(125,154,822)
2010	54,826,804	24,548,625	30,278,179 <sup>6</sup>	32,148,424	106%	6.0%	(129,971,714)
2011	55,314,049	25,262,362	30,051,687 <sup>6</sup>	30,435,940	101%	5.5%	(133,213,404)
2012	56,329,706	25,207,165	31,122,541 <sup>6</sup>	30,942,038	99%	6.2%	(135,119,408)
2013	57,876,463	24,459,738	33,416,725 <sup>6</sup>	30,795,872	92%	6.2%	(134,355,317)
2014	56,882,016	24,415,512	32,466,504 <sup>6</sup>	32,046,545	99%	5.3%	(135,673,559)

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

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

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

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

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

<sup>6</sup> *The ARC shown is the difference between the total annual required contribution and the actual employee contributions made. 2009 is the first year the disclosure has been shown to reflect the funding policy of the trust to fund the total annual required contribution through a combination of employer and employee contributions.*

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## SECTION L

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

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

JANUARY 1, 2015 ACTUARIAL VALUATION  
MEMBER CONTRIBUTION RATES\*

MISCELLANEOUS - TIER 1

BU Entry	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
Age	Other	Management	Management	Management	Management	Management	Management	SLOCEA	SLOCEA	SLOCEA	SLOCEA
18	13.76%	10.65%	14.26%	14.26%	12.73%	11.50%	12.73%	13.95%	12.91%	9.65%	10.21%
19	13.83%	10.72%	14.33%	14.33%	12.80%	11.57%	12.80%	14.02%	12.98%	9.72%	10.28%
20	13.90%	10.79%	14.40%	14.40%	12.87%	11.64%	12.87%	14.09%	13.05%	9.79%	10.35%
21	13.96%	10.85%	14.46%	14.46%	12.93%	11.70%	12.93%	14.15%	13.11%	9.85%	10.41%
22	13.98%	10.87%	14.48%	14.48%	12.95%	11.72%	12.95%	14.17%	13.13%	9.87%	10.43%
23	14.00%	10.89%	14.50%	14.50%	12.97%	11.74%	12.97%	14.19%	13.15%	9.89%	10.45%
24	14.03%	10.92%	14.53%	14.53%	13.00%	11.77%	13.00%	14.22%	13.18%	9.92%	10.48%
25	14.07%	10.96%	14.57%	14.57%	13.04%	11.81%	13.04%	14.26%	13.22%	9.96%	10.52%
26	14.12%	11.01%	14.62%	14.62%	13.09%	11.86%	13.09%	14.31%	13.27%	10.01%	10.57%
27	14.17%	11.06%	14.67%	14.67%	13.14%	11.91%	13.14%	14.36%	13.32%	10.06%	10.62%
28	14.23%	11.12%	14.73%	14.73%	13.20%	11.97%	13.20%	14.42%	13.38%	10.12%	10.68%
29	14.30%	11.19%	14.80%	14.80%	13.27%	12.04%	13.27%	14.49%	13.45%	10.19%	10.75%
30	14.37%	11.26%	14.87%	14.87%	13.34%	12.11%	13.34%	14.56%	13.52%	10.26%	10.82%
31	14.45%	11.34%	14.95%	14.95%	13.42%	12.19%	13.42%	14.64%	13.60%	10.34%	10.90%
32	14.54%	11.43%	15.04%	15.04%	13.51%	12.28%	13.51%	14.73%	13.69%	10.43%	10.99%
33	14.63%	11.52%	15.13%	15.13%	13.60%	12.37%	13.60%	14.82%	13.78%	10.52%	11.08%
34	14.73%	11.62%	15.23%	15.23%	13.70%	12.47%	13.70%	14.92%	13.88%	10.62%	11.18%
35	14.83%	11.72%	15.33%	15.33%	13.80%	12.57%	13.80%	15.02%	13.98%	10.72%	11.28%
36	14.93%	11.82%	15.43%	15.43%	13.90%	12.67%	13.90%	15.12%	14.08%	10.82%	11.38%
37	15.04%	11.93%	15.54%	15.54%	14.01%	12.78%	14.01%	15.23%	14.19%	10.93%	11.49%
38	15.15%	12.04%	15.65%	15.65%	14.12%	12.89%	14.12%	15.34%	14.30%	11.04%	11.60%
39	15.27%	12.16%	15.77%	15.77%	14.24%	13.01%	14.24%	15.46%	14.42%	11.16%	11.72%
40	15.39%	12.28%	15.89%	15.89%	14.36%	13.13%	14.36%	15.58%	14.54%	11.28%	11.84%
41	15.52%	12.41%	16.02%	16.02%	14.49%	13.26%	14.49%	15.71%	14.67%	11.41%	11.97%
42	15.65%	12.54%	16.15%	16.15%	14.62%	13.39%	14.62%	15.84%	14.80%	11.54%	12.10%
43	15.79%	12.68%	16.29%	16.29%	14.76%	13.53%	14.76%	15.98%	14.94%	11.68%	12.24%
44	15.93%	12.82%	16.43%	16.43%	14.90%	13.67%	14.90%	16.12%	15.08%	11.82%	12.38%
45	16.07%	12.96%	16.57%	16.57%	15.04%	13.81%	15.04%	16.26%	15.22%	11.96%	12.52%
46	16.22%	13.11%	16.72%	16.72%	15.19%	13.96%	15.19%	16.41%	15.37%	12.11%	12.67%
47	16.38%	13.27%	16.88%	16.88%	15.35%	14.12%	15.35%	16.57%	15.53%	12.27%	12.83%
48	16.54%	13.43%	17.04%	17.04%	15.51%	14.28%	15.51%	16.73%	15.69%	12.43%	12.99%
49	16.70%	13.59%	17.20%	17.20%	15.67%	14.44%	15.67%	16.89%	15.85%	12.59%	13.15%
50	16.87%	13.76%	17.37%	17.37%	15.84%	14.61%	15.84%	17.06%	16.02%	12.76%	13.32%
51	17.04%	13.93%	17.54%	17.54%	16.01%	14.78%	16.01%	17.23%	16.19%	12.93%	13.49%
52	17.21%	14.10%	17.71%	17.71%	16.18%	14.95%	16.18%	17.40%	16.36%	13.10%	13.66%
53	17.39%	14.28%	17.89%	17.89%	16.36%	15.13%	16.36%	17.58%	16.54%	13.28%	13.84%
54	17.57%	14.46%	18.07%	18.07%	16.54%	15.31%	16.54%	17.76%	16.72%	13.46%	14.02%
55	17.76%	14.65%	18.26%	18.26%	16.73%	15.50%	16.73%	17.95%	16.91%	13.65%	14.21%
56	17.95%	14.84%	18.45%	18.45%	16.92%	15.69%	16.92%	18.14%	17.10%	13.84%	14.40%
57	18.14%	15.03%	18.64%	18.64%	17.11%	15.88%	17.11%	18.33%	17.29%	14.03%	14.59%
58	18.34%	15.23%	18.84%	18.84%	17.31%	16.08%	17.31%	18.53%	17.49%	14.23%	14.79%
59	18.54%	15.43%	19.04%	19.04%	17.51%	16.28%	17.51%	18.73%	17.69%	14.43%	14.99%

\* 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, 2015 ACTUARIAL VALUATION  
MEMBER CONTRIBUTION RATES\*

BU Entry Age	PROBATION - TIER 1		
	8	9	31,32 Non-
	<u>Management</u>	<u>Management</u>	<u>Management</u>
18	17.68%	19.18%	16.49%
19	17.76%	19.26%	16.57%
20	17.84%	19.34%	16.65%
21	17.91%	19.41%	16.72%
22	17.93%	19.43%	16.74%
23	17.95%	19.45%	16.76%
24	17.98%	19.48%	16.79%
25	18.03%	19.53%	16.84%
26	18.08%	19.58%	16.89%
27	18.14%	19.64%	16.95%
28	18.20%	19.70%	17.01%
29	18.28%	19.78%	17.09%
30	18.36%	19.86%	17.17%
31	18.45%	19.95%	17.26%
32	18.55%	20.05%	17.36%
33	18.65%	20.15%	17.46%
34	18.76%	20.26%	17.57%
35	18.87%	20.37%	17.68%
36	18.98%	20.48%	17.79%
37	19.10%	20.60%	17.91%
38	19.22%	20.72%	18.03%
39	19.35%	20.85%	18.16%
40	19.49%	20.99%	18.30%
41	19.63%	21.13%	18.44%
42	19.77%	21.27%	18.58%
43	19.93%	21.43%	18.74%
44	20.08%	21.58%	18.89%
45	20.24%	21.74%	19.05%
46	20.41%	21.91%	19.22%
47	20.58%	22.08%	19.39%
48	20.76%	22.26%	19.57%
49	20.94%	22.44%	19.75%
50	21.12%	22.62%	19.93%
51	21.31%	22.81%	20.12%
52	21.50%	23.00%	20.31%
53	21.70%	23.20%	20.51%
54	21.90%	23.40%	20.71%
55	22.11%	23.61%	20.92%
56	22.32%	23.82%	21.13%
57	22.53%	24.03%	21.34%
58	22.75%	24.25%	21.56%
59+	22.97%	24.47%	21.78%

\* 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, 2015 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	14.06%	13.72%	18.11%	15.72%	20.37%	17.80%	22.55%	22.55%
19	14.17%	13.83%	18.22%	15.83%	20.48%	17.91%	22.66%	22.66%
20	14.28%	13.94%	18.33%	15.94%	20.59%	18.02%	22.77%	22.77%
21	14.39%	14.05%	18.44%	16.05%	20.70%	18.13%	22.88%	22.88%
22	14.50%	14.16%	18.55%	16.16%	20.81%	18.24%	22.99%	22.99%
23	14.62%	14.28%	18.67%	16.28%	20.93%	18.36%	23.11%	23.11%
24	14.74%	14.40%	18.79%	16.40%	21.05%	18.48%	23.23%	23.23%
25	14.86%	14.52%	18.91%	16.52%	21.17%	18.60%	23.35%	23.35%
26	14.98%	14.64%	19.03%	16.64%	21.29%	18.72%	23.47%	23.47%
27	15.10%	14.76%	19.15%	16.76%	21.41%	18.84%	23.59%	23.59%
28	15.22%	14.88%	19.27%	16.88%	21.53%	18.96%	23.71%	23.71%
29	15.34%	15.00%	19.39%	17.00%	21.65%	19.08%	23.83%	23.83%
30	15.46%	15.12%	19.51%	17.12%	21.77%	19.20%	23.95%	23.95%
31	15.58%	15.24%	19.63%	17.24%	21.89%	19.32%	24.07%	24.07%
32	15.70%	15.36%	19.75%	17.36%	22.01%	19.44%	24.19%	24.19%
33	15.82%	15.48%	19.87%	17.48%	22.13%	19.56%	24.31%	24.31%
34	15.94%	15.60%	19.99%	17.60%	22.25%	19.68%	24.43%	24.43%
35	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
36	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
37	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
38	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
39	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
40	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
41	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
42	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
43	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
44	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
45	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
46	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
47	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
48	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
49	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
50	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
51	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
52	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
53	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
54	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
55	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
56	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
57	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
58	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%
59+	16.06%	15.72%	20.11%	17.72%	22.37%	19.80%	24.55%	24.55%

\* 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, 2015 ACTUARIAL VALUATION  
MEMBER CONTRIBUTION RATES

Entry Age	Tier 2		
	Miscellaneous*	Safety - Non-Sworn	Safety - Sworn
18	5.37%	7.95%	8.64%
19	5.49%	8.30%	9.04%
20	5.61%	8.65%	9.44%
21	5.76%	9.00%	9.84%
22	5.87%	9.35%	10.24%
23	6.03%	9.70%	10.64%
24	6.15%	10.05%	11.05%
25	6.29%	10.40%	11.45%
26	6.49%	10.75%	11.85%
27	6.59%	11.10%	12.25%
28	6.78%	11.45%	12.65%
29	6.93%	11.80%	13.05%
30	7.23%	12.15%	13.45%
31	7.39%	12.50%	13.85%
32	7.68%	12.85%	14.26%
33	7.83%	13.20%	14.66%
34	8.01%	13.55%	15.06%
35	8.33%	13.90%	15.46%
36	8.48%	13.90%	15.46%
37	8.69%	13.90%	15.46%
38	8.92%	13.90%	15.46%
39	9.13%	13.90%	15.46%
40	9.33%	13.90%	15.46%
41	9.48%	13.90%	15.46%
42	9.51%	13.90%	15.46%
43	9.74%	13.90%	15.46%
44	9.97%	13.90%	15.46%
45	10.06%	13.90%	15.46%
46	10.34%	13.90%	15.46%
47	10.58%	13.90%	15.46%
48	10.68%	13.90%	15.46%
49	10.96%	13.90%	15.46%
50	11.00%	13.90%	15.46%
51	11.21%	13.90%	15.46%
52	11.27%	13.90%	15.46%
53	11.47%	13.90%	15.46%
54	11.66%	13.90%	15.46%
55	11.96%	13.90%	15.46%
56	12.02%	13.90%	15.46%
57	12.04%	13.90%	15.46%
58	12.06%	13.90%	15.46%
59	12.08%	13.90%	15.46%
60	12.10%	13.90%	15.46%
61	12.12%	13.90%	15.46%
62+	12.14%	13.90%	15.46%

\*Miscellaneous Bargaining Unit 2 member rates are 0.48% less at all ages

JANUARY 1, 2015 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, 2015

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 Court	2% @ 55	One year	80%
18	Miscellaneous Management Court	2% @ 55	One year	80%
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, 2015

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	2.7% @ 55	Three year	90%
Tier 2	Sworn Safety	3.0% @ 55	Three year	90%
Tier 3	Miscellaneous	2% @ 62	Three year	N/A*
Tier 3	Safety	2.7% @ 57	Three year	N/A*
Tier 3	Probation	2.7% @ 57	Three year	N/A*

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

**San Luis Obispo County Pension Trust**

**Projection Based on January 1, 2015 Actuarial Valuation with Tier 3 (AB 340)**

**7.25% Investment Rate of Return Assumption**

**3.75% Payroll Growth Assumption**

Valuation as of January 1, (1)	Input Market Return for Past Fiscal Year	Market Return for Past Fiscal Year (2)	Total Contribution Rate (3)	Compensation at Valuation (4)	Total Contribution (5)	Actuarial Accrued Liability (AAL) (6)	Actuarial Value of Assets (AVA) (7)	Unfunded AAL (8)	Funded Ratio (9)	Total Normal Cost Rate (10)	Market Value of Assets (MVA) (11)	Funded Ratio Using MVA (12)	Percent Tier 3 Members (13)
2015	7.25%	4.58%	34.77%	\$ 168	\$ 58.3	\$ 1,606	\$ 1,231	\$ 374	76.7%	21.64%	\$ 1,173	73.1%	15.2%
2016	7.25%	7.25%	35.39%	173	61.1	1,681	1,271	410	75.6%	21.05%	1,240	73.7%	22.6%
2017	7.25%	7.25%	35.70%	178	63.7	1,757	1,322	435	75.2%	20.52%	1,309	74.5%	29.1%
2018	7.25%	7.25%	36.28%	184	66.7	1,833	1,366	467	74.5%	20.02%	1,379	75.3%	35.1%
2019	7.25%	7.25%	36.55%	190	69.3	1,908	1,420	488	74.4%	19.55%	1,451	76.1%	40.9%
2020	7.25%	7.25%	36.31%	196	71.0	1,982	1,490	491	75.2%	19.13%	1,525	77.0%	46.2%
2021	7.25%	7.25%	36.05%	202	72.8	2,055	1,562	492	76.0%	18.75%	1,599	77.8%	51.1%
2022	7.25%	7.25%	35.77%	209	74.6	2,127	1,635	491	76.9%	18.40%	1,673	78.7%	55.7%
2023	7.25%	7.25%	35.51%	215	76.5	2,197	1,709	488	77.8%	18.08%	1,748	79.6%	59.9%
2024	7.25%	7.25%	35.25%	223	78.4	2,266	1,783	482	78.7%	17.79%	1,822	80.4%	63.7%
2025	7.25%	7.25%	35.02%	230	80.6	2,333	1,858	475	79.6%	17.54%	1,897	81.3%	67.2%
2026	7.25%	7.25%	34.82%	238	82.8	2,399	1,933	466	80.6%	17.32%	1,972	82.2%	70.4%
2027	7.25%	7.25%	34.61%	246	85.2	2,463	2,008	455	81.5%	17.11%	2,047	83.1%	73.3%
2028	7.25%	7.25%	34.44%	255	87.7	2,526	2,084	441	82.5%	16.93%	2,123	84.1%	76.1%
2029	7.25%	7.25%	34.28%	263	90.3	2,587	2,162	425	83.6%	16.77%	2,201	85.1%	78.5%
2030	7.25%	7.25%	34.13%	273	93.1	2,647	2,240	406	84.6%	16.62%	2,279	86.1%	80.7%
2031	7.25%	7.25%	33.99%	282	95.9	2,706	2,321	385	85.8%	16.48%	2,360	87.2%	82.8%
2032	7.25%	7.25%	33.86%	292	99.0	2,763	2,404	359	87.0%	16.36%	2,443	88.4%	84.6%
2033	7.25%	7.25%	33.75%	303	102.2	2,820	2,490	331	88.3%	16.26%	2,528	89.6%	86.4%
2034	7.25%	7.25%	33.64%	314	105.5	2,877	2,579	298	89.6%	16.16%	2,617	91.0%	87.9%
2035	7.25%	7.25%	33.53%	325	108.9	2,933	2,671	261	91.1%	16.07%	2,710	92.4%	89.3%
2036	7.25%	7.25%	33.44%	337	112.6	2,989	2,769	220	92.6%	15.99%	2,807	93.9%	90.6%
2037	7.25%	7.25%	33.35%	349	116.4	3,045	2,871	174	94.3%	15.93%	2,910	95.6%	91.8%
2038	7.25%	7.25%	33.26%	362	120.3	3,102	2,980	122	96.1%	15.87%	3,019	97.3%	92.8%
2039	7.25%	7.25%	33.16%	375	124.3	3,159	3,095	64	98.0%	15.82%	3,134	99.2%	93.8%
2040	7.25%	7.25%	15.77%	389	61.3	3,218	3,218	(0)	100.0%	15.77%	3,257	101.2%	94.6%
2041	7.25%	7.25%	15.38%	403	62.0	3,279	3,280	(1)	100.0%	15.73%	3,319	101.2%	95.4%
2042	7.25%	7.25%	15.40%	418	64.4	3,342	3,343	(1)	100.0%	15.70%	3,382	101.2%	96.1%
2043	7.25%	7.25%	15.41%	434	66.8	3,407	3,408	(1)	100.0%	15.68%	3,447	101.2%	96.8%
2044	7.25%	7.25%	15.41%	450	69.3	3,476	3,477	(1)	100.0%	15.65%	3,515	101.1%	97.3%
2045	7.25%	7.25%	15.43%	467	72.0	3,547	3,548	(1)	100.0%	15.64%	3,587	101.1%	97.8%

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 (\$118,500 for 2015), 3 year Final Average Compensation for members hired on or after January 1, 2013.

All dollar amounts in millions.