

# **Mendocino County Employees' Retirement Association**

**Report on the  
Actuarial Valuation  
as of June 30, 2010**

**buck**consultants<sup>®</sup>

1801 Century Park East, Suite 500  
Los Angeles, CA 90067

January 5, 2011

Board of Retirement  
Mendocino County  
Employees' Retirement Association  
625 B, Kings Court  
Ukiah, CA 95482

We are pleased to present our report on the actuarial valuation of the Mendocino County Employees' Retirement Association as of June 30, 2010. The actuarial valuation is based on audited financial information and member data provided by the Retirement Association and summarized in this report.

All costs, liabilities and other factors used for the valuation were determined in accordance with generally accepted actuarial principles and procedures using an actuarial cost method that we believe are reasonable. This report fully and fairly discloses the actuarial position of the Association.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the Association and reasonable expectations, and represent our best estimate of the anticipated experience under the Association. A summary of the actuarial assumptions and methods used in this actuarial valuation is shown in Section VI.

We are members of the American Academy of Actuaries and meet the Academy's qualification standards to issue the statement of actuarial opinion.

We look forward to discussing this report with the Board and wish to express our appreciation for the invaluable cooperation extended to us by the Retirement Staff during the course of this study.

Respectfully submitted,



Harold A. Loeb, A.S.A., E.A., M.A.A.A.  
Principal and Consulting Actuary



Paul Obedencio, E.A., M.A.A.A.  
Senior Consultant

# Table of Contents

<u>Section</u>	<u>Page</u>
I	EXECUTIVE SUMMARY ..... 1
II	STATISTICAL HIGHLIGHTS ..... 6
III	SUMMARY OF ACTUARIAL ASSUMPTIONS ..... 8
	Noneconomic Assumptions ..... 8
	Economic Assumptions..... 13
IV	CONTRIBUTION RATES ..... 18
	Member Contribution Rates ..... 19
	Employer Contribution Rates ..... 20
	Recommendations ..... 22
V	ASSETS AND LIABILITIES ..... 24
	Actuarial Value of Assets ..... 24
	Actuarial Balance Sheet..... 24
	Funding Ratio - GASB 25 ..... 26
VI	APPENDIX ..... 28
	Schedule 1 - Summary of Actuarial Assumptions ..... 29
	Schedule 2 - Summary of Major Plan Provisions ..... 30
	Schedule 3 - Age and Service Distributions ..... 33
	Schedule 4 - Summary of Annual Retirement Allowances ..... 41
	Schedule 5 - Members' Contribution Rates ..... 43
	Schedule 6 - Probabilities of Separation from Active Service ..... 49
	Schedule 7 - Years of Life Expectancy ..... 54
	Schedule 8 - Glossary of Terms ..... 57
	Schedule 9 – Asset Statement (Market Value) ..... 59

# Section I: Executive Summary

We have been commissioned by the Retirement Board to perform an actuarial valuation of the retirement system as of June 30, 2010, using the statistical information available for the active, inactive and retired membership, and the financial statements as of June 30, 2010.

The results presented herein are based upon the unaudited data supplied by the Retirement Office and the benefits for General Tier 1, Tier 2, and Tier 3, and Safety Tier 1 and Tier 2 members under Sections 31676.11, 31676.1 and 31664, of the County Employees Retirement Law of 1937.

Effective July 2009, the contribution rates reflect the change in the funding agreement with the County Board of Supervisors. Previously, the County was required to amortize the portion of the Unfunded Actuarial Accrued Liability (UAAL) that was in excess of the target balance. Effective June 30, 2009 the County is required to amortize the UAAL over a 30 year period, and in determining the Actuarial Value of Assets, the corridor limit around Market Value of Assets was expanded from 20% to 25%.

A brief summary of the results of our valuation is presented below. More comprehensive information on each topic is presented in the relevant section of the report.

## Section II - Statistical Highlights

Total Association membership decreased in 2010 to 2,732 from 2,789 in 2009. Active membership decreased by 8.4% and total covered payroll decreased by 4.5%. The number of retired members increased by 7.6%, and the pension benefits paid to retired members increased by 7.6%.

## Section III - Summary of Actuarial Assumptions

A triennial experience study was conducted coincident with the June 30, 2008 valuation. At that time, we analyzed the data for the previous three years regarding service retirements, deaths, disabilities and terminations of employment and compared the number of actual terminations to the incidence expected using the then current actuarial assumptions. Where the results differed materially, we modified the assumptions.

We conducted a further review of the assumptions for the June 30, 2010 valuation and made changes to the withdrawal assumption, isolating withdrawals for vested and non-vested members. Furthermore, we introduced an assumption for members who were vested but took a refund of employee contributions in lieu of a vested benefit.

A summary of the actuarial assumptions used in this year's valuation is presented in Schedule 1 of the Appendix. Details can be found in Schedule 6.

**Section IV - Contribution Rates**

A comparison between the current contribution rates and the rates determined in this valuation is shown below. In accordance with the new funding methodology, the Unfunded Actuarial Accrued Liability (UAAL) will be amortized over a 30 year period from June 30, 2009.

	EMPLOYER		EMPLOYEE	
	% of Payroll*	Annual Amount	% of Payroll	Annual Amount
1) Prior year recommended rates*	13.25%	\$ 9,571,000	9.84%	\$ 7,108,000
2) Prior year adopted rates**	13.25%	\$ 9,143,000	9.84%	\$ 6,790,000
3) Current year recommended rates**	19.08%	\$ 13,166,000	9.69%	\$ 6,686,000

\* Based on June 30, 2009 payroll.

\*\* Based on June 30, 2010 payroll.

The increase in the recommended rate is attributable to the negative investment performance from two and three years ago, the change in the application of the retirement and termination decrements, and the increase in retired members' benefits, offset by the decrease in active covered payroll, the one-time 10% reduction in pay for selected members, and the reduction in the salary scale assumption.

**Section V - Assets and Liabilities**

*Actuarial Value of Assets*

A new smoothed market value of the Fund's assets was adopted as of June 30, 2005. Under this method, the difference between the expected and actual investment returns, net of expenses, are spread over five years, i.e. only 20% is recognized in any one year. This smoothed value, the Actuarial Value of Assets, could not be more 120% or less than 80% of the market value. Effective June 30, 2009, the corridor limit around Market Value of Assets was expanded from 20% to 25%. As of June 30, 2010, the actuarial value of assets was \$346,205,598. The net market value of assets was \$299,741,053. The return on investments, net of expenses, was 17.0% on a market value basis.

The value of assets used to determine the unfunded actuarial accrued liability (UAAL) and the County's UAAL contribution rates is called the valuation assets and is equal to the

actuarial value of assets less special reserves. As of June 30, 2010, the valuation assets were \$343,201,920.

*Actuarial Balance Sheet*

The actuarial balance sheet compares the present value of all benefits anticipated to be paid for the current membership with the sources of funds to be used to provide these benefits. It illustrates that, if all assumptions are met, contributions at the “total rate” levels plus current assets will be adequate to meet future benefit payments for the current membership. The actuarial balance sheet is presented in Section V.

*Funded Ratio - GASB 25*

The Governmental Accounting Standards Board Statement No. 25 (GASB 25) requires that the funding progress be shown based on the same funding method that was used to develop the system’s contribution requirements. The table below shows the funded ratios based on the Entry Age Normal Cost funding method.

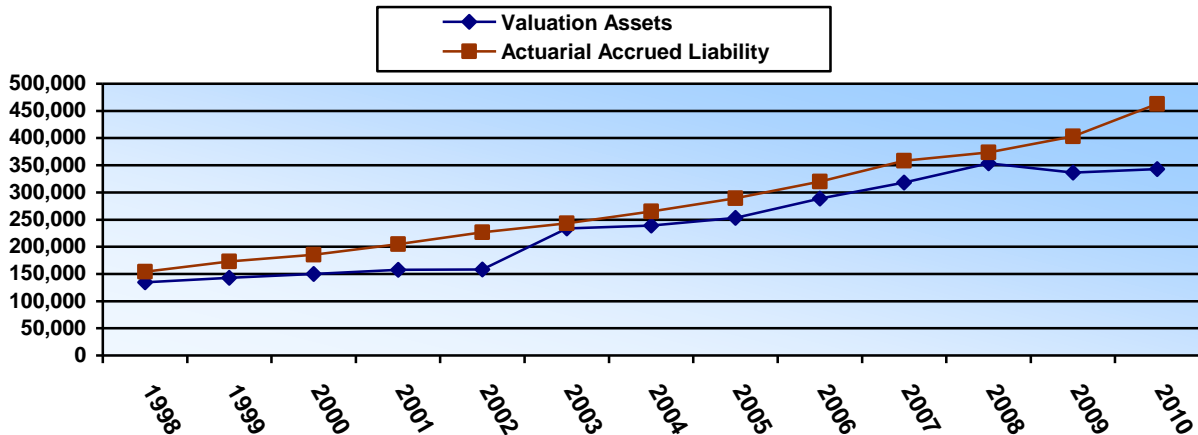
**SCHEDULE OF FUNDING PROGRESS  
GASB 25  
(dollar amounts in thousands)**

Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
7/1/93*	\$ 72,062	\$ 105,866	\$ 33,804	68.1%	\$ 25,930	130.4%
7/1/94	\$ 75,976	\$ 112,535	\$ 36,559	67.5%	\$ 27,185	134.5%
7/1/95	\$ 79,322	\$ 121,027	\$ 41,705	65.5%	\$ 29,603	140.9%
7/1/96	\$ 84,992	\$ 130,036	\$ 45,044	65.4%	\$ 29,587	152.2%
7/1/97	\$ 124,286	\$ 140,783	\$ 16,497	88.3%	\$ 32,481	50.8%
7/1/98	\$ 134,836	\$ 154,263	\$ 19,427	87.4%	\$ 35,586	54.6%
7/1/99	\$ 142,775	\$ 173,250	\$ 30,475	82.4%	\$ 39,209	77.7%
7/1/00	\$ 150,056	\$ 185,423	\$ 35,367	80.9%	\$ 44,132	80.1%
7/1/01	\$ 157,545	\$ 204,699	\$ 47,154	77.0%	\$ 53,188	88.7%
7/1/02	\$ 158,115**	\$ 226,883	\$ 68,768	69.7%	\$ 57,701	119.2%
7/1/03	\$ 233,764***	\$ 243,342	\$ 9,578	96.1%	\$ 59,865	16.0%
7/1/04	\$ 239,191	\$ 265,141	\$ 25,950	90.2%	\$ 59,075	43.9%
7/1/05	\$ 253,487	\$ 289,467	\$ 35,980	87.6%	\$ 57,664	62.4%
7/1/06	\$ 288,461	\$ 320,123	\$ 31,662	90.1%	\$ 57,665	54.9%
7/1/07	\$ 317,937	\$ 358,259	\$ 40,322	88.7%	\$ 65,899	61.2%
7/1/08	\$ 353,421	\$ 373,832	\$ 20,411	94.5%	\$ 70,880	28.8%
7/1/09	\$ 336,263	\$ 403,196	\$ 66,933	83.4%	\$ 72,235	92.7%
7/1/10	\$ 343,202	\$ 434,987	\$ 91,785	78.9%	\$ 69,004	133.0%

\* Prepared by the prior actuary and unaudited by Buck Consultants.

\*\* Excludes proceeds from Pension Obligation Bonds issued in December 2002.

\*\*\* Includes proceeds from Pension Obligation Bonds issued in December 2002 in the amount of 76,299,000.



**Section VI - Appendix**

A summary of the major provisions of the Plan, and detailed information on the actuarial assumptions, demographic information, General and Safety member contribution rates by entry age, and plan assets is included in the Appendix.

## Section II: Statistical Highlights

Our June 30, 2010 actuarial valuation of your Association was based on the following data. For comparison, we also show a summary of the June 30, 2009 statistical information.

SUMMARY OF ACTIVE MEMBERSHIP			
	June 30, 2009	June 30, 2010	Percentage Change During the Period
<b>TIER 1</b>			
Number	49	33	(32.7) %
Annual Payroll*	\$ 3,162,586	\$ 2,216,562	(29.9) %
Average Monthly Salary	\$ 5,379	\$ 5,597	4.1 %
Average Age	57.16	56.70	(0.8) %
Average Service**	26.87	28.03	4.3 %
<b>TIER 2</b>			
Number	202	181	(10.4) %
Annual Payroll*	\$ 11,915,256	\$ 11,642,419	(2.3) %
Average Monthly Salary	\$ 4,916	\$ 5,360	9.0 %
Average Age	42.09	42.96	2.1 %
Average Service**	9.34	10.16	8.7 %
<b>TIER 3</b>			
Number	1,118	1,040	(7.0) %
Annual Payroll*	\$ 57,157,255	\$ 55,145,021	(3.5) %
Average Monthly Salary	\$ 4,260	\$ 4,419	3.7 %
Average Age	48.28	48.88	1.2 %
Average Service**	7.86	8.50	8.1 %
<b>TOTAL</b>			
Number	1,369	1,254	(8.4) %
Annual Payroll	\$ 72,235,097	\$ 69,004,002	(4.5) %
Average Monthly Salary	\$ 4,397	\$ 4,586	4.3 %
Average Age	47.74	48.23	1.1 %
Average Service	8.76	9.25	5.6 %

\* Represents the annualization of active members' pay rates on June 30

\*\*Included Purchased Service

## Section II: Statistical Highlights

---

### Summary of Inactive Membership\*

---

	June 30, 2009	June 30, 2010	Percentage Change During the Period
<b>TOTAL</b>			
Number	412	395	-4.1 %

---

\*Included pending contribution withdrawals and pending disability claims

---

### Summary of Retired Membership

---

	June 30, 2009	June 30, 2010	Percentage Change During the Period
<b>TOTAL</b>			
Number	1,008	1,083	7.4 %
Annual Allowance	\$ 17,768,000	\$ 19,126,000	7.6 %
Average Monthly Allowance	\$ 1,469	\$ 1,472	0.2 %

---

# Section III: Summary of Actuarial Assumptions

To conduct an actuarial valuation of the assets and liabilities of your Association, the actuary must first adopt assumptions with respect to each of the following items:

- Noneconomic Assumptions:
  - The probabilities of members separating from active service on account of nonvested and vested withdrawal, retirement for service, death, and disability, and
  - The mortality rates to be experienced among retired and terminated vested persons.
- Economic Assumptions:
  - Investment earnings to be realized on the funds over many years in the future, and
  - The increases in members' salaries from the date of the valuation to the date of separation from active service.

We discuss each of the above items in the following paragraphs of this Section.

## Noneconomic Assumptions

### *Rates of Separation from Active Service*

In connection with the June 30, 2008 valuation, we compared the expected number of terminations from active service to the number actually experienced during the three-year period beginning July 1, 2005 and ending June 30, 2008. Based on this comparison, the probabilities of separation were adjusted accordingly. For the June 30, 2010 valuation, we created separate assumptions for termination with and without a vested benefit, and introduced an assumption for employees who took a refund of contributions in lieu of a vested benefit.

A complete listing of the rates of separation from active service can be found in Schedule 6 of the Appendix. These rates should be viewed in the aggregate rather than examining each of them separately. This is due to the interdependency of the rates. For example, if turnover were to increase, there would be fewer retirements.

On the following pages, we show the number of members expected to eventually separate from active service for each of the various causes of termination based on the current assumptions. We also show the percentage of members expected to eventually separate from the system, in pie chart format. For purposes of the chart, we have grouped the following:

- service retirement and terminated vested "Service",
- ordinary and duty disability "Disability", and
- ordinary death, duty death, and death while eligible "Death".

## Section III: Summary of Actuarial Assumptions

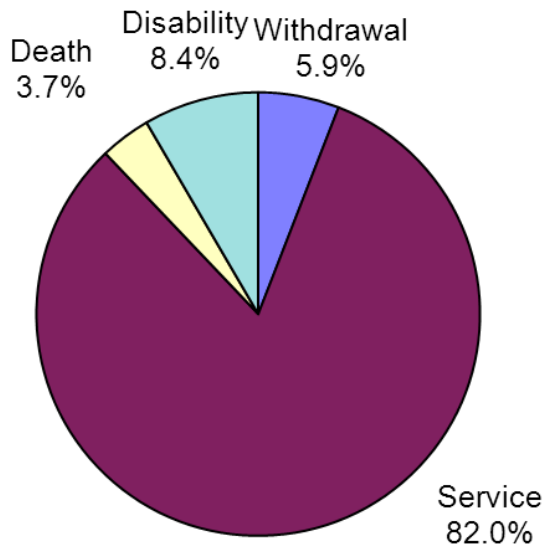
### GENERAL MALE MEMBERS

Recommended Assumptions

Expected Number to Eventually Separate for Indicated Cause

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	4	1	1	2	0	0	0	0	0
25-29	13	5	3	5	0	0	0	0	0
30-34	19	3	6	9	0	0	0	0	1
35-39	20	3	8	7	0	0	0	1	1
40-44	32	2	17	8	1	1	0	1	2
45-49	46	2	30	7	1	1	0	2	3
50-54	67	2	53	2	1	2	0	2	5
55-59	62	1	51	1	1	2	0	2	4
60-64 65 & OVER	48	0	43	0	1	1	0	1	2
TOTAL	323	19	224	41	5	7	0	9	18
		5.9%	69.3%	12.7%	1.5%	2.2%	0.0%	2.8%	5.6%

Expected Percentage to Eventually Separate for Indicated Cause



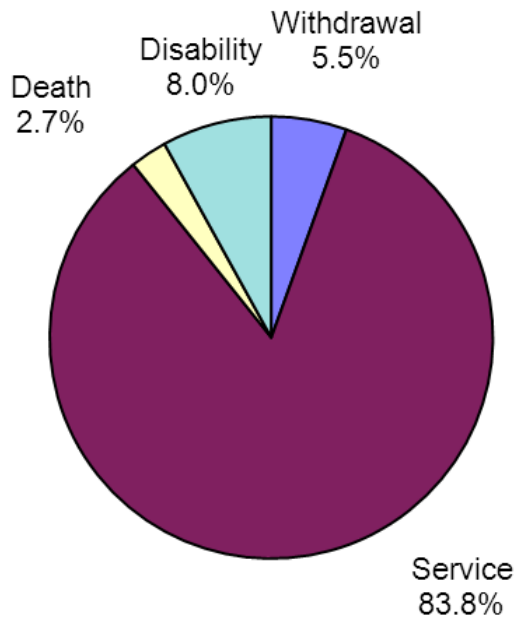
## Section III: Summary of Actuarial Assumptions

### GENERAL FEMALE MEMBERS

Recommended Assumptions  
Expected Number to Eventually Separate for Indicated Cause

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	6	3	1	2	0	0	0	0	0
25-29	40	9	10	18	1	0	0	1	1
30-34	55	7	19	24	1	0	0	2	2
35-39	76	6	34	28	1	1	0	3	3
40-44	97	6	57	23	2	1	0	4	4
45-49	97	4	69	11	2	1	0	5	5
50-54	124	2	101	5	2	2	0	6	6
55-59	142	3	120	3	2	2	0	6	6
60-64	95	1	85	1	1	1	0	3	3
65 & OVER	16	0	16	0	0	0	0	0	0
<b>TOTAL</b>	<b>748</b>	<b>41</b>	<b>512</b>	<b>115</b>	<b>12</b>	<b>8</b>	<b>0</b>	<b>30</b>	<b>30</b>
		5.5%	68.4%	15.4%	1.6%	1.1%	0.0%	4.0%	4.0%

Expected Percentage to Eventually Separate for Indicated Cause



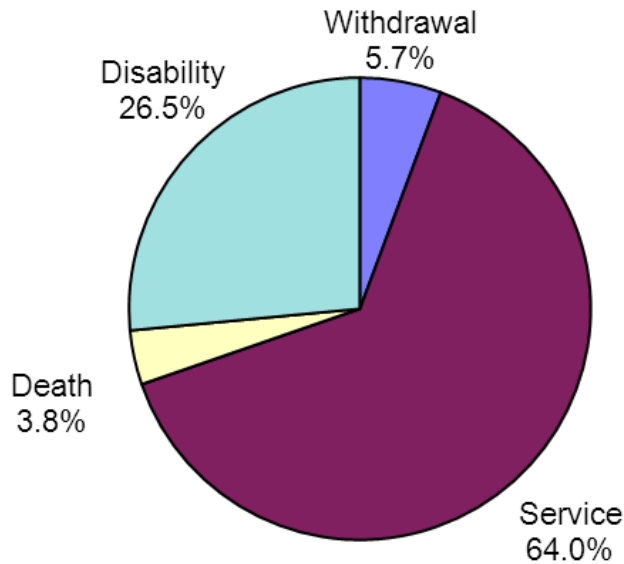
## Section III: Summary of Actuarial Assumptions

### PROBATION MEMBERS

Recommended Assumptions  
Expected Number to Eventually Separate for Indicated Cause

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	0	0	0	0	0	0	0	0	0
25-29	8	2	1	4	0	0	0	0	1
30-34	12	1	2	5	1	0	0	1	2
35-39	4	0	1	2	0	0	0	0	1
40-44	7	0	2	2	0	0	0	1	2
45-49	5	0	4	0	0	0	0	0	1
50-54	8	0	5	0	0	0	0	1	2
55 & OVER	9	0	6	0	0	0	1	0	2
<b>TOTAL</b>	<b>53</b>	<b>3</b>	<b>21</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>11</b>
		5.7%	39.5%	24.5%	1.9%	0.0%	1.9%	5.7%	20.8%

Expected Percentage to Eventually Separate for Indicated Cause



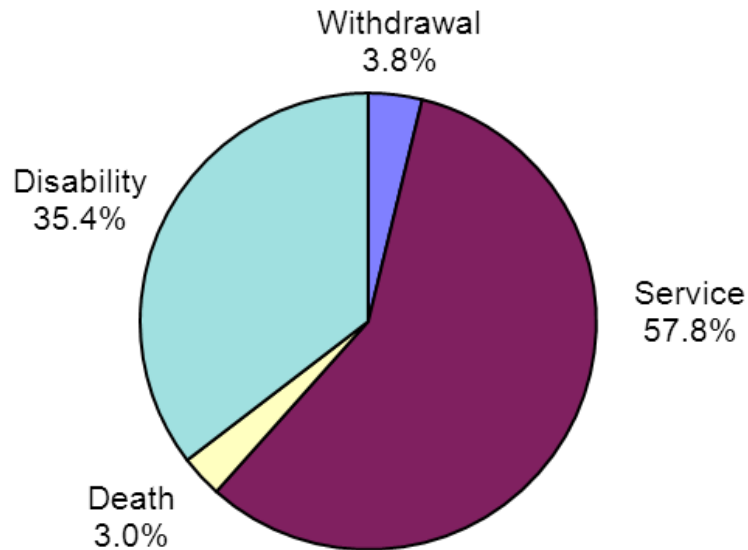
## Section III: Summary of Actuarial Assumptions

### SAFETY MEMBERS

Recommended Assumptions  
Expected Number to Eventually Separate for Indicated Cause

Age	Number of Actives	Withdrawal	Service	Terminated Vested	Ordinary Death	Death While Eligible	Duty Death	Ordinary Disability	Duty Disability
20-24	4	1	1	1	0	0	0	0	1
25-29	6	2	1	1	0	0	0	0	2
30-34	11	1	3	3	0	0	0	0	4
35-39	21	1	7	5	0	0	0	1	7
40-44	32	0	14	3	1	0	1	2	11
45-49	30	0	15	1	1	0	1	2	10
50-54	14	0	9	0	0	0	0	1	4
55 & OVER	12	0	11	0	0	0	0	0	1
<b>TOTAL</b>	<b>130</b>	<b>5</b>	<b>61</b>	<b>14</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>40</b>
		3.8%	47.0%	10.8%	1.5%	0.0%	1.5%	4.6%	30.8%

Expected Percentage to Eventually Separate for Indicated Cause



### *Mortality after Service Retirement*

At the time of the June 30, 2005 actuarial valuation, we also reviewed mortality rates after retirement. The following mortality tables were recommended for use at that time:

#### *Service Retirement Mortality Tables:*

- General Males — 1994 Group Annuity Mortality Table for Males, with no setback
- General Females — 1994 Group Annuity Mortality Table for Females, with no setback
- Safety — 1994 Group Annuity Mortality Table for Males, with no setback

A full listing of the life expectancies based on these tables is shown in Schedule 7 of the Appendix.

### *Mortality after Disability Retirement*

In addition, the following mortality tables were recommended for use at the time of the June 30, 2006 actuarial valuation:

#### *Disability Retirement Mortality Tables:*

- General Males — 1981 Disability Table for General Members, setback 5 years
- General Females — 1981 Disability Table for General Members, setback 2 years
- Safety — 1981 Disability Table for Safety Members, setback 4 years

A full listing of the life expectancies based on these tables is shown in Schedule 7 of the Appendix.

### *Mortality Tables for Employee Contribution Rates*

Employee contribution rates continue to be based on the following unisex mortality tables:

- General — 1994 Group Annuity Mortality Table for Males, set back 3 years
- Safety — 1994 Group Annuity Mortality Table for Males, with no setback

The full set of employee contribution rates is shown in Schedule 5 of the Appendix.

## **Economic Assumptions**

In setting the economic assumptions, we take a building block approach. Specifically, we first look at the rate of inflation, which underlies both the total rate of return and the salary scale assumptions. To aid us in determining an appropriate inflation rate for your Association, we have reviewed long-term historical inflation averages, recent trends, and the assumptions adopted by other public retirement systems governed by the 1937 Act. It should

### Section III: Summary of Actuarial Assumptions

be noted that we have placed more emphasis on long-term historical averages than on the more recent, short-term trends. This helps to minimize fluctuations that are more apparent in the short term.

Secondly, we review the anticipated real rate of return on investments. The real rate of return is dependent on the anticipated returns on classes of investments and the asset allocation of the Association's funds. To develop the individual real rates of return we utilize various empirical studies. By applying the results of these studies to the Association's target asset allocation, we develop the real rate of return. This rate may then be adjusted for any known or anticipated changes in the economy or the asset mix. Using our building block approach, we combine the underlying inflation assumption with the real rate of return to develop the total rate of return assumption (investment return assumption).

The salary scale assumption is developed in a similar manner. The inflation rate is combined with anticipated merit and longevity increases to produce a total salary scale assumption.

#### *Inflation*

Our inflation rate was reduced from 4.75% to 4.00% effective with the June 30, 2008 valuation. This assumption as well as all other economic and demographic assumptions will be reviewed again when we conduct our June 30, 2011 experience analysis

#### *Real Rate of Return*

The first step in developing a real rate of return is to analyze how the Association's assets are allocated among the various investment classes. Based on this information, we can then apply the anticipated rate of return to the respective classes and develop an overall estimated real rate of return. The Association has adopted the following target asset allocation:

<b>Asset Allocation as of June 30, 2010 (Market Value)</b>	
	<b>Target</b>
Equity*	55%
Fixed Income/Bonds	37%
Real Estate	8%
Short Term Cash Equivalent	0%

\* Domestic and International.

There have been numerous studies that analyze the expected long-term real rates of return for use in asset allocation models. Roger Ibbotson and Rex A. Sinquefeld produced one of these studies for the period 1926-2005 called, Stocks, Bonds and Inflation: Simulations of the Future. The results of this study are presented below.

---

### Section III: Summary of Actuarial Assumptions

---

<b>Ibbotson-Sinquefield Real Rates of Return (1926 – 2005)</b>	
Stocks	7.1%
Long-term government bonds	2.4%
Long-term corporate bonds	2.8%
Treasury bills	0.7%

Applying the Association's target asset allocation to the real rates of return produces a rate of approximately 5.19% (assuming an equal proportion of government and corporate bonds and a 4% return on real estate). After adjusting for potential adverse future experience, we believe that a real rate of return of 4.00% provides a reasonable degree of conservatism when used with a 4.00% inflation rate. This leads to an 8.00% investment return assumption.

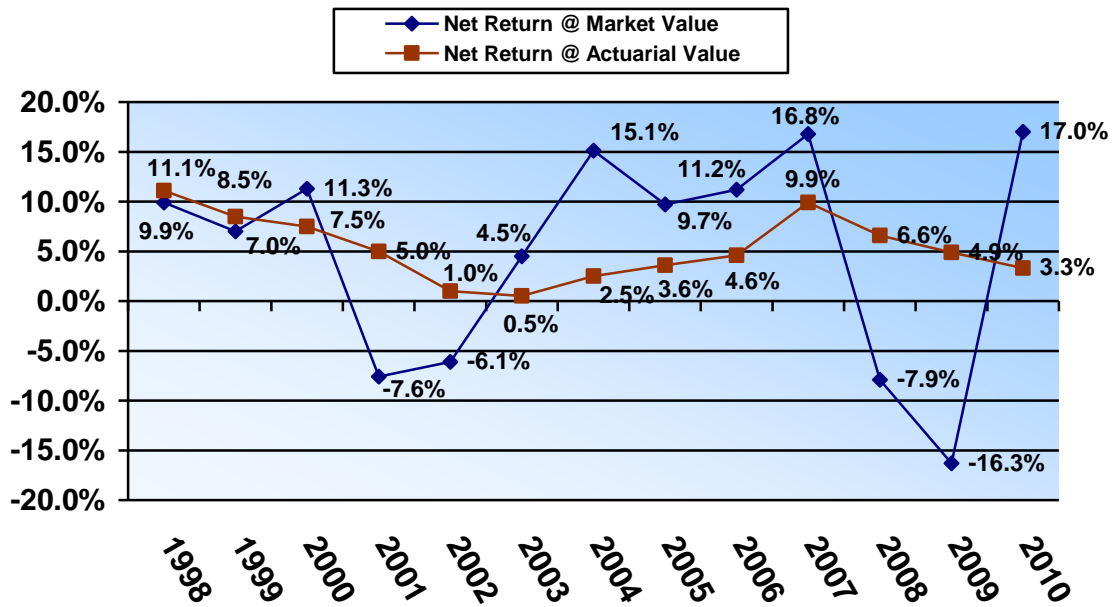
The return on assets, net of expenses, experienced by the Fund since 1981 is shown below. The increase in the Consumer Price Index is also shown for comparative purposes.

## Section III: Summary of Actuarial Assumptions

Net Return on Assets vs. Increase in Consumer Price Index				
Year Ending	Net Return @ Book Value	Net Return @ Market Value	Net Return @ Actuarial Value	Increase in CPI*
December 31, 1981	9.0%			8.9%
December 31, 1982	10.0%			3.8%
December 31, 1983	10.7%			3.8%
December 31, 1984	10.2%			3.9%
December 31, 1985	9.7%			3.8%
December 31, 1986	10.7%			1.1%
December 31, 1987	10.1%			4.4%
December 31, 1988	11.6%			4.4%
December 31, 1989	4.8%			4.8%
December 31, 1990	9.2%			6.2%
December 31, 1991	10.1%			3.1%
December 31, 1992	13.0%			2.9%
December 31, 1993	9.8%			2.8%
June 30, 1995	6.6%			3.0%
June 30, 1996	9.2%			2.8%
June 30, 1997	7.9%	16.3%	10.9%	2.3%
June 30, 1998	10.4%	9.9%	11.1%	1.7%
June 30, 1999	6.4%	7.0%	8.5%	2.0%
June 30, 2000	14.3%	11.3%	7.4%	3.7%
June 30, 2001	9.5%	(7.6)%	5.0%	3.2%
June 30, 2002	0.0%	(6.1)%	1.0%	1.1%
June 30, 2003	1.7%	4.5%	0.5%	2.1%
June 30, 2004	1.8%	15.1%	2.5%	3.3%
June 30, 2005	2.5%	9.7%	3.6%	2.5%
June 30, 2006	4.4%	11.2%	4.6%	4.3%
June 30, 2007	10.0%	16.8%	9.9%	2.7%
June 30, 2008	4.8%	-7.9%	6.6%	5.0%
June 30, 2009	1.1%	-16.3%	4.9%	-1.40%
June 30, 2010	3.7%	17.0%	3.3%	1.1%
29.5-year Compound Avg.	7.5%	N/A	N/A	3.1%
14-year Compound Avg.	5.5%	5.2%	5.6%	2.4%

\* Based on All Urban Consumers - U.S. City Average, December indices (June indices starting in 1995).

## Section III: Summary of Actuarial Assumptions



### Merit and Longevity Increases

The merit and longevity component of the total salary scale assumption reflects increases in members' salaries due to promotions, advances in pay grades, etc. These increases are dependent on an individual's membership and are graded downward as the member ages.

For the June 30, 2010 valuation, the overall effect of the merit and longevity increases has been removed. Combined with the 4.00% inflation rate, the total recommended salary scale assumption is 4.00%.

## Section IV: Contribution Rates

A comparison between the current contribution rates and the rates determined in this valuation is shown below.

- 1) *Prior year recommended rates*: The rates as recommended in the actuarial valuation as of June 30, 2009. These rates include all the benefit enhancements under the Memoranda of Understanding between the County and the bargaining units.
- 2) *Prior year adopted rates*: Rates adopted by the Board of Supervisors.
- 3) *Current year recommended rates*: In accordance with the new methodology, the County will amortize the Unfunded Actuarial Accrued Liability (UAAL) over a 30 year period from June 30, 2009.

	EMPLOYER		EMPLOYEE	
	% of Payroll*	Annual Amount	% of Payroll	Annual Amount
1) Prior year recommended rates *	13.25%	\$ 9,571,000	9.84%	\$ 7,108,000
2) Prior year adopted rates **	13.25%	\$ 9,143,000	9.84%	\$ 6,790,000
3) Current year recommended rates**	19.08%	\$13,166,000	9.69%	\$ 6,686,000

\* Based on June 30, 2009 payroll.  
 \*\* Based on June 30, 2010 payroll.

The following table shows the impact on the employer recommended contribution of demographic changes and investment performance during the 2010 plan year, and changes in methodology.

Contribution under prior agreement (6/30/09)	\$9,571,000
Revision in amortization method	549,000
Investment loss	875,000
Demographic salary losses	(430,000)
Change in application of assumptions	3,347,000
Reduction in salary scale	(235,000)
Group taking 10% reduction in pay	<u>(511,000)</u>
Contribution under current methodology	\$13,166,000

**Member Contribution Rates**

*Member Basic Contributions*

Sections 31621.1 and 31621 set forth the basis for the determination of the normal rates of contribution for General Tier 1, Tier 2 and Tier 3 members. Section 31639.25 sets forth the basis for the normal rates of contribution for Probation and Safety Tier 1 and Tier 2 members.

The law further provides that the contribution rates of members will be based on the age nearest birthday at the time of entry into the Retirement Association. Section 31453 states that no adjustment will be included in the rates of contribution for time prior to the effective date of any amendments or changes in actuarial assumptions.

The basic employee contribution rates for General members were determined using the 1994 Group Annuity Mortality Table for Males with a 3-year setback. The Probation and Safety basic employee rates are based upon the 1994 Group Annuity Mortality Table for Males with no adjustment.

*Cost of Living Contributions*

The employee portion of the cost-of-living provision is expressed as a percentage of the employees' normal contribution rates. We are recommending that the cost of living percentage be increased from 30.30% to 31.08% for General members, increased from 56.06% to 58.86% for the 31664.2 benefit for Safety members and decreased from 58.79% to 46.87% for Probation members.

A summary of the average employee contribution rates and rates at sample ages, with the cost-of-living, are shown below.

<b>Average Member Basic And Cost-Of-Living Contribution Rates*</b>						
	<b>GENERAL</b>		<b>SAFETY</b>		<b>PROBATION</b>	
	<b>Tier 1</b>	<b>Tier 2/3</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 1</b>	<b>Tier 2</b>
Current Rates	8.58%	9.38%	0.00%	12.48%	10.05%	12.82%
Recommended Rates	8.69	9.19%	0.00%	12.60%	8.41%	11.70%

\* Based on current ages of the populations

**Section IV: Contribution Rates**

**Sample General Member Contribution Rates – Section 31676.12\***

Entry Age	Tier 1		Tier 2 & 3	
	Current	Recommended	Current	Recommended
25	8.37%	8.42%	7.95%	8.00%
35	9.34%	9.40%	8.87%	8.93%
45	10.72%	10.79%	10.20%	10.26%
59	12.91%	12.99%	12.26%	12.33%

**Sample Safety Member Contribution Rates – Section 31664.2\***

Entry Age	Tier 1		Tier 2	
	Current	Recommended**	Current	Recommended**
25	10.89%	11.11%	10.26%	10.48%
35	12.37%	12.62%	11.67%	11.90%
45	14.37%	14.65%	13.57%	13.84%
49	15.21%	15.51%	14.37%	14.65%

**Sample Probation Member Contribution Rates – Section 31664\***

Entry Age	Tier 1		Tier 2	
	Current	Recommended	Current	Recommended
25	12.73%	11.78%	12.10%	11.19%
35	14.24%	13.17%	13.53%	12.51%
45	16.28%	15.05%	15.47%	14.31%
49	17.13%	15.85%	16.28%	15.05%

\* Contribution rates for the first \$161.54 of bi-weekly salary are one-third lower for members covered by Social Security.

\*\* COL rate offset by 1.63% paid by the County

Schedule 5 in the Appendix shows the complete set of members' basic and cost-of-living contribution rates. The interest rate, mortality table, inflation rate, and cost-of-living benefit are indicated on the bottom of the schedules.

**Employer Contribution Rates**

Employer contributions have been determined under the Entry Age Normal Cost method, permitted by Section 31453.5. The Entry Age Normal Cost method defines the Normal Cost as the level percentage of salary necessary to fund the member's projected benefits over the period from his date of entry to his projected separation from active service. The Actuarial Accrued Liability is the cost allocated to years prior to the actuarial valuation date; it is the

**Section IV: Contribution Rates**

excess of the total value of benefits over the value of future member contributions and the value of future County Normal Costs. The difference between the Actuarial Accrued Liability and the plan assets is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL amortization period is 30 years from June 30, 2009.

The following chart specifies the prior year's funding agreement employer contribution rates and components thereof (expressed as a percentage of payroll). The chart shows a breakdown between basic and cost of living benefits.

<b>Total Employer Contribution Rates – Prior Funding Agreement Based on 6/30/2009 Payroll</b>						
	<b>GENERAL</b>		<b>SAFETY</b>		<b>PROBATION</b>	
	<b>Tier 1</b>	<b>Tier 2/3</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 1</b>	<b>Tier 2</b>
Basic	5.16%	8.19%	21.66%	21.06%	11.70%	14.49%
Cost of Living	1.33%	2.59%	9.04%	8.15%	3.21%	4.03%
<b>Total</b>	<b>6.49%</b>	<b>10.78%</b>	<b>30.70%</b>	<b>29.21%</b>	<b>14.91%</b>	<b>18.52%</b>
Average Rate for Total Group:	Basic		9.95%			
	COL		<u>3.30%</u>			
	Total		13.25%			

Based on the current funding methodology, the contribution rates are shown below.

<b>Total Employer Contribution Rates – Current Methodology Based on 6/30/2010 Payroll</b>						
	<b>GENERAL</b>		<b>SAFETY</b>		<b>PROBATION</b>	
	<b>Tier 1</b>	<b>Tier 2/3</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 1</b>	<b>Tier 2</b>
Basic	8.92%	11.95%	31.52%	28.70%	10.95%	11.67%
Cost of Living	3.15%	4.18%	12.98%	10.45%	3.87%	4.43%
<b>Total</b>	<b>12.07%</b>	<b>16.13%</b>	<b>44.50%</b>	<b>39.15%</b>	<b>14.82%</b>	<b>16.10%</b>
Average Rate for Total Group:	Basic		14.08%			
	COL		<u>5.00%</u>			
	Total		19.08%			

**Recommendations**

The funding agreement between the County and the Association was discontinued as of June 30, 2009. The current funding methodology includes the provision that the County amortize the UAAL over a 30 year period from June 30, 2009.

The above rates are comprised of the normal cost rate and amortization of the UAAL under the new funding methodology. The rates reflect all current plan provisions, and reflect the current noneconomic and economic assumptions. They are also based on the Entry Age Normal Cost method, a smoothed market value of assets, and assume no sharing of cost of living (COL) costs among different tiers. This combination of assumptions and methods reflects our best judgment of future experience for the Association.

We show recommended rates in the table below.

<b>Total Employer Contribution Rates Based on 6/30/2010 Payroll</b>						
	<b>GENERAL</b>		<b>SAFETY</b>		<b>PROBATION</b>	
	<b>Tier 1</b>	<b>Tier 2/3</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 1</b>	<b>Tier 2</b>
Basic	8.92%	11.95%	31.52%	28.70%	10.95%	11.67%
Cost of Living	3.15%	4.18%	12.98%	10.45%	3.87%	4.43%
Total	12.07%	16.13%	44.50%	39.15%	14.82%	16.10%
Average Rate for Total Group:	Basic	14.08%				
	COL	<u>.500%</u>				
	Total	19.08%				

---

## Section IV: Contribution Rates

---

Below we show the normal cost and UAAL cost portions of the employer rates.

---

<b>Total Employer Contribution Rates – Recommended Contribution Based on 6/30/2010 Payroll</b>						
	<b>GENERAL</b>		<b>SAFETY</b>		<b>PROBATION</b>	
	<b>Tier 1</b>	<b>Tier 2/3</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 1</b>	<b>Tier 2</b>
Normal Cost	5.58%	9.64%	24.81%	19.46%	14.36%	15.64%
UAAL Amortization	6.49%	6.49%	19.69%	19.69%	0.46%	0.46%
Total	12.07%	16.13%	44.50%	39.15%	14.82%	16.10%
Average Rate for Total Group:	Normal Cost		11.08%			
	UAAL		<u>8.00%</u>			
	Total		19.08%			

---

The recommended employee contribution rates are shown in Schedule 5 of the Appendix.

# Section V: Assets and Liabilities

## Actuarial Value Of Assets

The Association adopted a new smoothed market value of assets policy as of June 30, 2005. Under this method, the difference between the expected and the actual investment return, net of expenses, is spread over *five* years. In other words, only 20% of this difference is being recognized in any one year. The corridor limit around Market Value was expanded from 20% to 25% effective as of June 30, 2009. The June 30, 2010 actuarial value of assets under this method is developed as follows:

1.	Year Ending 6/30	Contributions	Benefit Payments	Expected Investment Return	Actual Investment Return	Earnings Above/(Below) Expected	Portion Deferred	Deferred Earnings	
	2007	13,738,923	18,361,712	24,317,842	50,991,137	26,673,295	20%	5,334,659	
	2008	13,838,980	20,708,074	27,967,796	(28,174,415)	(56,142,211)	40%	(22,456,884)	
	2009	15,377,201	22,976,920	26,278,512	(53,511,078)	(79,789,590)	60%	(47,873,754)	
	2010	19,349,348	24,469,770	21,494,203	44,658,046	23,163,843	80%	18,531,074	
	Total							(46,464,095)	
2.	Market Value of Assets as of June 30, 2010								\$299,741,053
3.	Actuarial Value of Assets as of June 30, 2010: (2)-(1)								\$346,205,598
4.	Corridor Limit								
	a.	75% of Net Market Value							224,805,790
	b.	125% of Net Market Value							374,676,316
5.	Actuarial Value of Assets After corridor as of June 30, 2010								\$346,205,598
6.	Current Retiree Health Insurance Reserve								0
	Other Miscellaneous Reserves								3,703
	1% Contingency Reserve								3,000,335
	Total Special Reserves								\$3,004,038
7.	Net Actuarial Value of Assets as of June 30, 2010: (5)-(6)								\$343,201,920

The total valuation assets are therefore \$343,201,920.

## Actuarial Balance Sheet

The Actuarial Balance Sheet provides insight into the ongoing employer and employee financial commitment necessary to fund the benefits provided by the Association.

## Section V: Assets and Liabilities

We first determine the amount and timing of all future payments that will be made by the Association. We then discount these payments at 8.00% per annum to June 30, 2010, the date of the valuation, thereby determining their present value.

Second, we determine how this liability will be met. Item 1 in the Balance Sheet represents the amount of assets already accumulated by the Association at Actuarial Value. Item 2 is the present value of the contributions anticipated to be received in the future from the current members. Item 3 is the present value of future employer normal costs with respect to current members, using the Entry Age Normal Cost method. The Entry Age Normal Cost percentage is the employer's level percentage of payroll needed to fund benefits from entry to expected termination dates for each active member.

Finally, we compare the existing assets plus the present value of the future normal costs and future member contributions to the present value of the benefits to be paid from the Association. This shortfall (or balancing item) is known as the Unfunded Actuarial Accrued Liability (UAAL).

---

### Actuarial Balance Sheet as of June 30, 2010

---

#### Assets

1	Valuation assets	\$	343,201,920
2	Present value of future contributions by members		51,978,799
3	Present value of future employer contributions for normal cost		58,804,049
4	Present value of other future employer contributions (UAAL)		91,784,613
5	Total actuarial assets	\$	545,769,381

#### Liabilities

6	Present value of retirement allowances payable to retired members and their survivors	\$	234,860,101
7	Present value of service retirement allowances payable to presently active members and their survivors		216,059,694
8	Present value of allowances payable to vested terminated members and their survivors		35,210,379
9	Present value of disability retirement allowances payable to presently active members and their survivors		50,599,462
10	Present value of death benefits payable on behalf of presently active members		6,344,754
11	Present value of members' contributions to be returned upon withdrawal		2,694,991
12	Retirees health insurance reserve		0
13	Miscellaneous insurance reserve		0
14	Total actuarial liabilities	\$	545,769,381

---

Funding Ratio – GASB 25

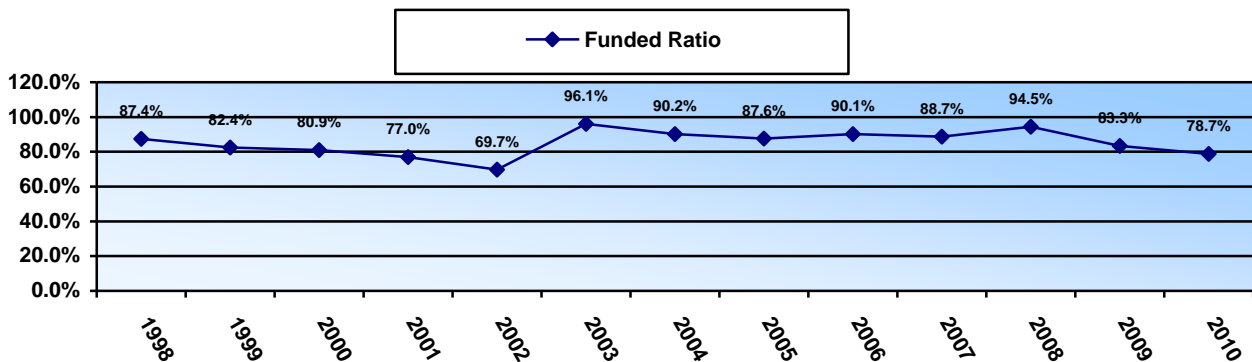
Schedule of Funding Progress  
GASB 25  
(dollar amounts in thousands)

Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
7/1/93*	\$ 72,062	\$ 105,866	\$ 33,804	68.1%	\$ 25,930	130.4%
7/1/94	\$ 75,976	\$ 112,535	\$ 36,559	67.5%	\$ 27,185	134.5%
7/1/95	\$ 79,322	\$ 121,027	\$ 41,705	65.5%	\$ 29,603	140.9%
7/1/96	\$ 84,992	\$ 130,036	\$ 45,044	65.4%	\$ 29,587	152.2%
7/1/97	\$ 124,286	\$ 140,783	\$ 16,497	88.3%	\$ 32,481	50.8%
7/1/98	\$ 134,836	\$ 154,263	\$ 19,427	87.4%	\$ 35,586	54.6%
7/1/99	\$ 142,775	\$ 173,250	\$ 30,475	82.4%	\$ 39,209	77.7%
7/1/00	\$ 150,056	\$ 185,423	\$ 35,367	80.9%	\$ 44,132	80.1%
7/1/01	\$ 157,545	\$ 204,699	\$ 47,154	77.0%	\$ 53,188	88.7%
7/1/02	\$ 158,115**	\$ 226,883	\$ 68,768	69.7%	\$ 57,701	119.2%
7/1/03	\$ 233,764***	\$ 243,342	\$ 9,578	96.1%	\$ 59,865	16.0%
7/1/04	\$ 239,191	\$ 265,141	\$ 25,950	90.2%	\$ 59,075	43.9%
7/1/05	\$ 253,487	\$ 289,467	\$ 35,980	87.6%	\$ 57,664	62.4%
7/1/06	\$ 288,461	\$ 320,123	\$ 31,662	90.1%	\$ 57,665	54.9%
7/1/07	\$ 317,937	\$ 358,259	\$ 40,322	88.7%	\$ 65,879	61.2%
7/1/08	\$ 353,421	\$ 373,832	\$ 20,411	94.5%	\$ 70,880	28.8%
7/1/09	\$ 336,263	\$ 403,196	\$ 66,933	83.4%	\$ 72,235	92.7%
7/1/10	\$ 343,202	\$ 434,987	\$ 91,785	78.9%	\$ 69,004	133.0%

\* Prepared by the prior actuary and unaudited by Buck Consultants.

\*\* Excludes proceeds from Pension Obligation Bonds issued in December 2002.

\*\*\* Includes proceeds from Pension Obligation Bonds issued in December 2002 in the amount of \$76,299,000.



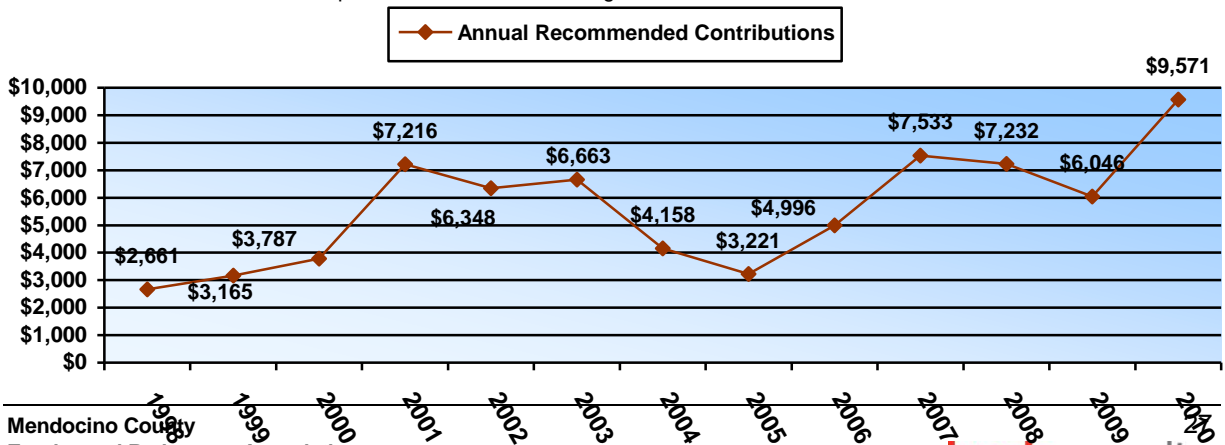
Section V: Assets and Liabilities

Schedule of Employer Contributions  
 GASB 25  
 (dollar amounts in thousands)

Year Ended	Annual Recommended Contribution	Percentage Contributed
12/31/92	\$ 2,939	100%
12/31/93	\$ 2,939	100%
6/30/95*	\$ 5,182	100%
6/30/96	\$ 4,348	100%
6/30/97	\$33,691**	100%
6/30/98	\$ 2,661	100%
6/30/99	\$ 3,165	100%
6/30/00	\$ 3,787	100%
6/30/01	\$ 7,216	100%
6/30/02	\$ 6,348	100%
6/30/03	\$ 6,663	100%
6/30/04	\$ 4,158	63%
6/30/05	\$ 3,221	47%
6/30/06	\$ 4,996	79%
6/30/07	\$ 7,533	100%
6/30/08	\$ 7,232	100%
6/30/09	\$ 6,046	141%
6/30/10	\$ 9,571	91%

\* Reflects 18 months of contributions due to a change in the financial reporting year.

\*\* Includes proceeds from Pension Obligation Bonds.



# Section VI - Appendix

## Schedule 1

### Summary of Actuarial Assumptions

The Entry Age Normal Cost Method was used in conjunction with the following actuarial assumptions. The Unfunded Actuarial Accrued Liability amortization period is 30 years from the June 30, 2009 valuation date.

- |   |  |
|---|--|
| 1. Investment Return:   | 8.00% per annum.   |
| 2. Interest Credited to Employee Accounts:                                    | 8.00% per annum.   |
| 3. Inflation:   | 4.00% per annum.   |
| 4. Salary Scale:  | 4.00% per annum.   |
| 5. Asset Valuation:   | Smoothed market value.   |
| 6. Spouses and Dependents:  | 90% of male employees and 50% of female employees assumed married at retirement, with wives assumed three years younger than husbands.   |
| 7. Rates of Termination of Employment:  | See Schedule 6. Note for terminated vested: 20% of General Males, under Age 50, 40% of General Females under Age 40, 30% of General Females over Age 40, 25% of Safety Males under Age 40, and 50% of Probation Males and Females under Age 50 are assumed to receive a refund of their contributions, the remainder are assumed to receive a deferred annuity |
| 8. Years of Life Expectancy after Retirement:                                 | See Schedule 7.  |
| 9. Years of Life Expectancy after Disability:                                 | See Schedule 7.  |
| 10. Life Expectancy after Retirement for Employee Contribution Rate Purposes: |  |
| ♦ General Members:  | 1994 Group Annuity Table for Males, set back 3 years.  |
| ♦ Safety Members:   | 1994 Group Annuity Table for Males, with no setback.   |

- 11. Reciprocity Assumption: 50% of members who terminate with a vested benefit are assumed to enter a reciprocal system.
- 12. Deferral Age for Vested Terminations: 62 for General members; 55 for Safety.
- 13. Sex: All Safety members are assumed to be male.

## Schedule 2

### Summary of Major Plan Provisions

#### 1. Eligibility

First day of pay period following date of employment.

#### 2. Definition Of Salary

Highest 12 consecutive months of compensation earned for Tier 1 members and highest 36 consecutive months of compensation earned for Tier 2 and Tier 3 members.

#### 3. Service Retirement

*Normal retirement –*

Ages 57, 50 and 55 for Sections 31676.12, 31664, and 31664.2 respectively.

*Early retirement –*

Age 50 and 10 years of service, or any age with 30 years of service for General and any age with 20 years of service for Safety.

*Benefit –*

1/50 times salary per year of service for General, Probation, and Safety members (3% for Safety Section 31664.2 members)

*Benefit Adjustments -*

Reduced for retirements before 57, 50 and 55 for Sections 31676.12, 31664, and 31664.2 respectively.

Increased for retirements after 57, and 50 for Sections 31676.12, and 31664, respectively.

#### 4. Disability Retirement

*Nonservice connected (five years of service required) -*

1.8% of salary per year of service, with a maximum of 33-1/3% if projected service is used (ages 65 for General, age 55 for Safety), or 90% of the accrued service retirement benefit without a benefit adjustment, or service retirement benefit (if eligible).

*Service connected -*

Greater of 50% of salary and service retirement benefit (if eligible).

**5. Death Before Retirement**

Refund of contributions plus 1/12 of salary per year of service up to 6 years.

If eligible for disability or service retirement -  
60% of member's accrued allowance.

If service connected -  
50% of salary.

**6. Death After Retirement**

*Service retirement or ordinary disability* -  
60% of member's allowance payable to an eligible spouse.

*Service disability* -  
100% of member's allowance payable to an eligible spouse.

**7. Vesting**

After five years of service.  
Must leave contributions on deposit.

**8. Members' Contributions**

Based on entry age.

**9. Cost-Of-Living**

Maximum 3% COLA for all members depending on changes in prior year's CPI for the San Francisco-Oakland-San Jose Area.

### Schedule 3

#### Age and Service Distribution with Annual Average Salary of Active General Members as of June 30, 2010

#### MALES

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	3	1	0	0	0	0	0	4
	41,213	36,820	0	0	0	0	0	40,115
25-29	11	2	0	0	0	0	0	13
	41,555	47,341	0	0	0	0	0	42,445
30-34	14	4	1	0	0	0	0	19
	50,234	50,656	37,211	0	0	0	0	49,637
35-39	14	2	4	0	0	0	0	20
	58,646	45,053	52,609	0	0	0	0	56,079
40-44	17	9	4	2	0	0	0	32
	52,709	68,047	64,311	51,961	0	0	0	58,426
45-49	23	14	6	2	1	0	0	46
	53,059	67,695	55,699	53,283	63,648	0	0	58,098
50-54	19	23	16	5	4	0	0	67
	52,135	62,679	62,929	102,963	63,163	0	0	62,784
55-59	18	14	6	10	7	6	1	62
	51,598	53,605	56,190	65,810	66,150	66,326	58,757	57,972
60-64	11	15	10	6	4	1	1	48
	55,955	57,226	55,704	60,337	58,155	49,421	45,261	56,672
65-69	3	2	1	3	0	0	0	9
	48,632	43,212	59,720	75,919	0	0	0	57,755
70 & Over	1	0	2	0	0	0	0	3
	49,878	0	56,326	0	0	0	0	54,177
TOTAL	134	86	50	28	16	7	2	323
	51,881	59,550	58,250	70,471	63,248	63,911	52,009	57,345

**Schedule 3 (continued)****Age and Service Distribution with Annual Average Salary of Active General Members  
as of June 30, 2010****FEMALES**

CURRENT AGE	YEARS OF SERVICE						TOTAL	
	0-4	5-9	10-14	15-19	20-24	25-29		30 & Over
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	6	0	0	0	0	0	0	6
	35,771	0	0	0	0	0	0	35,771
25-29	38	2	0	0	0	0	0	40
	38,488	48,173	0	0	0	0	0	38,972
30-34	31	18	6	0	0	0	0	55
	44,720	53,211	48,489	0	0	0	0	47,910
35-39	36	24	14	2	0	0	0	76
	45,550	53,257	51,715	84,591	0	0	0	50,147
40-44	41	25	13	12	6	0	0	97
	48,151	48,505	47,566	54,723	59,381	0	0	49,672
45-49	38	23	19	10	3	3	1	97
	44,885	48,113	50,193	48,505	49,946	77,358	112,272	48,919
50-54	38	23	34	16	11	2	0	124
	50,728	45,487	59,576	62,517	63,382	43,673	0	54,712
55-59	42	29	27	18	14	3	9	142
	50,060	54,049	53,377	57,990	70,731	63,749	70,139	56,110
60-64	21	27	24	12	7	3	1	95
	49,832	52,200	56,320	56,648	69,830	63,084	58,576	54,989
65-69	2	7	3	1	0	1	0	14
	38,782	55,961	50,757	61,506	0	38,154	0	51,516
70 & Over	0	1	0	1	0	0	0	2
	0	45,864	0	68,137	0	0	0	57,001
TOTAL	293	179	140	72	41	12	11	748
	46,202	50,906	53,983	57,839	65,424	61,506	72,918	51,596

**Schedule 3 (continued)****Age and Service Distribution with Annual Average Salary of Active Probation Members as of June 30, 2010**

<b>TOTAL</b>								
<b>CURRENT AGE</b>	<b>YEARS OF SERVICE</b>							<b>TOTAL</b>
	<b>0-4</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30 &amp; Over</b>	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	8	0	0	0	0	0	0	8
	46,800	0	0	0	0	0	0	46,800
30-34	9	3	0	0	0	0	0	12
	43,844	52,176	0	0	0	0	0	45,927
35-39	1	2	1	0	0	0	0	4
	41,402	55,287	55,016	0	0	0	0	51,748
40-44	2	1	3	1	0	0	0	7
	46,777	52,395	55,016	53,741	0	0	0	52,105
45-49	1	2	0	2	0	0	0	5
	45,261	56,249	0	70,432	0	0	0	59,725
50-54	3	1	1	0	2	1	0	8
	50,877	55,046	45,385	0	57,845	97,735	0	58,311
55-59	2	0	0	1	0	1	0	4
	44,140	0	0	75,150	0	61,840	0	56,318
60-64	1	2	2	0	0	0	0	5
	45,261	50,097	59,216	0	0	0	0	52,777
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>27</b>	<b>11</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>53</b>
	<b>45,755</b>	<b>53,385</b>	<b>54,840</b>	<b>67,439</b>	<b>57,845</b>	<b>79,788</b>	<b>0</b>	<b>51,915</b>

**Schedule 3 (continued)****Age and Service Distribution with Annual Average Salary of Active Safety Members as of June 30, 2010****TOTAL**

CURRENT AGE	YEARS OF SERVICE							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	4	0	0	0	0	0	0	4
	54,267	0	0	0	0	0	0	54,267
25-29	6	0	0	0	0	0	0	6
	55,848	0	0	0	0	0	0	55,848
30-34	6	2	3	0	0	0	0	11
	55,423	74,587	71,056	0	0	0	0	63,171
35-39	6	8	7	0	0	0	0	21
	58,205	63,017	79,420	0	0	0	0	67,110
40-44	2	6	18	5	1	0	0	32
	55,038	62,729	68,283	83,014	85,906	0	0	69,266
45-49	8	5	6	3	5	3	0	30
	60,253	70,911	73,025	83,447	94,445	109,673	0	77,544
50-54	3	2	0	1	5	2	1	14
	60,410	56,619	0	76,669	83,609	113,384	106,367	80,166
55-59	2	2	2	1	1	0	0	8
	62,121	64,938	69,600	57,742	81,029	0	0	66,511
60-64	1	0	1	0	0	0	1	3
	69,325	0	71,034	0	0	0	79,184	73,181
65-69	0	0	1	0	0	0	0	1
	0	0	62,922	0	0	0	0	62,922
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL	38	25	38	10	12	5	2	130
	57,916	65,094	71,303	79,982	88,100	111,157	92,776	70,277

**Schedule 3 (continued)****Average Annual Benefit and Membership Distribution of Retired General Members as of June 30, 2010****MALES**

CURRENT AGE	YEARS OF RETIREMENT							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 45	3	1	0	0	0	0	0	4
	2,161	6,550	0	0	0	0	0	3,258
45-49	2	0	0	0	0	0	0	2
	15,122	0	0	0	0	0	0	15,122
50-54	17	1	0	2	1	0	0	21
	11,229	9,560	0	17,573	13,809	0	0	11,877
55-59	31	13	2	1	0	0	0	47
	20,443	9,296	18,339	13,455	0	0	0	17,122
60-64	50	26	12	5	0	1	1	95
	33,222	15,313	12,103	20,649	0	15,069	16,853	24,628
65-69	19	20	13	8	3	0	1	64
	19,629	26,330	12,956	16,746	20,542	0	15,273	19,982
70-74	6	13	14	6	4	1	0	44
	11,161	27,125	20,840	23,376	6,505	32,162	0	20,677
75-79	1	4	12	21	9	1	1	49
	9,110	2,697	26,410	24,290	16,806	14,128	8,874	20,840
80-84	4	1	5	7	6	5	1	29
	2,407	6,312	9,491	19,105	13,535	17,452	15,878	13,154
85 & Over	3	1	2	1	9	9	14	39
	2,652	8,893	8,770	17,016	28,893	23,655	16,871	19,501
TOTAL	136	80	60	51	32	17	18	394
	21,978	18,004	17,067	21,312	18,561	21,266	16,282	19,769

**Schedule 3 (continued)****Average Annual Benefit and Membership Distribution of Retired General Members as of June 30, 2010****FEMALES**

CURRENT AGE	YEARS OF RETIREMENT							TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Below 45	2	0	0	1	0	0	0	3
	10,026	0	0	16,488	0	0	0	12,180
45-49	5	3	0	2	0	0	0	10
	5,017	17,057	0	12,328	0	0	0	10,091
50-54	30	6	1	2	1	0	0	40
	9,881	11,834	4,543	14,065	3,779	0	0	10,097
55-59	44	25	5	1	0	0	0	75
	17,992	11,001	20,202	21,497	0	0	0	15,856
60-64	56	42	14	0	0	1	0	113
	19,140	12,630	9,368	0	0	14,499	0	15,469
65-69	38	25	15	8	2	0	0	88
	15,497	13,515	14,197	5,856	6,049	0	0	13,621
70-74	6	18	11	12	5	1	0	53
	8,327	13,934	10,278	7,317	5,956	11,304	0	10,240
75-79	6	8	12	18	9	6	2	61
	11,095	13,959	13,804	13,331	10,427	5,025	12,630	12,018
80-84	1	2	5	10	15	7	1	41
	17,209	21,321	15,769	18,882	10,403	10,011	8,568	13,712
85 & Over	3	6	5	3	3	14	12	46
	9,443	6,252	4,705	25,835	14,929	11,538	6,998	9,938
TOTAL	191	135	68	57	35	29	15	530
	15,476	12,653	12,217	12,837	9,724	9,916	7,854	13,155

**Schedule 3 (continued)****Average Annual Benefit and Membership Distribution of Retired Probation Members  
as of June 30, 2010**

<b>TOTAL</b>								
<b>CURRENT AGE</b>	<b>YEARS OF RETIREMENT</b>							<b>TOTAL</b>
	<b>0-4</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30 &amp; Over</b>	
Below 45	0	1	0	0	0	0	0	1
	0	23,897	0	0	0	0	0	23,897
45-49	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
50-54	4	0	0	0	0	0	0	4
	12,551	0	0	0	0	0	0	12,551
55-59	8	1	0	0	0	0	0	9
	21,820	22,262	0	0	0	0	0	21,869
60-64	5	5	0	0	0	0	0	10
	26,050	47,782	0	0	0	0	0	36,916
65-69	2	2	0	0	0	0	0	4
	26,658	20,414	0	0	0	0	0	23,536
70-74	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
75-79	1	0	0	0	0	0	0	1
	6,560	0	0	0	0	0	0	6,560
80-84	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
85 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
TOTAL	20	9	0	0	0	0	0	29
	20,745	36,211	0	0	0	0	0	25,544

**Schedule 3 (continued)****Average Annual Benefit and Membership Distribution of Retired Safety Members as of June 30, 2010**

		<b>TOTAL</b>							
<b>CURRENT AGE</b>	<b>YEARS OF RETIREMENT</b>							<b>TOTAL</b>	
	<b>0-4</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30 &amp; Over</b>		
Below 45	4	0	0	0	0	0	0	4	
	21,631	0	0	0	0	0	0	21,631	
45-49	2	0	2	1	0	0	0	5	
	14,137	0	24,222	20,989	0	0	0	19,541	
50-54	5	1	1	0	0	0	0	7	
	38,681	27,265	16,740	0	0	0	0	33,916	
55-59	14	1	2	2	0	2	0	21	
	49,632	32,478	14,857	20,722	0	15,623	0	39,511	
60-64	7	8	8	4	1	0	1	29	
	39,303	29,309	25,087	17,852	14,517	0	22,274	28,224	
65-69	3	5	10	2	8	1	1	30	
	30,156	28,501	27,703	13,612	24,401	25,855	28,276	26,219	
70-74	3	2	0	4	3	2	1	15	
	48,949	15,980	0	22,328	28,449	36,589	10,172	29,121	
75-79	1	2	1	2	1	5	0	12	
	3,586	16,396	30,752	20,339	11,521	22,480	0	19,311	
80-84	1	0	0	0	1	1	2	5	
	11,584	0	0	0	11,198	14,147	24,412	17,151	
85 & Over	0	0	0	0	1	0	1	2	
	0	0	0	0	7,734	0	5,286	6,510	
<b>TOTAL</b>	40	19	24	15	15	11	6	130	
	38,266	26,393	26,141	19,404	21,702	23,348	19,139	27,876	

## Schedule 4

### Summary of Annual Retirement Allowances as of June 30, 2010

GENERAL MEMBERS			
	Number		Annual Allowance
Service			
Males	312		\$ 6,721,917
Females	393		5,390,640
Total	<u>705</u>		<u>\$ 12,112,557</u>
Disability			
Males	52		\$ 934,776
Females	63		1,034,968
Total	<u>115</u>		<u>\$ 1,969,744</u>
Beneficiaries			
Males	30		\$ 132,156
Females	74		546,690
Total	<u>104</u>		<u>\$ 678,846</u>
Total	<u>924</u>		<u>\$ 14,761,147</u>
PROBATION MEMBERS			
	Number		Annual Allowance
Service			
Males	14		\$ 407,969
Females	12		302,204
Total	<u>26</u>		<u>\$ 710,173</u>
Disability			
Males	1		\$ 5,952
Females	1		23,897
Total	<u>2</u>		<u>\$ 29,849</u>
Beneficiaries			
Males	0		\$ 0
Females	1		762
Total	<u>1</u>		<u>\$ 762</u>
Total	<u>29</u>		<u>\$ 740,784</u>

**Schedule 4 (continued)****Summary of Annual Retirement Allowances as of June 30, 2010**

<b>SAFETY MEMBERS</b>			
	<b>Number</b>		<b>Annual Allowance</b>
Service			
Males	44		\$ 1,440,677
Females	4		116,072
Total	<u>48</u>		<u>\$ 1,556,749</u>
Disability			
Males	50		\$ 1,714,505
Females	4		78,119
Total	<u>54</u>		<u>\$ 1,792,624</u>
Beneficiaries			
Males	3		\$ 31,366
Females	25		242,991
Total	<u>28</u>		<u>\$ 274,357</u>
Total	<u>130</u>		<u>\$ 3,623,730</u>
<b>TOTAL</b>			
	<b>Number</b>		<b>Annual Allowance</b>
Service			
Males	370		\$ 8,570,563
Females	409		5,808,916
Total	<u>779</u>		<u>\$ 14,379,479</u>
Disability			
Males	103		\$ 2,655,233
Females	68		1,136,984
Total	<u>171</u>		<u>\$ 3,792,217</u>
Beneficiaries			
Males	33		\$ 163,522
Females	100		790,433
Total	<u>133</u>		<u>\$ 953,965</u>
Total	<u>1,083</u>		<u>\$ 19,125,661</u>

## Schedule 5

### General Members' Contribution Rates (expressed as a percentage of biweekly compensation)

#### CURRENT

Entry Age	Tier 1 - Section 31676.12 FAS = 1 year						Tier 2 & 3 - Section 31676.12 FAS = 3 year					
	Basic			COL			Basic			COL		
	First	\$161.54	Over \$161.54	First	\$161.54	Over \$161.54	First	\$161.54	Over \$161.54	First	\$161.54	Over \$161.54
16	4.10	6.15	1.24	1.86	3.90	5.85	1.18	1.77				
17	4.11	6.17	1.25	1.87	3.91	5.86	1.18	1.78				
18	4.12	6.18	1.25	1.87	3.92	5.88	1.19	1.78				
19	4.13	6.20	1.25	1.88	3.93	5.90	1.19	1.79				
20	4.15	6.23	1.26	1.89	3.95	5.92	1.20	1.79				
21	4.17	6.26	1.26	1.90	3.97	5.95	1.20	1.80				
22	4.19	6.29	1.27	1.91	3.99	5.98	1.21	1.81				
23	4.22	6.33	1.28	1.92	4.01	6.01	1.22	1.82				
24	4.25	6.37	1.29	1.93	4.04	6.06	1.22	1.84				
25	4.28	6.42	1.30	1.95	4.07	6.10	1.23	1.85				
26	4.31	6.47	1.31	1.96	4.10	6.15	1.24	1.86				
27	4.35	6.53	1.32	1.98	4.13	6.20	1.25	1.88				
28	4.39	6.59	1.33	2.00	4.17	6.26	1.26	1.90				
29	4.43	6.65	1.34	2.01	4.21	6.32	1.28	1.91				
30	4.49	6.73	1.36	2.04	4.26	6.39	1.29	1.94				
31	4.53	6.80	1.37	2.06	4.31	6.47	1.31	1.96				
32	4.59	6.89	1.39	2.09	4.37	6.55	1.32	1.98				
33	4.65	6.97	1.41	2.11	4.42	6.63	1.34	2.01				
34	4.71	7.07	1.43	2.14	4.48	6.72	1.36	2.04				
35	4.78	7.17	1.45	2.17	4.54	6.81	1.38	2.06				
36	4.85	7.27	1.47	2.20	4.61	6.91	1.40	2.09				
37	4.91	7.37	1.49	2.23	4.67	7.01	1.42	2.12				
38	4.99	7.48	1.51	2.27	4.74	7.11	1.44	2.15				
39	5.05	7.58	1.53	2.30	4.81	7.21	1.46	2.18				
40	5.13	7.69	1.55	2.33	4.87	7.31	1.48	2.21				
41	5.20	7.80	1.58	2.36	4.94	7.41	1.50	2.25				
42	5.27	7.90	1.60	2.39	5.01	7.51	1.52	2.28				
43	5.34	8.01	1.62	2.43	5.08	7.62	1.54	2.31				
44	5.41	8.12	1.64	2.46	5.15	7.72	1.56	2.34				
45	5.49	8.23	1.66	2.49	5.22	7.83	1.58	2.37				
46	5.57	8.35	1.69	2.53	5.29	7.93	1.60	2.40				
47	5.64	8.46	1.71	2.56	5.36	8.04	1.62	2.44				
48	5.72	8.58	1.73	2.60	5.43	8.15	1.65	2.47				
49	5.79	8.69	1.75	2.63	5.51	8.26	1.67	2.50				
50	5.87	8.81	1.78	2.67	5.58	8.37	1.69	2.54				
51	5.95	8.93	1.80	2.71	5.65	8.48	1.71	2.57				
52	6.03	9.05	1.83	2.74	5.73	8.60	1.74	2.61				
53	6.11	9.17	1.85	2.78	5.81	8.71	1.76	2.64				
54	6.19	9.29	1.88	2.81	5.89	8.83	1.78	2.68				
55	6.27	9.41	1.90	2.85	5.96	8.94	1.81	2.71				
56	6.35	9.53	1.92	2.89	6.04	9.06	1.83	2.75				
57	6.44	9.66	1.95	2.93	6.12	9.18	1.85	2.78				
58	6.52	9.78	1.98	2.96	6.20	9.30	1.88	2.82				
59	6.61	9.91	2.00	3.00	6.27	9.41	1.90	2.85				
& over												

INTEREST: 8.00%  
 INFLATION: 4.00%  
 COLA: 3.00%  
 MORTALITY: 94 GA (Male, -3)

\* 30.30% of basic rates.

## Schedule 5 (continued)

## Probation Members' Contribution Rates (expressed as a percentage of biweekly compensation)

## CURRENT

Entry Age	Tier 1 - Section 31664 FAS = 1 year				Tier 2 - Section 31664 FAS = 3 year			
	Basic		COL		Basic		COL	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
18	5.07	7.60	2.98	4.47	4.82	7.23	2.83	4.25
19	5.10	7.65	3.00	4.50	4.85	7.27	2.85	4.27
20	5.13	7.70	3.02	4.53	4.88	7.32	2.87	4.30
21	5.17	7.76	3.04	4.56	4.91	7.37	2.89	4.33
22	5.21	7.82	3.06	4.60	4.95	7.43	2.91	4.37
23	5.25	7.88	3.09	4.63	4.99	7.49	2.93	4.40
24	5.30	7.95	3.12	4.67	5.03	7.55	2.96	4.44
25	5.35	8.02	3.15	4.71	5.08	7.62	2.99	4.48
26	5.39	8.09	3.17	4.76	5.13	7.69	3.02	4.52
27	5.45	8.17	3.20	4.80	5.18	7.77	3.05	4.57
28	5.51	8.26	3.24	4.86	5.23	7.85	3.07	4.62
29	5.56	8.34	3.27	4.90	5.29	7.93	3.11	4.66
30	5.63	8.44	3.31	4.96	5.35	8.02	3.15	4.71
31	5.69	8.53	3.35	5.01	5.41	8.11	3.18	4.77
32	5.76	8.64	3.39	5.08	5.47	8.21	3.22	4.83
33	5.83	8.74	3.43	5.14	5.54	8.31	3.26	4.89
34	5.90	8.85	3.47	5.20	5.61	8.41	3.30	4.94
35	5.98	8.97	3.52	5.27	5.68	8.52	3.34	5.01
36	6.06	9.09	3.56	5.34	5.76	8.64	3.39	5.08
37	6.14	9.21	3.61	5.41	5.84	8.76	3.43	5.15
38	6.23	9.34	3.66	5.49	5.92	8.88	3.48	5.22
39	6.31	9.47	3.71	5.57	6.00	9.00	3.53	5.29
40	6.39	9.59	3.76	5.64	6.08	9.12	3.57	5.36
41	6.48	9.72	3.81	5.71	6.16	9.24	3.62	5.43
42	6.57	9.85	3.86	5.79	6.24	9.36	3.67	5.50
43	6.65	9.98	3.91	5.87	6.33	9.49	3.72	5.58
44	6.74	10.11	3.96	5.94	6.41	9.61	3.77	5.65
45	6.83	10.25	4.02	6.03	6.49	9.74	3.82	5.73
46	6.92	10.38	4.07	6.10	6.58	9.87	3.87	5.80
47	7.01	10.52	4.12	6.18	6.67	10.00	3.92	5.88
48	7.10	10.65	4.17	6.26	6.75	10.12	3.97	5.95
49	7.19	10.79	4.23	6.34	6.83	10.25	4.02	6.03
& over								
INTEREST:		8.00%						
INFLATION:		4.00%						
COLA:		3.00%						

MORTALITY: 94 GA (Male,0)

\*58.79% of basic rates.

## Schedule 5 (continued)

## Safety Members' Contribution Rates (expressed as a percentage of biweekly compensation)

## CURRENT

Entry Age	Tier 1 - Section 31664.2 FAS = 1 year				Tier 2 - Section 31664.2 FAS = 3 year			
	Basic		COL		Basic		COL	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
18	5.07	7.60	1.21	2.63	4.82	7.23	1.07	2.42
19	5.10	7.65	1.23	2.66	4.85	7.27	1.09	2.45
20	5.13	7.70	1.25	2.69	4.88	7.32	1.11	2.47
21	5.17	7.76	1.27	2.72	4.91	7.37	1.12	2.50
22	5.21	7.82	1.29	2.75	4.95	7.43	1.14	2.54
23	5.25	7.88	1.31	2.79	4.99	7.49	1.17	2.57
24	5.30	7.95	1.34	2.83	5.03	7.55	1.19	2.60
25	5.35	8.02	1.37	2.87	5.08	7.62	1.22	2.64
26	5.39	8.09	1.39	2.91	5.13	7.69	1.25	2.68
27	5.45	8.17	1.43	2.95	5.18	7.77	1.27	2.73
28	5.51	8.26	1.46	3.00	5.23	7.85	1.30	2.77
29	5.56	8.34	1.49	3.05	5.29	7.93	1.34	2.82
30	5.63	8.44	1.53	3.10	5.35	8.02	1.37	2.87
31	5.69	8.53	1.56	3.15	5.41	8.11	1.40	2.92
32	5.76	8.64	1.60	3.21	5.47	8.21	1.44	2.97
33	5.83	8.74	1.64	3.27	5.54	8.31	1.48	3.03
34	5.90	8.85	1.68	3.33	5.61	8.41	1.51	3.08
35	5.98	8.97	1.72	3.40	5.68	8.52	1.55	3.15
36	6.06	9.09	1.77	3.47	5.76	8.64	1.60	3.21
37	6.14	9.21	1.81	3.53	5.84	8.76	1.64	3.28
38	6.23	9.34	1.86	3.61	5.92	8.88	1.69	3.35
39	6.31	9.47	1.91	3.68	6.00	9.00	1.73	3.42
40	6.39	9.59	1.95	3.75	6.08	9.12	1.78	3.48
41	6.48	9.72	2.00	3.82	6.16	9.24	1.82	3.55
42	6.57	9.85	2.05	3.89	6.24	9.36	1.87	3.62
43	6.65	9.98	2.10	3.96	6.33	9.49	1.92	3.69
44	6.74	10.11	2.15	4.04	6.41	9.61	1.96	3.76
45	6.83	10.25	2.20	4.12	6.49	9.74	2.01	3.83
46	6.92	10.38	2.25	4.19	6.58	9.87	2.06	3.90
47	7.01	10.52	2.30	4.27	6.67	10.00	2.11	3.98
48	7.10	10.65	2.35	4.34	6.75	10.12	2.15	4.04
49	7.19	10.79	2.40	4.42	6.83	10.25	2.20	4.12
& over								

INTEREST:	8.00%
INFLATION:	4.00%
COLA:	3.00%
MORTALITY:	94 GA (Male,0)

56.06% of basic rates.

\* COL Rate offset by 1.63% - picked up by the County.

**Schedule 5 (continued)****General Members' Contribution Rates (expressed as a percentage of biweekly compensation)****RECOMMENDED**

Entry Age	Tier 1 – Section 31676.12 FAS = 1 year				Tier 2 & Tier 3 – Section 31676.12 FAS = 3 years			
	Basic		COL*		Basic		COL*	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
16	4.10	6.15	1.27	1.91	3.90	5.85	1.21	1.82
17	4.11	6.17	1.28	1.92	3.91	5.86	1.22	1.82
18	4.12	6.18	1.28	1.92	3.92	5.88	1.22	1.83
19	4.13	6.20	1.28	1.93	3.93	5.90	1.22	1.83
20	4.15	6.23	1.29	1.94	3.95	5.92	1.23	1.84
21	4.17	6.26	1.30	1.95	3.97	5.95	1.23	1.85
22	4.19	6.29	1.30	1.95	3.99	5.98	1.24	1.86
23	4.22	6.33	1.31	1.97	4.01	6.01	1.25	1.87
24	4.25	6.37	1.32	1.98	4.04	6.06	1.26	1.88
25	4.28	6.42	1.33	2.00	4.07	6.10	1.26	1.90
26	4.31	6.47	1.34	2.01	4.10	6.15	1.27	1.91
27	4.35	6.53	1.35	2.03	4.13	6.20	1.28	1.93
28	4.39	6.59	1.36	2.05	4.17	6.26	1.30	1.95
29	4.43	6.65	1.38	2.07	4.21	6.32	1.31	1.96
30	4.49	6.73	1.40	2.09	4.26	6.39	1.32	1.99
31	4.53	6.80	1.41	2.11	4.31	6.47	1.34	2.01
32	4.59	6.89	1.43	2.14	4.37	6.55	1.36	2.04
33	4.65	6.97	1.45	2.17	4.42	6.63	1.37	2.06
34	4.71	7.07	1.46	2.20	4.48	6.72	1.39	2.09
35	4.78	7.17	1.49	2.23	4.54	6.81	1.41	2.12
36	4.85	7.27	1.51	2.26	4.61	6.91	1.43	2.15
37	4.91	7.37	1.53	2.29	4.67	7.01	1.45	2.18
38	4.99	7.48	1.55	2.32	4.74	7.11	1.47	2.21
39	5.05	7.58	1.57	2.36	4.81	7.21	1.49	2.24
40	5.13	7.69	1.59	2.39	4.87	7.31	1.51	2.27
41	5.20	7.80	1.62	2.42	4.94	7.41	1.54	2.30
42	5.27	7.90	1.64	2.46	5.01	7.51	1.56	2.33
43	5.34	8.01	1.66	2.49	5.08	7.62	1.58	2.37
44	5.41	8.12	1.68	2.52	5.15	7.72	1.60	2.40
45	5.49	8.23	1.71	2.56	5.22	7.83	1.62	2.43
46	5.57	8.35	1.73	2.60	5.29	7.93	1.64	2.46
47	5.64	8.46	1.75	2.63	5.36	8.04	1.67	2.50
48	5.72	8.58	1.78	2.67	5.43	8.15	1.69	2.53
49	5.79	8.69	1.80	2.70	5.51	8.26	1.71	2.57
50	5.87	8.81	1.82	2.74	5.58	8.37	1.73	2.60
51	5.95	8.93	1.85	2.78	5.65	8.48	1.76	2.64
52	6.03	9.05	1.87	2.81	5.73	8.60	1.78	2.67
53	6.11	9.17	1.90	2.85	5.81	8.71	1.81	2.71
54	6.19	9.29	1.92	2.89	5.89	8.83	1.83	2.74
55	6.27	9.41	1.95	2.92	5.96	8.94	1.85	2.78
56	6.35	9.53	1.97	2.96	6.04	9.06	1.88	2.82
57	6.44	9.66	2.00	3.00	6.12	9.18	1.90	2.85
58	6.52	9.78	2.03	3.04	6.20	9.30	1.93	2.89
59	6.61	9.91	2.05	3.08	6.27	9.41	1.95	2.92
& over								
INTEREST:			8.00%					
INFLATION:			4.00%					
COLA:			3.00%					
MORTALITY:			94 GA (Male, -3)					
* 31.08% of basic rates.								

## Schedule 5 (continued)

### Probation Members' Contribution Rates (expressed as a percentage of biweekly compensation)

#### RECOMMENDED

Entry Age	Tier 1 – Section 31664 FAS = 1 year				Tier 2 – Section 31664 FAS = 3 years			
	Basic		COL*		Basic		COL*	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
18	5.07	7.60	2.38	3.56	4.82	7.23	2.26	3.39
19	5.10	7.65	2.39	3.59	4.85	7.27	2.27	3.41
20	5.13	7.70	2.40	3.61	4.88	7.32	2.29	3.43
21	5.17	7.76	2.42	3.64	4.91	7.37	2.30	3.45
22	5.21	7.82	2.44	3.67	4.95	7.43	2.32	3.48
23	5.25	7.88	2.46	3.69	4.99	7.49	2.34	3.51
24	5.30	7.95	2.48	3.73	5.03	7.55	2.36	3.54
25	5.35	8.02	2.51	3.76	5.08	7.62	2.38	3.57
26	5.39	8.09	2.53	3.79	5.13	7.69	2.40	3.60
27	5.45	8.17	2.55	3.83	5.18	7.77	2.43	3.64
28	5.51	8.26	2.58	3.87	5.23	7.85	2.45	3.68
29	5.56	8.34	2.61	3.91	5.29	7.93	2.48	3.72
30	5.63	8.44	2.64	3.96	5.35	8.02	2.51	3.76
31	5.69	8.53	2.67	4.00	5.41	8.11	2.54	3.80
32	5.76	8.64	2.70	4.05	5.47	8.21	2.56	3.85
33	5.83	8.74	2.73	4.10	5.54	8.31	2.60	3.89
34	5.90	8.85	2.77	4.15	5.61	8.41	2.63	3.94
35	5.98	8.97	2.80	4.20	5.68	8.52	2.66	3.99
36	6.06	9.09	2.84	4.26	5.76	8.64	2.70	4.05
37	6.14	9.21	2.88	4.32	5.84	8.76	2.74	4.11
38	6.23	9.34	2.92	4.38	5.92	8.88	2.77	4.16
39	6.31	9.47	2.96	4.44	6.00	9.00	2.81	4.22
40	6.39	9.59	2.99	4.49	6.08	9.12	2.85	4.27
41	6.48	9.72	3.04	4.56	6.16	9.24	2.89	4.33
42	6.57	9.85	3.08	4.62	6.24	9.36	2.92	4.39
43	6.65	9.98	3.12	4.68	6.33	9.49	2.97	4.45
44	6.74	10.11	3.16	4.74	6.41	9.61	3.00	4.50
45	6.83	10.25	3.20	4.80	6.49	9.74	3.04	4.57
46	6.92	10.38	3.24	4.87	6.58	9.87	3.08	4.63
47	7.01	10.52	3.29	4.93	6.67	10.00	3.13	4.69
48	7.10	10.65	3.33	4.99	6.75	10.12	3.16	4.74
49	7.19	10.79	3.37	5.06	6.83	10.25	3.20	4.80
& over								

INTEREST: 8.00%

INFLATION: 4.00%

COLA: 3.00%

MORTALITY: 94 GA (Male, 0)

\* 46.87% of basic rates.

## Schedule 5 (continued)

## Safety Members' Contribution Rates (expressed as a percentage of biweekly compensation)

## RECOMMENDED

Entry Age	Tier 1 – Section 31664 FAS = 1 year				Tier 2 – Section 31664 FAS = 3 years			
	Basic		COL*		Basic		COL*	
	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54	First \$161.54	Over \$161.54
18	5.07	7.60	1.35	2.84	4.82	7.23	1.21	2.63
19	5.10	7.65	1.37	2.87	4.85	7.27	1.22	2.65
20	5.13	7.70	1.39	2.90	4.88	7.32	1.24	2.68
21	5.17	7.76	1.41	2.94	4.91	7.37	1.26	2.71
22	5.21	7.82	1.44	2.97	4.95	7.43	1.28	2.74
23	5.25	7.88	1.46	3.01	4.99	7.49	1.31	2.78
24	5.30	7.95	1.49	3.05	5.03	7.55	1.33	2.81
25	5.35	8.02	1.52	3.09	5.08	7.62	1.36	2.86
26	5.39	8.09	1.54	3.13	5.13	7.69	1.39	2.90
27	5.45	8.17	1.58	3.18	5.18	7.77	1.42	2.94
28	5.51	8.26	1.61	3.23	5.23	7.85	1.45	2.99
29	5.56	8.34	1.64	3.28	5.29	7.93	1.48	3.04
30	5.63	8.44	1.68	3.34	5.35	8.02	1.52	3.09
31	5.69	8.53	1.72	3.39	5.41	8.11	1.55	3.14
32	5.76	8.64	1.76	3.46	5.47	8.21	1.59	3.20
33	5.83	8.74	1.80	3.51	5.54	8.31	1.63	3.26
34	5.90	8.85	1.84	3.58	5.61	8.41	1.67	3.32
35	5.98	8.97	1.89	3.65	5.68	8.52	1.71	3.38
36	6.06	9.09	1.94	3.72	5.76	8.64	1.76	3.46
37	6.14	9.21	1.98	3.79	5.84	8.76	1.81	3.53
38	6.23	9.34	2.04	3.87	5.92	8.88	1.85	3.60
39	6.31	9.47	2.08	3.94	6.00	9.00	1.90	3.67
40	6.39	9.59	2.13	4.01	6.08	9.12	1.95	3.74
41	6.48	9.72	2.18	4.09	6.16	9.24	2.00	3.81
42	6.57	9.85	2.24	4.17	6.24	9.36	2.04	3.88
43	6.65	9.98	2.28	4.24	6.33	9.49	2.10	3.96
44	6.74	10.11	2.34	4.32	6.41	9.61	2.14	4.03
45	6.83	10.25	2.39	4.40	6.49	9.74	2.19	4.10
46	6.92	10.38	2.44	4.48	6.58	9.87	2.24	4.18
47	7.01	10.52	2.50	4.56	6.67	10.00	2.30	4.26
48	7.10	10.65	2.55	4.64	6.75	10.12	2.34	4.33
49	7.19	10.79	2.60	4.72	6.83	10.25	2.39	4.40
& over								

INTEREST: 8.00%  
 INFLATION: 4.00%  
 COLA: 3.00%  
 MORTALITY: 94 GA (Male, 0)

\* 58.86% of basic rates.

\* COL Rate offset by 1.63% - picked up by the County.

## Schedule 6

### Probabilities of Separation From Active Service

The following pages indicate the probability of separation from active service for each of eight separate sources of termination:

<b>Withdrawal:</b>	member terminates and elects refund of member contributions.
<b>Vested termination:</b>	member terminates and contributions are left on deposit.
<b>Ordinary death:</b>	member dies prior to eligibility for retirement; death not employment-related.
<b>Ordinary disability:</b>	member becomes disabled prior to retirement; disability not employment-related.
<b>Service retirement:</b>	member retires for reasons other than duty disability.
<b>Duty disability:</b>	member becomes disabled prior to retirement; disability is employment-related.
<b>Duty death:</b>	member dies prior to retirement; death is employment-related.
<b>Death while eligible:</b>	member dies while eligible for retirement ; death not duty related

The probabilities shown for each cause of termination represent the probability that a given member will terminate at a particular age for the indicated reason. For example, if the probability of withdrawal at age 25 is .1410, then we are assuming that 14.10% of the active members at age 25 will terminate without vested rights during the next year.

## Schedule 6 (continued)

### Probabilities of Separation From Active Service

#### GENERAL MEMBERS – MALES (CURRENT)

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.21120	0.00040	0.00000	0.00000	0.00000	0.00010	0.00014	0.01800
21	0.20724	0.00040	0.00000	0.00000	0.00000	0.00010	0.00014	0.02700
22	0.20196	0.00040	0.00000	0.00000	0.00000	0.00010	0.00014	0.02880
23	0.19668	0.00050	0.00000	0.00000	0.00000	0.00010	0.00014	0.03060
24	0.19140	0.00050	0.00000	0.00000	0.00000	0.00010	0.00014	0.03240
25	0.18612	0.00050	0.00003	0.00000	0.00010	0.00010	0.00029	0.03420
26	0.17952	0.00050	0.00003	0.00000	0.00010	0.00010	0.00029	0.03600
27	0.17292	0.00050	0.00006	0.00000	0.00010	0.00010	0.00029	0.04050
28	0.16500	0.00060	0.00006	0.00000	0.00010	0.00010	0.00043	0.04500
29	0.15576	0.00060	0.00009	0.00000	0.00010	0.00010	0.00043	0.04950
30	0.14520	0.00060	0.00013	0.00000	0.00020	0.00010	0.00043	0.05400
31	0.13332	0.00060	0.00016	0.00000	0.00020	0.00010	0.00058	0.05400
32	0.12276	0.00060	0.00020	0.00000	0.00020	0.00010	0.00058	0.05220
33	0.11484	0.00070	0.00026	0.00000	0.00020	0.00010	0.00072	0.04860
34	0.11220	0.00070	0.00032	0.00000	0.00030	0.00010	0.00072	0.04320
35	0.11088	0.00080	0.00038	0.00000	0.00030	0.00020	0.00072	0.03780
36	0.10956	0.00080	0.00048	0.00000	0.00030	0.00020	0.00072	0.03060
37	0.10956	0.00090	0.00058	0.00000	0.00030	0.00020	0.00087	0.02520
38	0.10824	0.00090	0.00067	0.00000	0.00040	0.00020	0.00101	0.02520
39	0.10692	0.00100	0.00077	0.00000	0.00040	0.00020	0.00116	0.02520
40	0.10296	0.00100	0.00086	0.00000	0.00040	0.00020	0.00130	0.05040
41	0.09504	0.00110	0.00099	0.00000	0.00050	0.00020	0.00145	0.05040
42	0.08712	0.00110	0.00111	0.00000	0.00050	0.00020	0.00159	0.05040
43	0.07920	0.00120	0.00124	0.00000	0.00050	0.00020	0.00173	0.05040
44	0.07260	0.00120	0.00140	0.00000	0.00050	0.00020	0.00202	0.05040
45	0.06600	0.00120	0.00156	0.00000	0.00060	0.00020	0.00231	0.04680
46	0.05940	0.00130	0.00173	0.00000	0.00070	0.00020	0.00260	0.04320
47	0.05280	0.00130	0.00185	0.00000	0.00080	0.00020	0.00289	0.03960
48	0.04752	0.00140	0.00201	0.00000	0.00090	0.00020	0.00332	0.04680
49	0.04356	0.00140	0.00220	0.00000	0.00100	0.00020	0.00376	0.05400
50	0.03960	0.00150	0.00239	0.03000	0.00110	0.00020	0.00434	0.06120
51	0.03696	0.00150	0.00258	0.03000	0.00130	0.00020	0.00491	0.06120
52	0.03564	0.00160	0.00275	0.03000	0.00150	0.00020	0.00549	0.05400
53	0.03432	0.00170	0.00293	0.03000	0.00170	0.00020	0.00607	0.03600
54	0.03300	0.00180	0.00309	0.03000	0.00190	0.00020	0.00665	0.00900
55	0.03168	0.00190	0.00328	0.09000	0.00210	0.00020	0.00723	0.02160
56	0.02904	0.00200	0.00348	0.06000	0.00230	0.00020	0.00780	0.00540
57	0.02640	0.00210	0.00364	0.06000	0.00250	0.00020	0.00853	0.00360
58	0.02376	0.00220	0.00379	0.06000	0.00270	0.00020	0.00925	0.00180
59	0.06336	0.00230	0.00392	0.07500	0.00290	0.00020	0.00997	0.00180
60	0.05544	0.00240	0.00405	0.07500	0.00310	0.00020	0.01069	0.00900
61	0.07920	0.00250	0.00415	0.09750	0.00330	0.00020	0.01156	0.01800
62	0.06600	0.00260	0.00427	0.11250	0.00350	0.00020	0.01243	0.00180
63	0.01056	0.00270	0.00437	0.05625	0.00370	0.00020	0.01329	0.00180
64	0.00792	0.00280	0.00446	0.09375	0.00390	0.00020	0.01416	0.00180
65	0.00000	0.00290	0.00452	0.26250	0.00410	0.00020	0.00000	0.00000
66	0.00000	0.00300	0.00462	0.30000	0.00430	0.00020	0.00000	0.00000
67	0.00000	0.00310	0.00468	0.31875	0.00450	0.00020	0.00000	0.00000
68	0.00000	0.00320	0.00475	0.33750	0.00470	0.00020	0.00000	0.00000
69	0.00000	0.00330	0.00478	0.35625	0.00490	0.00020	0.00000	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

## Schedule 6 (continued)

## Probabilities of Separation From Active Service

## GENERAL MEMBERS – FEMALES (CURRENT)

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.25000	0.00026	0.00000	0.00000	0.00000	0.00010	0.00028	0.01699
21	0.22500	0.00026	0.00000	0.00000	0.00000	0.00010	0.00028	0.01714
22	0.20000	0.00026	0.00000	0.00000	0.00000	0.00010	0.00028	0.01728
23	0.17500	0.00026	0.00000	0.00000	0.00000	0.00010	0.00028	0.01742
24	0.16000	0.00026	0.00000	0.00000	0.00000	0.00010	0.00028	0.01771
25	0.15000	0.00039	0.00008	0.00000	0.00010	0.00010	0.00028	0.01800
26	0.14000	0.00039	0.00008	0.00000	0.00010	0.00010	0.00028	0.01829
27	0.13500	0.00039	0.00008	0.00000	0.00010	0.00010	0.00028	0.01858
28	0.13200	0.00039	0.00008	0.00000	0.00010	0.00010	0.00028	0.01886
29	0.13000	0.00039	0.00008	0.00000	0.00010	0.00010	0.00028	0.01901
30	0.12900	0.00052	0.00017	0.00000	0.00010	0.00010	0.00028	0.03888
31	0.12700	0.00052	0.00017	0.00000	0.00010	0.00010	0.00028	0.03974
32	0.12500	0.00052	0.00025	0.00000	0.00010	0.00010	0.00028	0.04060
33	0.12000	0.00052	0.00025	0.00000	0.00010	0.00010	0.00028	0.04176
34	0.11500	0.00052	0.00034	0.00000	0.00010	0.00010	0.00028	0.04262
35	0.11000	0.00065	0.00034	0.00000	0.00020	0.00010	0.00028	0.04464
36	0.10500	0.00065	0.00042	0.00000	0.00020	0.00010	0.00028	0.04580
37	0.10000	0.00065	0.00042	0.00000	0.00020	0.00010	0.00028	0.04608
38	0.09500	0.00078	0.00050	0.00000	0.00020	0.00010	0.00028	0.04550
39	0.09200	0.00078	0.00059	0.00000	0.00020	0.00010	0.00058	0.04492
40	0.09000	0.00078	0.00067	0.00000	0.00020	0.00010	0.00058	0.04464
41	0.08800	0.00078	0.00076	0.00000	0.00020	0.00010	0.00058	0.04464
42	0.08600	0.00078	0.00084	0.00000	0.00020	0.00010	0.00058	0.04464
43	0.08400	0.00091	0.00101	0.00000	0.00020	0.00010	0.00087	0.04608
44	0.08100	0.00091	0.00126	0.00000	0.00030	0.00010	0.00087	0.04608
45	0.07800	0.00091	0.00151	0.00000	0.00030	0.00010	0.00115	0.04608
46	0.07400	0.00104	0.00176	0.00000	0.00030	0.00010	0.00145	0.04464
47	0.06900	0.00104	0.00210	0.00000	0.00040	0.00010	0.00173	0.04320
48	0.06300	0.00104	0.00235	0.00000	0.00040	0.00010	0.00200	0.04176
49	0.05700	0.00117	0.00252	0.00000	0.00050	0.00010	0.00230	0.04032
50	0.05100	0.00117	0.00269	0.03000	0.00050	0.00010	0.00258	0.03744
51	0.04000	0.00130	0.00286	0.03000	0.00060	0.00010	0.00288	0.03168
52	0.03300	0.00130	0.00302	0.03000	0.00070	0.00010	0.00315	0.02592
53	0.02900	0.00143	0.00336	0.03000	0.00080	0.00010	0.00345	0.03456
54	0.02600	0.00143	0.00361	0.03000	0.00090	0.00010	0.00375	0.03024
55	0.02400	0.00143	0.00378	0.03000	0.00100	0.00010	0.00403	0.02721
56	0.02200	0.00156	0.00403	0.03000	0.00110	0.00010	0.00432	0.02376
57	0.06000	0.00156	0.00428	0.03000	0.00120	0.00010	0.00460	0.02031
58	0.05400	0.00169	0.00454	0.06000	0.00130	0.00010	0.00490	0.01686
59	0.04800	0.00169	0.00487	0.06000	0.00140	0.00010	0.00518	0.01296
60	0.04200	0.00182	0.00512	0.06000	0.00150	0.00010	0.00547	0.00864
61	0.03600	0.00182	0.00546	0.10000	0.00160	0.00010	0.00575	0.00864
62	0.03000	0.00195	0.00580	0.15000	0.00170	0.00010	0.00603	0.01152
63	0.02400	0.00195	0.00613	0.07500	0.00180	0.00010	0.00633	0.01152
64	0.01800	0.00208	0.00647	0.07500	0.00190	0.00010	0.00662	0.01152
65	0.00000	0.00208	0.00680	0.25000	0.00200	0.00010	0.00690	0.00000
66	0.00000	0.00221	0.00714	0.30000	0.00210	0.00010	0.00718	0.00000
67	0.00000	0.00221	0.00756	0.30000	0.00220	0.00010	0.00748	0.00000
68	0.00000	0.00234	0.00840	0.45000	0.00230	0.00010	0.00777	0.00000
69	0.00000	0.00234	0.00924	0.47500	0.00240	0.00010	0.00805	0.00000
70	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

## Schedule 6 (continued)

### PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

#### PROBATION MEMBERS (CURRENT)

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.18750	0.00030	0.00010	0.00000	0.00000	0.00100	0.00238	0.00000
21	0.18000	0.00030	0.00010	0.00000	0.00000	0.00100	0.00270	0.00000
22	0.17250	0.00030	0.00020	0.00000	0.00000	0.00100	0.00302	0.00000
23	0.16500	0.00030	0.00030	0.00000	0.00000	0.00100	0.00335	0.00000
24	0.15600	0.00030	0.00030	0.00000	0.00000	0.00100	0.00367	0.00000
25	0.14400	0.00040	0.00040	0.00000	0.00010	0.00100	0.00400	0.01350
26	0.13200	0.00040	0.00050	0.00000	0.00010	0.00100	0.00432	0.02025
27	0.12150	0.00040	0.00060	0.00000	0.00010	0.00100	0.00475	0.02700
28	0.11250	0.00040	0.00080	0.00000	0.00010	0.00100	0.00518	0.03375
29	0.10650	0.00040	0.00080	0.00000	0.00010	0.00100	0.00562	0.04050
30	0.10350	0.00050	0.00090	0.00000	0.00020	0.00100	0.00605	0.04725
31	0.09750	0.00050	0.00090	0.00000	0.00020	0.00100	0.00659	0.05400
32	0.08850	0.00050	0.00100	0.00000	0.00020	0.00100	0.00734	0.06075
33	0.08100	0.00050	0.00110	0.00000	0.00020	0.00110	0.00810	0.06750
34	0.07350	0.00060	0.00130	0.00000	0.00020	0.00110	0.00896	0.07425
35	0.06600	0.00060	0.00150	0.00000	0.00030	0.00110	0.00983	0.07425
36	0.06000	0.00060	0.00170	0.00000	0.00030	0.00110	0.01069	0.07761
37	0.05550	0.00060	0.00200	0.00000	0.00030	0.00120	0.01166	0.08100
38	0.05100	0.00070	0.00250	0.00000	0.00030	0.00120	0.01264	0.08100
39	0.04650	0.00070	0.00300	0.00000	0.00040	0.00120	0.01382	0.08100
40	0.04350	0.00080	0.00350	0.00000	0.00040	0.00130	0.01512	0.08100
41	0.04050	0.00090	0.00400	0.00000	0.00050	0.00130	0.01652	0.08100
42	0.03600	0.00100	0.00450	0.00000	0.00060	0.00140	0.01804	0.08100
43	0.03000	0.00110	0.00520	0.00000	0.00070	0.00150	0.01912	0.07761
44	0.02550	0.00120	0.00590	0.00000	0.00080	0.00160	0.02074	0.07425
45	0.02100	0.00130	0.00660	0.00000	0.00090	0.00170	0.02246	0.06750
46	0.01650	0.00140	0.00730	0.00000	0.00100	0.00180	0.02430	0.06075
47	0.01200	0.00150	0.00800	0.00000	0.00110	0.00180	0.02624	0.05400
48	0.00750	0.00160	0.00880	0.00000	0.00120	0.00190	0.02830	0.04050
49	0.00300	0.00170	0.00940	0.00000	0.00130	0.00200	0.03046	0.03375
50	0.00300	0.00180	0.01020	0.04000	0.00140	0.00210	0.03283	0.02700
51	0.00300	0.00190	0.01100	0.04000	0.00150	0.00220	0.03553	0.02025
52	0.00300	0.00200	0.01180	0.04000	0.00160	0.00220	0.03834	0.01350
53	0.00300	0.00210	0.01260	0.08000	0.00170	0.00230	0.04126	0.01350
54	0.00300	0.00220	0.01340	0.09000	0.00180	0.00240	0.04428	0.00675
55	0.00000	0.00230	0.01420	0.12500	0.00190	0.00250	0.04752	0.00000
56	0.00000	0.00240	0.01500	0.03750	0.00200	0.00260	0.05130	0.00000
57	0.00000	0.00250	0.01580	0.05000	0.00210	0.00270	0.05562	0.00000
58	0.00000	0.00260	0.01640	0.06250	0.00220	0.00280	0.06048	0.00000
59	0.00000	0.00270	0.01720	0.09375	0.00230	0.00290	0.06588	0.00000
60	0.00000	0.00000	0.00000	0.25000	0.00000	0.00000	0.00000	0.00000

## Schedule 6 (continued)

### Probabilities of Separation From Active Service

#### SAFETY MEMBERS (CURRENT)

Age	Withdrawal	Ordinary Death	Ordinary Disability	Service	Death While Eligible	Duty Death	Duty Disability	Terminated Vested
20	0.18750	0.00030	0.00005	0.00000	0.00000	0.00100	0.00238	0.00000
21	0.18000	0.00030	0.00005	0.00000	0.00000	0.00100	0.00270	0.00000
22	0.17250	0.00030	0.00010	0.00000	0.00000	0.00100	0.00302	0.00000
23	0.16500	0.00030	0.00015	0.00000	0.00000	0.00100	0.00335	0.00000
24	0.15600	0.00030	0.00015	0.00000	0.00000	0.00100	0.00367	0.00000
25	0.14400	0.00040	0.00020	0.00000	0.00010	0.00100	0.00400	0.00450
26	0.13200	0.00040	0.00025	0.00000	0.00010	0.00100	0.00432	0.00675
27	0.12150	0.00040	0.00030	0.00000	0.00010	0.00100	0.00475	0.00900
28	0.11250	0.00040	0.00040	0.00000	0.00010	0.00100	0.00518	0.01125
29	0.10650	0.00040	0.00040	0.00000	0.00010	0.00100	0.00562	0.01350
30	0.10350	0.00050	0.00045	0.00000	0.00020	0.00100	0.00605	0.01575
31	0.09750	0.00050	0.00045	0.00000	0.00020	0.00100	0.00659	0.01800
32	0.08850	0.00050	0.00050	0.00000	0.00020	0.00100	0.00734	0.02025
33	0.08100	0.00050	0.00055	0.00000	0.00020	0.00110	0.00810	0.02250
34	0.07350	0.00060	0.00065	0.00000	0.00020	0.00110	0.00896	0.02475
35	0.06600	0.00060	0.00075	0.00000	0.00030	0.00110	0.00983	0.02475
36	0.06000	0.00060	0.00085	0.00000	0.00030	0.00110	0.01069	0.02587
37	0.05550	0.00060	0.00100	0.00000	0.00030	0.00120	0.01166	0.02700
38	0.05100	0.00070	0.00125	0.00000	0.00030	0.00120	0.01264	0.02700
39	0.04650	0.00070	0.00150	0.00000	0.00040	0.00120	0.01382	0.02700
40	0.04350	0.00080	0.00175	0.00000	0.00040	0.00130	0.01512	0.02700
41	0.04050	0.00090	0.00200	0.00000	0.00050	0.00130	0.01652	0.02700
42	0.03600	0.00100	0.00225	0.00000	0.00060	0.00140	0.01804	0.02700
43	0.03000	0.00110	0.00260	0.00000	0.00070	0.00150	0.01912	0.02587
44	0.02550	0.00120	0.00295	0.00000	0.00080	0.00160	0.02074	0.02475
45	0.02100	0.00130	0.00330	0.00250	0.00090	0.00170	0.02246	0.02250
46	0.01650	0.00140	0.00365	0.00288	0.00100	0.00180	0.02430	0.02025
47	0.01200	0.00150	0.00400	0.00331	0.00110	0.00180	0.02624	0.01800
48	0.00750	0.00160	0.00440	0.00380	0.00120	0.00190	0.02830	0.01350
49	0.00300	0.00170	0.00470	0.00438	0.00130	0.00200	0.03046	0.01125
50	0.00300	0.00180	0.00510	0.02300	0.00140	0.00210	0.03283	0.00900
51	0.00300	0.00190	0.00550	0.02300	0.00150	0.00220	0.03553	0.00675
52	0.00300	0.00200	0.00590	0.02300	0.00160	0.00220	0.03834	0.00450
53	0.00300	0.00210	0.00630	0.04600	0.00170	0.00230	0.04126	0.00450
54	0.00300	0.00220	0.00670	0.05175	0.00180	0.00240	0.04428	0.00225
55	0.00000	0.00230	0.00710	0.06313	0.00190	0.00250	0.04752	0.00000
56	0.00000	0.00240	0.00750	0.07500	0.00200	0.00260	0.05130	0.00000
57	0.00000	0.00250	0.00790	0.10000	0.00210	0.00270	0.05562	0.00000
58	0.00000	0.00260	0.00820	0.12500	0.00220	0.00280	0.06048	0.00000
59	0.00000	0.00270	0.00860	0.37500	0.00230	0.00290	0.06588	0.00000
60	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

## Schedule 7

### Years of Life Expectancy After Service Retirement

#### CURRENT

Age	General		Safety	Age	General		Safety
	Male	Female			Male	Female	
50	30.69	34.89	30.69	85	6.19	7.54	6.19
51	29.77	33.94	29.77	86	5.80	7.06	5.80
52	28.85	32.99	28.85	87	5.43	6.59	5.43
53	27.95	32.05	27.95	88	5.07	6.15	5.07
54	27.04	31.11	27.04	89	4.73	5.73	4.73
55	26.15	30.17	26.15	90	4.42	5.34	4.42
56	25.27	29.24	25.27	91	4.13	4.98	4.13
57	24.39	28.31	24.39	92	3.86	4.64	3.86
58	23.52	27.40	23.52	93	3.61	4.33	3.61
59	22.67	26.49	22.67	94	3.37	4.04	3.37
60	21.83	25.59	21.83	95	3.16	3.76	3.16
61	21.00	24.70	21.00	96	2.98	3.51	2.98
62	20.18	23.82	20.18	97	2.81	3.28	2.81
63	19.39	22.96	19.39	98	2.66	3.06	2.66
64	18.60	22.11	18.60	99	2.52	2.86	2.52
65	17.84	21.28	17.84	100	2.39	2.67	2.39
66	17.10	20.46	17.10	101	2.26	2.50	2.26
67	16.37	19.65	16.37	102	2.15	2.34	2.15
68	15.66	18.86	15.66	103	2.04	2.19	2.04
69	14.97	18.08	14.97	104	1.93	2.06	1.93
70	14.29	17.31	14.29	105	1.84	1.94	1.84
71	13.63	16.54	13.63	106	1.75	1.83	1.75
72	12.98	15.78	12.98	107	1.68	1.74	1.68
73	12.34	15.04	12.34	108	1.62	1.66	1.62
74	11.72	14.31	11.72	109	1.57	1.59	1.57
75	11.12	13.60	11.12	110	1.52	1.54	1.52
76	10.53	12.90	10.53	111	1.50	1.51	1.50
77	9.96	12.22	9.96	112	1.48	1.49	1.48
78	9.40	11.57	9.40	113	1.47	1.49	1.47
79	8.88	10.93	8.88	114	1.43	1.48	1.43
80	8.37	10.31	8.37	115	1.37	1.46	1.37
81	7.89	9.71	7.89	116	1.23	1.41	1.23
82	7.44	9.14	7.44	117	1.07	1.35	1.07
83	7.00	8.58	7.00	118	0.83	1.21	0.83
84	6.59	8.05	6.59	119	0.50	1.00	0.50
				120	--	0.50	--

1994 GA (x, y) for General Members

1994 GA (x) for Safety Members

**Schedule 7 (continued)****Years of Life Expectancy After Disability Retirement****GENERAL MEMBERS (CURRENT)**

Age	General		Age	General		Age	General	
	Male	Female		Male	Female		Male	Female
20	42.92	40.28	51	23.06	21.57	81	8.76	7.41
21	41.92	39.49	52	22.56	21.08	82	8.28	7.00
22	41.09	38.73	53	22.06	20.59	83	7.83	6.63
23	40.28	37.98	54	21.57	20.11	84	7.41	6.27
24	39.49	37.26	55	21.08	19.63	85	7.00	5.94
25	38.73	36.56	56	20.59	19.16	86	6.63	5.63
26	37.98	35.87	57	20.11	18.68	87	6.27	5.34
27	37.26	35.19	58	19.63	18.22	88	5.94	5.06
28	36.56	34.53	59	19.16	17.75	89	5.63	4.80
29	35.87	33.87	60	18.68	17.29	90	5.34	4.55
30	35.19	33.23	61	18.22	16.83	91	5.06	4.31
31	34.53	32.60	62	17.75	16.37	92	4.80	4.09
32	33.87	31.98	63	17.29	15.91	93	4.55	3.87
33	33.23	31.37	64	16.83	15.45	94	4.31	3.66
34	32.60	30.76	65	16.37	14.99	95	4.09	3.46
35	31.98	30.17	66	15.91	14.53	96	3.87	3.26
36	31.37	29.58	67	15.45	14.07	97	3.66	3.07
37	30.76	29.00	68	14.99	13.60	98	3.46	2.89
38	30.17	28.43	69	14.53	13.13	99	3.26	2.71
39	29.58	27.87	70	14.07	12.66	100	3.07	2.54
40	29.00	27.31	71	13.60	12.18	101	2.89	2.37
41	28.43	26.76	72	13.13	11.70	102	2.71	2.20
42	27.87	26.21	73	12.66	11.21	103	2.54	2.04
43	27.31	25.67	74	12.18	10.72	104	2.37	1.88
44	26.76	25.14	75	11.70	10.22	105	2.20	1.72
45	26.21	24.61	76	11.21	9.73	106	2.04	1.55
46	25.67	24.09	77	10.72	9.24	107	1.88	1.38
47	25.14	23.57	78	10.22	8.76	108	1.72	1.21
48	24.61	23.06	79	9.73	8.28	109	1.55	1.04
49	24.09	22.56	80	9.24	7.83	110	1.38	0.88
50	23.57	22.06						

1981 Disability General (x-5, x-2)

**Schedule 7 (continued)****Years Of Life Expectancy After Disability Retirement****PROBATION AND SAFETY MEMBERS (CURRENT)**

<b>Age</b>	<b>Years of Life Expectancy</b>	<b>Age</b>	<b>Years of Life Expectancy</b>	<b>Age</b>	<b>Years of Life Expectancy</b>
20	52.96	51	25.99	81	8.28
21	52.03	52	25.18	82	7.83
22	51.12	53	24.38	83	7.41
23	50.20	54	23.59	84	7.00
24	49.29	55	22.80	85	6.63
25	48.39	56	22.03	86	6.27
26	47.48	57	21.26	87	5.94
27	46.58	58	20.50	88	5.63
28	45.68	59	19.77	89	5.34
29	44.79	60	19.06	90	5.06
30	43.89	61	18.40	91	4.80
31	43.01	62	17.78	92	4.55
32	42.12	63	17.20	93	4.31
33	41.24	64	16.64	94	4.09
34	40.36	65	16.11	95	3.87
35	39.48	66	15.59	96	3.66
36	38.61	67	15.08	97	3.46
37	37.74	68	14.58	98	3.26
38	36.88	69	14.09	99	3.07
39	36.02	70	13.61	100	2.89
40	35.16	71	13.13	101	2.71
41	34.31	72	12.66	102	2.54
42	33.46	73	12.18	103	2.37
43	32.61	74	11.70	104	2.20
44	31.77	75	11.21	105	2.04
45	30.93	76	10.72	106	1.88
46	30.09	77	10.22	107	1.72
47	29.26	78	9.73	108	1.55
48	28.43	79	9.24	109	1.38
49	27.61	80	8.75	110	1.21
50	26.80				

1981 Disability Safety (x-4)

## Schedule 8

### Glossary of Terms

Following is a glossary of some of the commonly used actuarial terms.

<b>Actuarial Accrued Liability</b>	The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.
<b>Actuarial Gain (Loss)</b>	A measure of the difference between actual and expected experience based upon a set of actuarial assumptions. Examples include higher than expected salary increases (loss) and a higher return on fund assets than anticipated (gain).
<b>Actuarial Present Value</b>	Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.
<b>Amortization of UAAL Payment</b>	That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion. Equivalently, it is a series of periodic payments required to pay off a debt.
<b>Annual Amount</b>	Estimated contributions due for the year in order to ensure the orderly funding of the pension plan (equal to the contribution rate multiplied by the annual payroll). The annual amount is comprised of normal cost and UAAL payments.
<b>Entry Age Normal Cost Method</b>	This method assumes that the annual costs are the level amounts needed from entry age until retirement age to fund the ultimate retirement benefit. These amounts are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.

<b>Final Average Salary</b>	The average amount of compensation earned over a specified number of consecutive months preceding retirement during which compensation was highest.
<b>Funding Policy</b>	The policy for the amounts and timing of contributions to be made by the employer, members, and any other sources to provide the benefits promised by the pension plan.
<b>Noneconomic Actuarial Assumptions</b>	Probabilities that members will separate from active service for causes such as retirement, disability, death and withdrawal, as well as rates of post-retirement mortality. The probabilities reflect the experience of the Association membership.
<b>Normal Cost</b>	The ongoing annual cost allocated to a plan year by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.
<b>Unfunded Actuarial Accrued Liability</b>	The excess of the actuarial accrued liability over the actuarial value of assets.

## Schedule 9

### Asset Statement (Market Value)

June 30, 2010 Final	
1000G Cash - General	\$ 15,115,875.33
1000B Cash Reserved - Bradford	\$ (1,272,357.34)
1000D Cash Reserved – Dodge & Cox	\$ 939,889.87
1200 Accounts Receivable	\$ 1,268,988.87
1250 Prepaid Expense	\$ 0.00
1430 Accrued Interest Receivable	\$ 0.00
1600 Office Equipment	\$ 3,786.40
 <b>Investments</b>	
1400 Par Value (B&M)	\$ 0.00
1400A Par Value (D&C)	\$ 103,382,745.59
Total Bonds	\$ 103,382,745.59
1600 Equities	\$ 0.00
1800 International Equities	\$ 52,327,297.00
1900 Small Cap Equities	\$ 18,943,455.00
1910 Mid Cap Equities	\$ 29,351,936.00
1920 Large Cap Equities	\$ 56,332,467.00
1930 Real Estate	\$ <u>23,639,433.00</u>
 1700 Short Term Investment (LAIF)	 \$ 0.00
 <b>Total Assets</b>	 <b>\$ 300,033,516.72</b>
 <b>Net Assets</b>	 <b>\$ 299,741,053.17</b>