



San Mateo County Employees' Retirement Association

June 30, 2018 Actuarial Valuation

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September 18, 2018

Board of Retirement
San Mateo County Employees' Retirement Association
100 Marine Parkway, Suite 125
Redwood City, CA 94065-5208

Dear Members of the Board:

As requested, we have completed an actuarial valuation for the San Mateo County Employees' Retirement Association (SamCERA). The purpose of the valuation is to recommend the employer and member contribution rates for the fiscal year beginning July 1, 2019.

Actuarial Certification – Per SamCERA Consulting Contract

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices, including Actuarial Standards of Practice (ASOPs) Nos. 4, 27, and 35. In particular, it reflects the actuary's responsibility under Section 5.8 ("Actuary's Responsibility") of ASOP No. 4 (1993 Reformatted Edition) for assessing the implications of overall results, in terms of short- and long-range benefit security and expected cost progression. Note that this section no longer exists in the current ASOP No. 4; however, Milliman will continue to assess the results pursuant to the prior section.

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our best professional judgment, the assumptions and methodologies as adopted by the Board of Retirement, individually and in combination, are reasonably related to the experience of and the expectations for SamCERA, and will not, in and of themselves, expose the retirement system to "unsound financial risk." In this regard, we consider "unsound financial risk" to mean the following:

- A substantial likelihood that future required contribution rates as a percentage of payroll will be dramatically higher than the rates shown in this report, given the uncertainties of actuarial projections and assuming the full payment of all recommended contributions; or
- A substantial likelihood that SamCERA's assets will be insufficient to pay benefit payments when due, given the uncertainties of actuarial projections and assuming the full payment of all recommended contributions.

In preparing this report, we have complied with all quality assurance procedures detailed on page 14 of our November 28, 2005 proposal titled "Response for Request for Actuarial Services."

Actuarial Certification – Milliman

The major findings of the valuation are contained in this report. This report reflects the benefit provisions as of June 30, 2018 and member contribution rates effective July 1, 2019 (including adjustments for specific bargaining units as communicated to us by SamCERA staff). In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by SamCERA staff. This information includes, but is not limited to,

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statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any data of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for SamCERA have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of SamCERA and reasonable expectations) and which, in combination, offer a reasonable estimate of anticipated experience affecting SamCERA.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Retirement has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for SamCERA. The calculations in this report have been made on a basis consistent with our understanding of SamCERA's current funding requirements. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of SamCERA. The System may place the final version of this report on its website. Milliman's "work" to create this report, to the extent that Milliman's work is not subject to disclosure under applicable public records laws, may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

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The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

This work product was prepared solely for SamCERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

The signing actuaries are independent of the plan sponsors. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

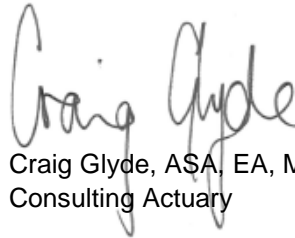
We would like to express our appreciation to Mr. Scott Hood, Chief Executive Officer of SamCERA, and to members of his staff, who gave substantial assistance in supplying the data on which this report is based.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

A handwritten signature in black ink that reads "Nick Collier".

Nick Collier, ASA, EA, MAAA
Consulting Actuary

A handwritten signature in black ink that reads "Craig Glyde".

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

A handwritten signature in black ink that reads "Julie D. Smith".

Julie D. Smith, FSA, EA, MAAAA
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NC/CG/JDS/nlo

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Section 1 Summary of the Findings



Overview

2018 Valuation Results

	June 30, 2018	June 30, 2017
Employer Statutory Contribution Rate ⁽¹⁾	33.67%	35.31%
Funded Ratio	87.5%	84.3%

1. Weighted average Statutory Contribution Rate for only the County as of June 30, 2018 is 33.85% of pay.

This report presents the results of the June 30, 2018 actuarial valuation, including the Employer Statutory Contribution Rate calculated for the fiscal year beginning July 1, 2019. Several key points are summarized as follows:

- Funding:** The Funded Ratio increased from 84.3% to 87.5%. This increase was primarily due to employer contributions to amortize the Unfunded Actuarial Accrued Liability (UAAL) and the recognition of investment gains from prior years. (Investment returns are discussed in more detail below). On a market value basis, the Funded Ratio increased from 85.6% to 88.0% primarily due to employer contributions.

The assets used in the calculation of the Funded Ratio include the value of the County Supplementary Contribution Account (CSCA) and the District Supplementary Contribution Account (DSCA). Throughout this report we use the term SCA when referring to both of these accounts.

The County contributed \$27.6 million to the CSCA over the year ended June 30, 2018. These contributions resulted in an increase in the Funded Ratio of 0.5%. In total, the CSCA has an actuarial value of \$145.4 million and the DSCA has an actuarial value of \$1.9 million as of June 30, 2018. Without the CSCA and DSCA the Funded Ratio would be 84.6% as of June 30, 2018.

- Employer Statutory Contribution Rate:** The Statutory Contribution Rate (SCR) is comprised of the Employer Normal Cost Rate and a component to amortize the UAAL. The SCR decreased from 35.31% of pay (calculated in the 2017 valuation) to 33.67%. The SCR is a weighted average of the statutory contribution rates for each individual SamCERA plan. The actual percent of payroll to be contributed by each employer varies by plan, as shown in Section 6 of this report. The decrease of 1.64% of pay is comprised of a decrease of 0.38% of pay in the Employer Normal Cost Rate and a decrease of 1.26% of pay in the UAAL contribution rate.

The Employer Normal Cost Rate component of SCR decreased from 10.95% of pay to 10.57% of pay. The decrease is generally due to the normal experience of SamCERA, including the continued growth in membership of Plan 7. Normal Cost Rates will vary slightly from year to year as the average entry age of the membership changes and as a greater proportion of members enter Plan 7.

The employer contribution rate to finance the UAAL decreased from 24.36% of pay to 23.10% of pay due primarily to recognition of investment gains from prior years and additional CSCA contributions.

**Overview
(continued)**

The CSCA provides an offset of 2.85% of pay (compared to 2.36% of pay in the prior valuation) to the County's Statutory Contribution Rate (SCR), resulting in a County-only SCR of 33.85%. Without the recognition of the CSCA, the County SCR would be 36.70%.

The DSCA provides an offset of 21.76% of pay (compared to 10.21% of pay in the prior valuation) for the San Mateo County Mosquito and Vector Control District (SMCM&VCD). This increase in offset is due to Addenda Number One to the Memorandum of Understanding (MOU) between the SMCM&VCD and San Mateo County regarding the period over which the DSCA is recognized. Based on the MOU as amended, effective June 30, 2018 the recognition period is five-years. (Note that this is a change from a 15-year recognition period that was used previously.) The DSCA offset is not permitted to be larger than the UAAL contribution rate for the SMCM&VCD.

- **Investment Returns:** SamCERA's investment return on the market value of assets for the fiscal year 2017-2018 of 6.7% (as provided by SamCERA) was approximately equal to the actuarial assumed rate of 6.75%. Combined with the recognition of investment gains from prior periods, the net result was a return on Valuation Assets of 7.8%, which is greater than the assumed return. This actuarial gain on Valuation Assets caused a decrease in the Statutory Contribution Rate.
- **Asset Valuation Method:** As adopted by the Board at the May 2018 meeting, a small modification to the asset valuation method has been reflected in this report. All deferred gains and losses will continue to be recognized over a five-year (10 six-month) period with the following modification. Effective June 30, 2018 all deferred gains and losses are combined into a single amount to be recognized over a five-year (10 six-month) period. Beginning with the six-month period immediately following the June 30, 2018 valuation, offsetting of current period gains or losses against prior period gains or losses will occur, as follows. First, to the extent there is a loss for the period, it shall be used to offset any unrecognized gains from prior periods in the order of oldest to most recent. Any remaining loss for the period is recognized over a five-year (10 six-month) period. Similarly, any gain for the period shall be offset against unrecognized losses from prior periods.
- **Member Contribution Rates:** Member contribution rates are unchanged for all plans except Plan 7. Plan 7 member contribution rates are adjusted to be equal to 50% of the Gross Normal Cost Rate calculated in the valuation. The recommended Plan 7 member rate is slightly less than the rate currently being paid by all classes of members except SMCM&VCD, where there is an increase of 0.20% of pay. See Exhibit 1b for a summary of recommended member contribution rates. A complete list of all member contribution rates is shown in Appendix D.

**Summary of
Contribution Rates**

The exhibits on the following pages summarize our recommendations to the Board.

Exhibit 1a Summary of Recommended Minimum Statutory Contribution Rates

Recommendation #1: Adopt new Statutory Contribution Rates for fiscal year beginning July 1, 2019

	<u>Fiscal Year Beginning</u>		<u>Increase / (Decrease)</u>
	<u>July 1, 2019</u>	<u>July 1, 2018</u>	
Gross Normal Cost	22.68%	23.35%	(0.67)%
Member Contributions	(12.11)%	(12.40)%	0.29%
Employer Normal Cost	10.57%	10.95%	(0.38)%
UAAL Amortization	23.10%	24.36%	(1.26)%
Total Employer Rate	33.67%	35.31%	(1.64)%

Notes:

1. Detailed contribution rates by plan are shown in Section 6.
2. The Total Employer Statutory Contribution Rate of 33.67% is the aggregate rate for all employers. For the fiscal year beginning July 1, 2019, rates by employer are as follows:
 - a. The County Statutory Contribution Rate is 33.85% of pay.
 - b. The Courts Statutory Contribution Rate is 31.03% of pay.
 - c. The SMCM&VCD Statutory Contribution Rate is 12.13% of pay.

Exhibit 1b Summary of Recommended Member Contribution Rates

Recommendation #2: Adopt new Plan 7 member contribution rates for fiscal year beginning July 1, 2019

	Entry Age	Recommended Rates			Total as a % of Pay	Current	Ratio (New/Curr)
		Basic	50% COLA Sharing	Cost Sharing		Total as a % of Pay	
General Members	All	7.15%	1.46%	0.00%	8.61%	8.71%	98.9%
SMCM&VCD Members	All	7.51%	1.53%	0.00%	9.04%	8.84%	102.3%
Probation Members	All	11.27%	2.84%	0.00%	14.11%	14.33%	98.5%
Safety Members	All	11.69%	2.81%	0.00%	14.50%	14.51%	99.9%

Notes:

1. Plan 7 COLA share represents one-half of the cost of the COLA. See Appendix B of this report for a full description of members COLA share. See Appendix D of this report for a full schedule of rates.

Employer Statutory Contribution Rate

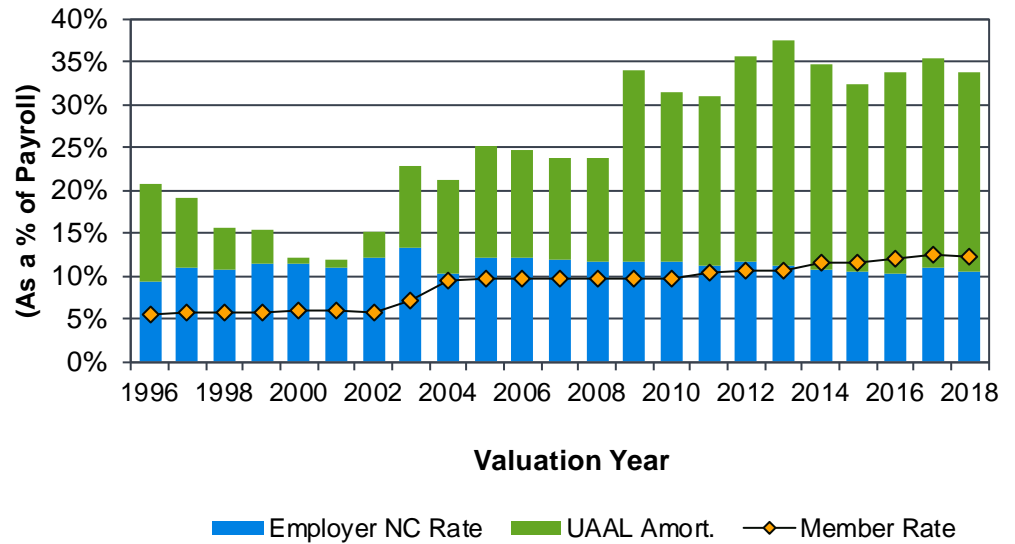
The Statutory Contribution Rate (SCR) for each plan is equal to the payment of the Employer Normal Cost rate plus a 15-year layered amortization of the UAAL (excluding the CSCA and DSCA) for each year beginning with the UAAL as of June 30, 2008. The UAAL rate for the County is reduced to reflect the CSCA, as is the SMCM&VCD to reflect the DSCA. The SCR (blended average for all employers) is 33.67% for the fiscal year beginning July 1, 2019, 33.85% for the County, 31.03% for Courts, and 12.13% for SMCM&VCD.

It should be noted that these rates are a weighted average of each individual SamCERA plan. The actual percent of payroll to be contributed by each employer varies by plan. See Exhibit 10 for the SCR by classification and Exhibits 10a through 10d for the SCR by plan.

In our opinion, the SCRs calculated are adequate to maintain the funding of the retirement system benefits based on the actuarial methods and assumptions shown in Appendix A of this report.

A historical perspective of the total SCR is shown in the following graph.

Employer Statutory Contribution Rate



Comparison with Last Year

A detailed analysis of the sources of the changes in both the Statutory Contribution Rate and the Funded Ratio was performed. There were several factors that caused the changes, with the overall impact of these factors being an increase in the Funded Ratio and a decrease in the employer rates from the last valuation.

The following chart shows how the various factors affected the overall funding of SamCERA, as compared to the last valuation.

Sources of Change	Statutory Contribution Rate	Funded Ratio
Calculated Rate for 2018 (2017 valuation)	35.31%	84.3%
Expected Year-to-Year Change	0.00%	2.3%
Assumption Changes	0.00%	0.0%
Recognized Asset Gain / Loss		
From Current Year	-0.22%	0.3%
From Prior Years	-0.54%	0.6%
Retiree COLAs > Expected	0.22%	-0.2%
Salary and Payroll Increases > Assumed	-0.08%	-0.2%
Contributions > Assumed	-0.02%	0.0%
SCA Contribution Funding	-0.52%	0.5%
Increase in Plan 7 Membership	-0.14%	0.0%
Census Data Updates ⁽¹⁾	-0.27%	0.3%
Other Experience Changes	-0.07%	-0.4%
Total Change	-1.64%	3.2%
Calculated Rate for 2019 (2018 valuation)	33.67%	87.5%

1. Census data updates primarily for inactive members.

Funding Progress

Based on the 2017 valuation, the expected UAAL as of June 30, 2018 was \$633 million. The actual UAAL for the fiscal year ended June 30, 2018 is \$619 million. This difference was primarily due to the recognition of net investment gains from the current and prior periods (\$43 million). This, and other factors contributing to the change in UAAL since the prior year are shown in detail at the end of Section 4.

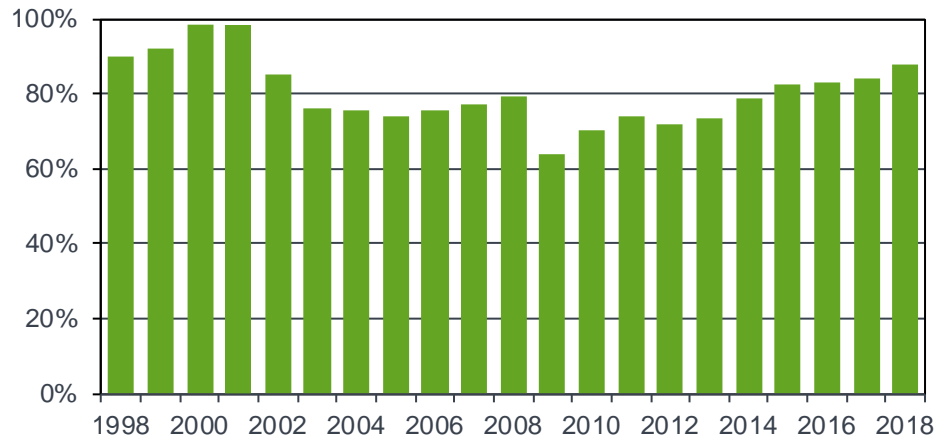
**Funding Progress
 (continued)**

One measure of the funding adequacy of the system is the Funded Ratio, which compares the value of the Actuarial Value of Assets (net of certain non-valuation reserves) to the Actuarial Accrued Liability (AAL) for all SamCERA plans combined. SamCERA's Funded Ratio increased rapidly in the last half of the 1990s, reaching almost 100% in 2001. However, due primarily to asset losses from that time through 2009, the Funded Ratio decreased significantly over those years. In recent years, the Funded Ratio has improved, due primarily to better-than-assumed investment performance and strong funding. Currently, the Funded Ratio is 87.5%; that is, the Valuation Assets of \$4,352 million are about 12% less than the AAL of \$4,971 million. Note that if the market value of assets was used, the Funded Ratio would be 88.0%.

(All dollar amounts in millions)

	Market Value of Total Assets	Actuarial Value		Actuarial Accrued Liability	Funded Ratio
		Valuation	Non-Valuation		
2009	\$1,591	\$1,910	\$0	\$2,988	63.9%
2010	1,816	2,179	0	3,098	70.3
2011	2,318	2,405	0	3,247	74.1
2012	2,360	2,480	0	3,443	72.0
2013	2,728	2,619	0	3,573	73.3
2014	3,292	2,993	30	3,797	78.8
2015	3,454	3,344	34	4,046	82.6
2016	3,541	3,625	36	4,362	83.1
2017	4,039	3,977	40	4,720	84.3
2018	4,374	4,352	44	4,971	87.5

Historical Funded Ratios



Assets

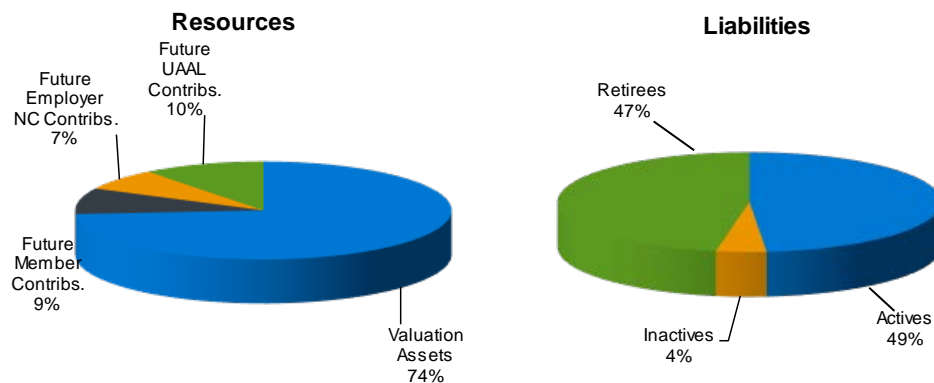
On a market value basis, for the fiscal year ended June 30, 2018, SamCERA earned 6.7% net of investment expenses. This figure was provided by SamCERA and will be shown in the 2018 CAFR.

SamCERA uses an asset-smoothing method in the calculation of the UAAL contribution. Under this method, the market value returns are smoothed over a five-year (10 six-month) period. Due to the recognition of current and deferred net asset gains, the return on Actuarial Valuation Assets, at 7.8% net of expenses, was greater than the assumed return of 6.75% for the fiscal year 2017-2018.

Actuarial Balance Sheet

The first step in the valuation process is to compare the total Valuation Assets of SamCERA with its total liabilities for all plans. In this analysis, SamCERA's resources equal the actuarial assets plus the expected future contributions by both the employers and members. Liabilities reflect benefits already earned in the past and those expected to be earned in the future by current members. This relationship is shown in the following chart. The AAL is the total of these liabilities less expected future Normal Cost contributions.

Comparing the current and future resources to the current and future liabilities, we then determine the annual contribution amount for the coming fiscal year.

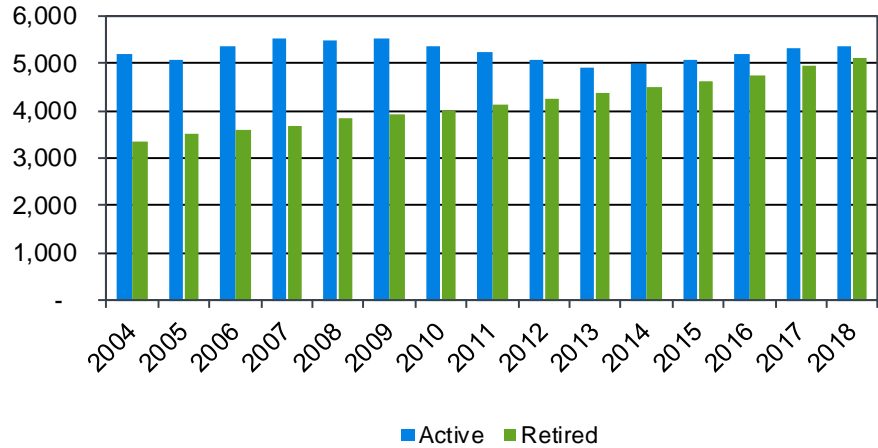


Member Information

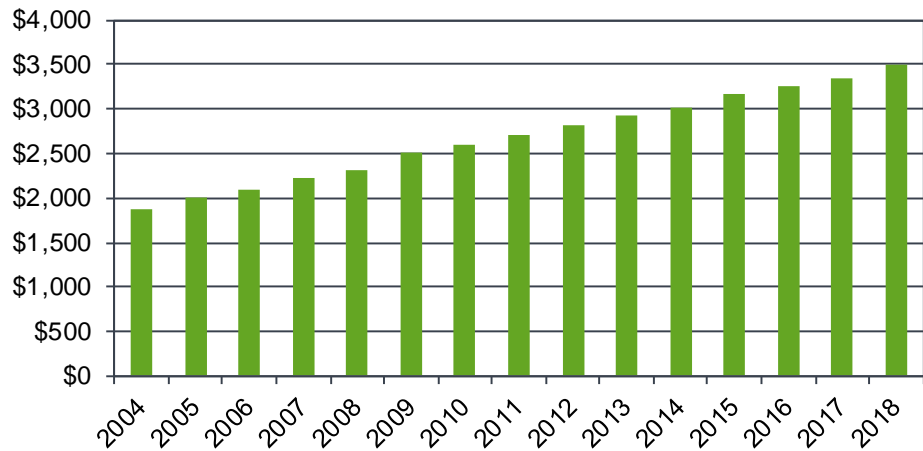
The number of active members included in the valuation increased by 0.6% from 5,337 in 2017 to 5,367 in 2018.

Retired member counts continue to increase steadily. For 2018, there were 5,109 retired members and beneficiaries with an average benefit of \$3,510 per month. This represents a 3.1% increase in count (up from 4,956 in 2017) and a 4.9% increase in the average monthly benefit (up from \$3,347 over the period).

Membership Count



Average Monthly Retirement Benefit



Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population.

	Active Members	Inactive Members	Service Retired Members	Disabled Retired Members	Beneficiaries in Pay	Total
As of June 30, 2017	5,337	1,487	3,869	469	618	11,780
New Members	540	62	3	-	44	649
Status Change:						
to Active	14	(13)	(1)	-	-	-
to Inactive	(244)	244	-	-	-	-
to Service Retirement	(198)	(51)	249	-	-	-
to Disabled Retirement	(11)	(3)	(5)	19	-	-
to Beneficiary	-	(5)	-	-	5	-
Refunds	(63)	(31)	-	-	-	(94)
Terminated non-vested	(1)	(20)	-	-	-	(21)
Deaths	(7)	(4)	(113)	(16)	(32)	(172)
As of June 30, 2018	5,367	1,666	4,002	472	635	12,142

Summary Valuation Results

The following Exhibit 2 presents a comparison of the key results from the June 30, 2018 and June 30, 2017 valuations. More detail on each of these elements can be found in the following sections and exhibits of this report.

Exhibit 2 Summary of Significant Valuation Results

	June 30, 2018	June 30, 2017	Relative Change
1. Total Membership			
A. Active Members	5,367	5,337	0.6 %
B. Retired Members & Beneficiaries	5,109	4,956	3.1%
C. Inactive Members	1,666	1,487	12.0%
D. Total	<u>12,142</u>	<u>11,780</u>	3.1 %
2. Pay Rate			
A. Annual Total (\$thousands)	\$ 541,473	\$ 522,223	3.7%
B. Monthly Average	8,407	8,154	3.1%
3. Average Monthly Benefit to Current Retirees and Beneficiaries			
A. Service Retirement	3,694	3,527	4.7%
B. Disability Retirement	3,588	3,469	3.4%
C. Surviving Spouse and Dependents	2,292	2,128	7.7%
D. Total Average	3,510	3,347	4.9%
4. Actuarial Accrued Liability (\$thousands)			
A. Active Members	1,937,722	1,908,199	1.5%
B. Retired Members	2,783,683	2,582,107	7.8%
C. Inactive Members	249,130	229,544	8.5%
D. Total	<u>4,970,535</u>	<u>4,719,850</u>	5.3%
5. Assets			
A. Market Value of Fund (\$thousands)	4,373,962	4,038,702	8.3%
B. Return on Market Value	6.7%	12.6%	
C. Actuarial Value (\$thousands)	\$ 4,351,502	\$ 3,976,717	9.4%
D. Return on Actuarial Value	7.8%	7.8%	
6. Unfunded Actuarial Accrued Liability or Surplus Funding (\$thousands)	\$ 619,033	\$ 743,133	(16.7)%
7. Statutory Employer Contribution Rate for all plans combined as a percent of total payroll			
A. Gross Normal Cost	22.68%	23.35%	(2.9)%
B. Member Contributions	(12.11)%	(12.40)%	(2.3)%
C. Employer Normal Cost	10.57%	10.95%	(3.5)%
D. UAAL Amortization	23.10%	24.36%	(5.2)%
E. Total Employer Rate	<u>33.67%</u>	<u>35.31%</u>	(4.6)%
8. Funded Ratio (5C / 4D)	87.5%	84.3%	3.9%
9. Results Based on Market Value (No Asset Smoothing) -- For Informational Purposes Only			
A. Total Employer Rate	33.26%	34.15%	(2.6)%
B. Funded Ratio (5A / 4D)	88.0%	85.6%	2.8%

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Section 2 Scope of the Report



This report presents the actuarial valuation of the San Mateo County Employees' Retirement Association as of June 30, 2018. This valuation was requested by the Board. Section 31453 of the County Employees Retirement Law of 1937 (the '37 Act) requires an actuarial valuation to be performed at least every three years for the purposes of setting contribution rates.

In reading our cover letter, please pay particular attention to the guidelines employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings depend. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets and investment experience of SamCERA. The assets and investment income are presented in Exhibits 3-5. Exhibits 6-8 develop the Actuarial Value of Assets as of June 30, 2018.

Section 4 describes the benefit obligations of SamCERA. Exhibits 9a and 9b show the Actuarial Balance Sheet. Additional analysis on the change in UAAL is also provided in this section.

Section 5 discusses the member contribution rates.

Section 6 discusses the employer contributions needed to fund the benefits under the actuarial cost method in use.

Section 7 discloses information to be included in SamCERA's CAFR.

This report includes several appendices:

- Appendix A A summary of the actuarial procedures and assumptions used to estimate liabilities and contributions.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on June 30, 2018.
- Appendix C Schedules of valuation data classified by various categories of members by plan.
- Appendix D Member contribution rates by plan.
- Appendix E A glossary of actuarial terms used in this report.

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Section 3 Assets



In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date which, for this valuation, is June 30, 2018. On that date, the assets available for the payment of retirement benefits are appraised. These assets are compared with the accrued and future actuarial liabilities, which are generally well in excess of the actuarial assets. The purpose of the valuation is to determine what future contributions by the members and employers are needed to pay all expected future benefits not funded by the current assets.

This section of the report deals with the determination of assets used for funding purposes. In the next section, the actuarial liabilities will be discussed. Sections 5 and 6 deal with the process for determining required contributions based on the relationship between the actuarial assets and the actuarial liabilities.

A historical summary of SamCERA's assets is presented below:

	All dollar amounts in millions		
	Market Value of Total <u>Assets</u>	Actuarial Value	
		Non- Valuation <u>Assets</u>	Valuation <u>Assets</u>
2000	\$ 1,381	\$ 49	\$ 1,271
2001	1,308	51	1,385
2002	1,207	32	1,417
2003	1,233	34	1,354
2004	1,435	31	1,453
2005	1,599	0	1,616
2006	1,790	0	1,769
2007	2,132	0	1,977
2008	2,011	0	2,219
2009	1,591	0	1,910
2010	1,816	0	2,179
2011	2,318	0	2,405
2012	2,360	0	2,480
2013	2,728	0	2,619
2014	3,292	30	2,993
2015	3,454	34	3,344
2016	3,541	36	3,625
2017	4,039	40	3,977
2018	4,374	44	4,352

On June 30, 2018, the total market value of the fund was about \$4.37 billion. The actuarial value of the fund was determined to be \$4.40 billion, including the non-valuation reserves.

Financial Exhibits

Exhibit 3 presents a Statement of Plan Net Assets and Exhibit 4 presents a Statement of Changes in Plan Net Assets. Exhibit 5 describes the allocation of SamCERA's assets by the various reserve values determined for accounting purposes.

Exhibits 3-5 are taken from data furnished to us by SamCERA for its annual financial report. We have accepted these tables for use in this report without audit, but we have reviewed them for reasonableness and consistency with previous reports.

Actuarial Value of Assets

The actuarial value of assets is equal to the market value of assets with a five-year (10 six-month periods) recognition of the difference between expected and actual investment returns. Effective with the June 30, 2018 valuation, all deferred gains and losses are combined into a single amount that will be recognized over a five-year (10 six-month) period. Beginning with the six-month period immediately following the June 30, 2018 valuation, offsetting of current period gains or losses against prior period gains or losses will occur, as follows. First, to the extent there is a loss for the period, it shall be used to offset any unrecognized gains from prior periods in the order of oldest to most recent. Any remaining loss for the period is recognized over a five-year (10 six-month) period. Similarly, any gain for the period shall be offset against unrecognized losses from prior periods.

Beginning with the June 30, 2014 valuation, assets used to calculate the preliminary UAAL contribution rates exclude the value of the CSCA. The CSCA is used to adjust the County's Statutory Contribution Rate. Beginning with the June 30, 2016 valuation, assets used to calculate the preliminary UAAL contribution rates also exclude the value of the DSCA. The DSCA is used to adjust the SMCM&VCD's Statutory Contribution Rate. To adjust the Statutory Contribution Rate, we track CSCA and DSCA assets separately.

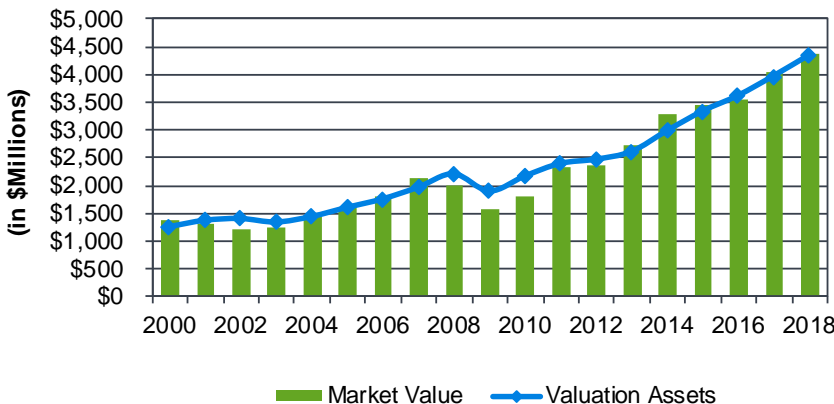
The development of the June 30, 2018 actuarial value of assets is shown in Exhibits 6 and 7. Exhibits 6a and 7a show the development of the total actuarial value of assets. Exhibits 6b and 7b show the development excluding the Supplemental Contribution Account (SCA) assets. Exhibits 6c and 7c show the development of the actuarial value of assets for the CSCA. Exhibits 6d and 7d show the development of the actuarial value of assets for the DSCA.

The County and the SMCM&VCD each made their contributions for the year ended June 30, 2018 based on the SCR. Since the SCR reflected an offset due to the respective SCA, each employer effectively used up an amount of the SCA equivalent to the offset. Therefore, we have shown this in the "Credits Used" column in Exhibits 6c and 6d.

Actuarial Value of Assets (continued)

There are still portions of investment gains or losses that have not yet been recognized by the asset smoothing method. The result is a market value of assets that is slightly higher than the actuarial value. The following graph shows a historical comparison of the total actuarial and market assets used for valuation purposes on a system-wide basis.

Applicable Valuation Assets



Valuation Assets

Valuation Assets are the actuarial value of the fund, less the value of any reserves which have been set aside for current liabilities and special benefits (if any) that are to be funded outside of the actuarially determined contribution rates.

Allocation of Assets

Valuation Assets are allocated by classification (general, safety, and probation) as shown in Exhibit 8. This allocation is necessary because the UAAL contribution rates are determined separately by class and plan.

In the calculation of the Statutory Contribution Rate, the Normal Cost Rate is determined separately for each plan. The UAAL portion of the rate is allocated proportionately to each classification. To determine the UAAL amount by classification, the actual UAAL is allocated in proportion to the expected UAAL after reflecting expected contributions from the prior year to pay down the UAAL. The allocation is done without consideration of the SCAs. Valuation Assets are equal to the AAL minus the UAAL for each classification. These calculations are shown in Exhibit 8.

CSCA valuation assets are allocated to each County member classification (General, Safety or Probation) in proportion to the actual UAAL excluding SCAs. These assets directly reduce the UAAL of each classification.

DSCA assets are allocated entirely to the SMCM&VCD general member classification.

**Exhibit 3 Statement of Plan Net Assets
 as of June 30, 2018 and 2017**

	2018	2017
Assets		
Cash and Cash Equivalents	\$ 53,125,429	\$ 192,194,061
Cash Management Overlay	12,984,127	25,207,998
Securities Lending Cash Collateral	1,486,415	-
Total Cash and Short-Term Investments	<u>67,595,971</u>	<u>217,402,059</u>
Receivables		
Contributions	9,422,510	8,622,173
Due from broker for investments sold	4,152,242	8,273,972
Investment Income	5,930,254	8,406,749
Securities Lending Income	10,453	-
Other receivables	95,057	95,657
Total Receivables	<u>19,610,516</u>	<u>25,398,551</u>
Prepaid Expense	7,669	7,669
Investments at Fair Value		
Fixed Income	892,923,149	738,544,220
Equity	1,809,329,959	1,717,793,138
Alternatives	514,972,248	480,730,879
Risk Parity	311,126,425	291,757,142
Inflation Hedge	761,393,517	573,336,864
Total Investments at Fair Value	<u>4,289,745,298</u>	<u>3,802,162,243</u>
Capital Assets	8,040,088	8,041,551
Fixed Assets	(1,236,535)	(412,178)
Total Assets	<u>4,383,763,007</u>	<u>4,052,599,895</u>
Liabilities		
Payables		
Investment management fees	1,663,178	1,822,557
Due to broker for investments purchased	5,408,607	9,416,634
Securities Lending Collateral due to borrowers	1,488,689	-
Other	1,241,019	2,658,714
Total Liabilities	<u>9,801,493</u>	<u>13,897,905</u>
Net position restricted for pensions	<u>\$ 4,373,961,514</u>	<u>\$ 4,038,701,990</u>

**Exhibit 4 Statement of Changes in Plan Net Assets
 for the Fiscal Years Ended 2018 and 2017**

	2018	2017
Additions		
Contributions		
Employer	\$ 179,626,584	\$ 162,477,135
Employer Supplemental Contribution	27,630,129	36,250,000
Member	64,204,278	62,160,101
Total Contributions	<u>271,460,991</u>	<u>260,887,236</u>
Investment Income/(Loss)		
Interest and dividends	45,060,738	38,445,658
Net appreciation/(depreciation) in Fair Value	275,224,883	431,845,614
	<u>320,285,621</u>	<u>470,291,272</u>
Less investment expense	40,210,092	33,688,058
Net Investment Income/(Loss)	<u>280,075,529</u>	<u>436,603,214</u>
Securities Lending Income		
Earnings	52,886	68,090
Rebates	8,141	(10,072)
Less: Securities Lending Expenses	(17,698)	(12,747)
Net Securities Lending Income	<u>43,329</u>	<u>45,271</u>
Other Additions	27,540	27,221
Total Additions	<u>551,607,389</u>	<u>697,562,942</u>
Deductions		
Member Benefits		
Service retirement allowances	179,880,342	166,975,634
Disability retirement allowances	23,872,145	22,689,813
Survivor, death and other benefits	976,386	698,946
Total Member Benefits	<u>204,728,873</u>	<u>190,364,393</u>
Member refunds	4,325,730	2,875,887
Administrative Expense	5,849,252	5,983,356
Information Technology Expense	1,444,010	995,979
Other Expense	-	29,834
Total Deductions	<u>216,347,865</u>	<u>200,249,449</u>
Net Increase	335,259,524	497,313,493
Net position restricted for pensions		
Beginning of Year	4,038,701,990	3,541,388,497
End of Year	<u>\$ 4,373,961,514</u>	<u>\$ 4,038,701,990</u>
Estimated Return, Net of Investment Expenses	6.7%	12.6%

**Exhibit 5 Allocation of Assets by Accounting Reserve Amounts
 as of June 30, 2018 and 2017**

	2018	2017
Valuation Reserves		
1. Member Reserve	\$ 783,887,242	\$ 735,102,254
2. Employer Advance Reserve	957,022,725	855,356,336
3. Retiree Reserves	1,100,793,261	1,019,849,399
4. Cost of Living Adjustment Reserve	1,378,769,193	1,295,487,509
5. County / Courts Prepayment Accounts	-	-
6. County Supplemental Contributions Account Reserve	145,455,548	118,435,431
7. District Supplemental Contributions Account Reserve	1,929,236	1,956,796
Total Valuation Reserves	4,367,857,205	4,026,187,725
Non-Valuation Reserves		
1. Contingency Reserve	43,954,571	40,168,859
2. Undistributed Earnings / Losses Reserve	(16,288,265)	(49,355,495)
3. Other Specified Reserves	-	-
Total Non-Valuation Reserves	27,666,306	(9,186,636)
Market Stabilization Account	(21,561,997)	21,700,901
Total Reserves (Market Value of Assets)	\$ 4,373,961,514	\$ 4,038,701,990

Note: These amounts were determined by SamCERA for accounting purposes. We have made minor rounding adjustments to these numbers.

Exhibit 6a Five-Year Smoothing of Gains and Losses on Market Value (Total Assets) – History

History of Unexpected Asset Gains and Losses								
Six-Month Period Ended	Market Value at Beginning of Period	Contributions	Benefit Payments	Market Value at End of Period	Assumed Rate of Return	Expected Return	Actual Return	Unexpected Gain / (Loss)
06/30/2018	\$ 4,337,368,899	\$ 146,901,128	\$ 106,950,260	\$ 4,373,961,514	3.375%	\$ 147,555,099	(3,358,253)	\$ (150,913,352)
12/31/2017	4,038,701,990	124,539,824	102,104,343	4,337,368,899	3.375%	137,926,474	276,231,428	138,304,954
06/30/2017	3,721,598,964	154,997,828	98,037,329	4,038,701,990	3.500%	131,806,865	260,142,527	128,335,662
12/31/2016	3,541,388,497	105,889,408	95,202,951	3,721,598,964	3.500%	125,157,215	169,524,010	44,366,795
06/30/2016	3,361,636,244	141,996,842	93,308,035	3,541,388,497	3.625%	123,696,090	131,063,446	7,367,356
12/31/2015	3,454,476,328	105,166,352	89,555,664	3,361,636,244	3.625%	126,551,502	(108,450,772)	(235,002,274)
06/30/2015	3,298,179,343	128,620,389	87,874,799	3,454,476,328	3.625%	121,532,366	115,551,395	(5,980,971)
12/31/2014	3,291,693,954	100,095,589	83,591,419	3,298,179,343	3.625%	120,689,532	(10,018,781)	(130,708,313)
06/30/2014	3,049,944,702	153,384,050	82,787,545	3,291,693,954	3.750%	116,347,099	171,152,747	54,805,648
12/31/2013	2,727,825,332	96,087,010	79,768,567	3,049,944,702	3.750%	103,671,361	305,800,927	202,129,566

Exhibit 6b Five-Year Smoothing of Gains and Losses on Market Value (excluding SCAs) – History

History of Unexpected Asset Gains and Losses								
Six-Month Period Ended	Market Value at Beginning of Period	Contributions and Credits from SCAs	Benefit Payments	Market Value at End of Period	Assumed Rate of Return	Expected Return	Actual Return	Unexpected Gain / (Loss)
06/30/2018	\$ 4,212,913,434	\$ 128,178,746	\$ 106,950,260	\$ 4,226,576,730	3.375%	\$ 143,354,727	\$ (7,565,190)	\$ (150,919,917)
12/31/2017	3,918,309,763	124,539,824	102,104,343	4,212,913,434	3.375%	133,863,236	272,168,190	138,304,954
06/30/2017	3,631,731,328	127,692,026	98,037,329	3,918,309,763	3.500%	128,661,498	256,923,738	128,262,240
12/31/2016	3,454,559,863	105,889,408	95,202,951	3,631,731,328	3.500%	122,118,213	166,485,008	44,366,795
06/30/2016	3,292,244,481	127,369,320	93,308,035	3,454,559,863	3.625%	121,003,576	128,254,097	7,250,521
12/31/2015	3,388,995,632	103,655,923	89,555,664	3,292,244,481	3.625%	124,155,013	(110,851,410)	(235,006,423)
06/30/2015	3,245,056,141	118,152,574	87,874,799	3,388,995,632	3.625%	119,348,025	113,661,716	(5,686,309)
12/31/2014	3,240,851,398	99,673,294	83,591,419	3,245,056,141	3.625%	118,831,181	(11,877,132)	(130,708,313)
06/30/2014	3,049,944,702	103,384,050	82,787,545	3,240,851,398	3.750%	115,878,349	170,310,191	54,431,842
12/31/2013	2,727,825,332	96,087,010	79,768,567	3,049,944,702	3.750%	103,671,361	305,800,927	202,129,566

Exhibit 6c Five-Year Smoothing of Gains and Losses on Market Value of CSCA – History

History of Unexpected Asset Gains and Losses								
Six-Month Period Ended	Market Value at Beginning of Period	Contributions	Credits Used	Market Value at End of Period	Assumed Rate of Return	Expected Return	Actual Return	Unexpected Gain / (Loss)
06/30/2018	\$ 122,432,627	\$ 27,630,129	\$ 8,745,874	\$ 145,455,548	3.375%	\$ 4,132,101	\$ 4,138,666	\$ 6,565
12/31/2017	118,435,431	0	0	122,432,627	3.375%	3,997,196	3,997,196	0
06/30/2017	88,218,755	33,600,000	6,544,198	118,435,431	3.500%	3,087,656	3,160,874	73,218
12/31/2016	85,235,512	0	0	88,218,755	3.500%	2,983,243	2,983,243	0
06/30/2016	67,854,371	19,538,000	4,910,478	85,235,512	3.625%	2,636,784	2,753,619	116,835
12/31/2015	65,480,696	0	0	67,854,371	3.625%	2,373,675	2,373,675	0
06/30/2015	53,123,202	10,467,815	0	65,480,696	3.625%	2,184,341	1,889,679	(294,662)
12/31/2014	50,842,556	422,295	0	53,123,202	3.625%	1,858,351	1,858,351	0
06/30/2014	0	50,000,000	0	50,842,556	3.750%	468,750	842,556	373,806

Note: The CSCA was opened on May 29, 2014.

Exhibit 6d Five-Year Smoothing of Gains and Losses on Market Value of DCSA – History

History of Unexpected Asset Gains and Losses								
Six-Month Period Ended	Market Value at Beginning of Period	Contributions	Credits Used	Market Value at End of Period	Assumed Rate of Return	Expected Return	Actual Return	Unexpected Gain / (Loss)
06/30/2018	\$ 2,022,838	\$ -	\$ 161,873	\$ 1,929,236	3.375%	\$ 68,271	\$ 68,271	\$ -
12/31/2017	1,956,796	0	0	2,022,838	3.375%	66,042	66,042	0
06/30/2017	1,648,881	250,000	0	1,956,796	3.500%	57,711	57,915	204
12/31/2016	1,593,122	0	0	1,648,881	3.500%	55,759	55,759	0
06/30/2016	1,537,392	0	0	1,593,122	3.625%	55,730	55,730	0
12/31/2015	0	1,510,429	0	1,537,392	3.625%	22,814	26,963	4,149

Note: The DSCA was opened on October 29, 2015.

Exhibit 7a Five-Year Smoothing – Development of Valuation Assets (Total Assets)

Development of Market Stabilization Reserve							
Six_Month Period Ended	Phase-Out of Gain / (Loss)				Phase-Out of Gain / (Loss) - New Method		
	Percent Excluded		Gain / (Loss) Excluded		Percent Excluded	Adjusted Gain / (Loss)	Adjusted Gain / (Loss) Excluded
06/30/2018	90%	x	\$ (150,913,352) =	\$ (135,822,017)	90%	x \$ (23,951,209) =	\$ (21,556,088)
12/31/2017	80%	x	138,304,954 =	110,643,963	80%	x 0 =	0
06/30/2017	70%	x	128,335,662 =	89,834,963	70%	x 73,422 =	51,396
12/31/2016	60%	x	44,366,795 =	26,620,077	60%	x 0 =	0
06/30/2016	50%	x	7,367,356 =	3,683,678	50%	x 14,798 =	7,399
12/31/2015	40%	x	(235,002,274) =	(94,000,910)	40%	x 4,149 =	1,659
06/30/2015	30%	x	(5,980,971) =	(1,794,291)	30%	x 0 =	0
12/31/2014	20%	x	(130,708,313) =	(26,141,663)	20%	x 0 =	0
06/30/2014	10%	x	54,805,648 =	5,480,565	10%	x 0 =	0
12/31/2013	0%	x	202,129,566 =	0	0%	x 0 =	0
Total Gain / (Loss) Excluded = \$ (21,495,634)							\$ (21,495,634)

Development of Valuation Assets		
1. Market Value of Assets as of June 30, 2018		\$ 4,373,961,514
2. Preliminary Market Stabilization Reserve		<u>(21,495,634)</u>
3. Preliminary Actuarial Value of Assets (1) - (2)		4,395,457,148
4. Corridor Around Market Value		
a) Minimum = 80% of Market	\$ 3,499,169,211	
b) Maximum = 120% of Market	5,248,753,817	
c) Corridor Adjustment		0
5. Market Stabilization Reserve	(21,495,634)	
6. Gross Actuarial Valuation of Assets (3) - (4c)		\$ 4,395,457,148
7. Non-Valuation Reserves		
a) Contingency Reserve	43,954,571	
b) Undistributed Earnings / Losses Reserve	0	
c) Other Specified Reserves	<u>0</u>	
d) Total		43,954,571
8. Valuation Assets (6) - (7d)		\$ 4,351,502,577

Exhibit 7b Five-Year Smoothing – Development of Valuation Assets (excluding SCAs)

Development of Market Stabilization Reserve

Six_Month Period Ended	Phase-Out of Gain / (Loss)				Phase-Out of Gain / (Loss) - New Method			
	Percent Excluded		Gain / (Loss) Excluded		Percent Excluded		Adjusted Gain / (Loss) Excluded	
06/30/2018	90%	x	\$ (150,919,917)	= \$ (135,827,925)	90%	x	\$ (23,957,774)	= \$ (21,561,997)
12/31/2017	80%	x	138,304,954	= 110,643,963	80%	x	0	= 0
06/30/2017	70%	x	128,262,240	= 89,783,568	70%	x	0	= 0
12/31/2016	60%	x	44,366,795	= 26,620,077	60%	x	0	= 0
06/30/2016	50%	x	7,250,521	= 3,625,261	50%	x	0	= 0
12/31/2015	40%	x	(235,006,423)	= (94,002,569)	40%	x	0	= 0
06/30/2015	30%	x	(5,686,309)	= (1,705,893)	30%	x	0	= 0
12/31/2014	20%	x	(130,708,313)	= (26,141,663)	20%	x	0	= 0
06/30/2014	10%	x	54,431,842	= 5,443,184	10%	x	0	= 0
12/31/2013	0%	x	202,129,566	= 0	0%	x	0	= 0
Total Gain / (Loss) Excluded = \$ (21,561,997)								\$ (21,561,997)

Development of Valuation Assets

1. Market Value of Assets as of June 30, 2018	\$ 4,226,576,730
2. Preliminary Market Stabilization Reserve	(21,561,997)
3. Preliminary Actuarial Value of Assets (1) - (2)	4,248,138,727
4. Corridor Around Market Value	
a) Minimum = 80% of Market	\$ 3,381,261,384
b) Maximum = 120% of Market	5,071,892,076
c) Corridor Adjustment	0
5. Market Stabilization Reserve	(21,561,997)
6. Gross Actuarial Valuation of Assets (3) - (4c)	\$ 4,248,138,727
7. Non-Valuation Reserves	
a) Contingency Reserve	43,954,571
b) Undistributed Earnings / Losses Reserve	0
c) Other Specified Reserves	0
d) Total	43,954,571
8. Valuation Assets (6) - (7d)	\$ 4,204,184,156

Exhibit 7c Five-Year Smoothing – Development of CSCA Assets

Development of Market Stabilization Reserve

Six_Month Period Ended	Phase-Out of Gain / (Loss)				Phase-Out of Gain / (Loss) - New Method			
	Percent Excluded		Gain / (Loss)	Gain / (Loss) Excluded	Percent Excluded		Adjusted Gain / (Loss)	Adjusted Gain / (Loss) Excluded
06/30/2018	90%	x	\$ 6,565	= \$ 5,909	90%	x	\$ 6,565	= \$ 5,909
12/31/2017	80%	x	0	= 0	80%	x	0	= 0
06/30/2017	70%	x	73,218	= 51,253	70%	x	73,218	= 51,253
12/31/2016	60%	x	0	= 0	60%	x	0	= 0
06/30/2016	50%	x	116,835	= 58,418	50%	x	14,798	= 7,399
12/31/2015	40%	x	0	= 0	40%	x	0	= 0
06/30/2015	30%	x	(294,662)	= (88,399)	30%	x	0	= 0
12/31/2014	20%	x	0	= 0	20%	x	0	= 0
06/30/2014	10%	x	373,806	= 37,381	10%	x	0	= 0
12/31/2013	0%	x	0	= 0	0%	x	0	= 0
Total Gain / (Loss) Excluded = \$				64,561	\$ 64,561			

Development of Valuation Assets

1. Market Value of Assets as of June 30, 2018	\$ 145,455,548
2. Preliminary Market Stabilization Reserve	64,561
3. Preliminary Actuarial Value of Assets (1) - (2)	145,390,987
4. Corridor Around Market Value	
a) Minimum = 80% of Market	\$ 116,364,438
b) Maximum = 120% of Market	174,546,658
c) Corridor Adjustment	0
5. Market Stabilization Reserve	64,561
6. Gross Actuarial Valuation of Assets (3) - (4c)	\$ 145,390,987
7. Non-Valuation Reserves	
a) Contingency Reserve	0
b) Undistributed Earnings / Losses Reserve	0
c) Other Specified Reserves	0
d) Total	0
8. Valuation Assets (6) - (7d)	\$ 145,390,987

Exhibit 7d Five-Year Smoothing – Development of DCSA Assets

Development of Market Stabilization Reserve

Six_Month Period Ended	Phase-Out of Gain / (Loss)				Phase-Out of Gain / (Loss) - New Method			
	Percent Excluded		Gain / (Loss)	Gain / (Loss) Excluded	Percent Excluded		Adjusted Gain / (Loss)	Adjusted Gain / (Loss) Excluded
06/30/2018	90%	x	\$ -	= \$ -	90%	x	\$ -	= \$ -
12/31/2017	80%	x	0	= 0	80%	x	0	= 0
06/30/2017	70%	x	204	= 143	70%	x	204	= 143
12/31/2016	60%	x	0	= 0	60%	x	0	= 0
06/30/2016	50%	x	0	= 0	50%	x	0	= 0
12/31/2015	40%	x	4,149	= 1,659	40%	x	4,149	= 1,659
06/30/2015	30%	x	0	= 0	30%	x	0	= 0
12/31/2014	20%	x	0	= 0	20%	x	0	= 0
06/30/2014	10%	x	0	= 0	10%	x	0	= 0
12/31/2013	0%	x	0	= 0	0%	x	0	= 0
Total Gain / (Loss) Excluded = \$				1,802	\$ 1,802			

Development of Valuation Assets

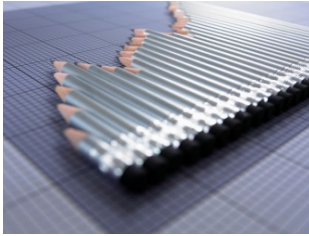
1. Market Value of Assets as of June 30, 2018	\$	1,929,236
2. Preliminary Market Stabilization Reserve		1,802
3. Preliminary Actuarial Value of Assets (1) - (2)		1,927,434
4. Corridor Around Market Value		
a) Minimum = 80% of Market	\$	1,543,389
b) Maximum = 120% of Market		2,315,083
c) Corridor Adjustment		0
5. Market Stabilization Reserve		1,802
6. Gross Actuarial Valuation of Assets (3) - (4c)	\$	1,927,434
7. Non-Valuation Reserves		
a) Contingency Reserve		0
b) Undistributed Earnings / Losses Reserve		0
c) Other Specified Reserves		0
d) Total		0
8. Valuation Assets (6) - (7d)	\$	1,927,434

Exhibit 8 Allocation of Valuation Assets
 (Dollars in Thousands)

	General	Safety	Probation	Total
1. Prior Year UAAL	\$ 606,060	\$ 195,027	\$ 62,323	\$ 863,410
2. Expected UAAL Contribution for Preceding Year	(90,789)	(30,761)	(8,913)	(130,463)
3. Expected Interest at 6.75%	37,895	12,143	3,911	53,949
4. Expected UAAL Based on Prior Year Assumptions	553,166	176,409	57,321	786,896
5. Percentage of Total Expected UAAL	70.30%	22.42%	7.28%	100.00%
6. Actual UAAL Based on Prior Year Assumptions				766,351
7. Actual AAL Based on Prior Year Assumptions	\$ 3,655,226	\$ 974,732	\$ 340,577	\$ 4,970,535
8. Allocated UAAL Based on Prior Year Assumptions	538,745	171,816	55,790	766,351
9. Valuation Assets (excluding SCA assets)	\$ 3,116,481	\$ 802,916	\$ 284,787	\$ 4,204,184
10. Actual UAAL excluding SCA Valuation Assets	\$ 538,745	\$ 171,816	\$ 55,790	\$ 766,351
11. Allocation of UAAL	70.30%	22.42%	7.28%	100.00%
12. Valuation Assets (CSCA)	\$ 102,210	\$ 32,597	\$ 10,584	\$ 145,391
13. Valuation Assets (DSCA)	\$ 1,927	\$ -	\$ -	\$ 1,927
14. Valuation Assets (Total)	\$ 3,220,618	\$ 835,513	\$ 295,371	\$ 4,351,502

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Section 4 Actuarial Liabilities



In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of SamCERA's assets as of the valuation date, June 30, 2018. In this section, the discussion focuses on the commitments of SamCERA for retirement benefits, which are referred to as its actuarial liabilities.

In an active system, the combined current and future actuarial liabilities will almost always exceed the actuarial assets. This is usually expected in all but a fully closed down fund, where no further contributions of any sort are anticipated. This deficiency has to be provided by future contributions. An actuarial valuation method sets out a schedule of future contributions that will deal with this deficiency in an orderly fashion. The determination of the level of future contributions needed is discussed in the next section.

Actuarial Balance Sheet – Liabilities

First, we need to determine the amount of the deficiency. We compare the Actuarial Value of the Valuation Assets to the Actuarial Liabilities. The difference is the amount that needs to be funded by the member and employer contributions in the future. Both the current and future assets (contributions) are compared to the actuarial liabilities in the Actuarial Balance Sheet.

Exhibit 9a contains an analysis of the actuarial Present Value of all Future Benefits for retired, inactive and active members and compares these with the total Valuation Assets. Exhibit 9b contains an analysis using the Valuation Assets excluding the SCA assets (sum of the CSCA and DSCA). These analyses are displayed by class of membership and by type of benefit.

The actuarial liabilities include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes measures of both benefits already earned and future benefits to be earned. For all members, active and inactive, the value extends over the rest of their lives and for the lives of any surviving beneficiaries. All liabilities reflect the benefits effective through June 30, 2018.

The actuarial demographic assumptions used to determine the liabilities are based on the results of our Investigation of Experience study for the period ended April 30, 2017. At its meeting on May 22, 2018, the Board reaffirmed these assumptions. These assumptions are shown in Appendix A. The assumptions will next be reviewed in detail in 2020 as part of the triennial investigation of experience study.

Exhibit 9a Actuarial Balance Sheet (Total Assets)
June 30, 2018
 (Dollars in Thousands)

Resources				
	General	Safety	Probation	Total
Valuation Assets (Actuarial)	\$ 3,220,618	\$ 835,513	\$ 295,371	\$ 4,351,502
Present Value of Future Member Contributions	382,082	91,823	32,638	506,543
Present Value of Future Employer Contributions to Fund:				
a) Normal Cost	300,897	85,489	34,578	420,964
b) Unfunded Actuarial Accrued Liability	434,608	139,219	45,206	619,033
Total Resources	\$ 4,338,205	\$ 1,152,044	\$ 407,793	\$ 5,898,042
Liabilities				
	General	Safety	Probation	Total
Present Value of Future Benefits				
1. Present Retired Members	\$ 1,954,841	\$ 656,525	\$ 172,317	2,783,683
2. Current Inactive Members	212,432	23,704	12,994	249,130
3. Current Active Members				
- Service Retirement	1,926,505	416,949	201,275	2,544,729
- Termination Benefits	97,259	12,288	4,179	113,726
- Death Benefits	28,649	8,703	3,025	40,377
- Disability Benefits	118,519	33,875	14,003	166,397
- Total Active	2,170,932	471,815	222,482	2,865,229
Total Actuarial Liabilities	\$ 4,338,205	\$ 1,152,044	\$ 407,793	\$ 5,898,042

Exhibit 9b Actuarial Balance Sheet (excluding SCAs)
June 30, 2018
 (Dollars in Thousands)

Resources				
	General	Safety	Probation	Total
Valuation Assets (Actuarial)	\$ 3,116,481	\$ 802,916	\$ 284,787	\$ 4,204,184
Present Value of Future Member Contributions	382,082	91,823	32,638	506,543
Present Value of Future Employer Contributions to Fund:				
a) Normal Cost	300,897	85,489	34,578	420,964
b) Unfunded Actuarial Accrued Liability	538,745	171,816	55,790	766,351
Total Resources	\$ 4,338,205	\$ 1,152,044	\$ 407,793	\$ 5,898,042

Liabilities				
	General	Safety	Probation	Total
Present Value of Future Benefits				
1. Present Retired Members	\$ 1,954,841	\$ 656,525	\$ 172,317	\$ 2,783,683
2. Current Inactive Members	212,432	23,704	12,994	249,130
3. Current Active Members				
- Service Retirement	1,926,505	416,949	201,275	2,544,729
- Termination Benefits	97,259	12,288	4,179	113,726
- Death Benefits	28,649	8,703	3,025	40,377
- Disability Benefits	118,519	33,875	14,003	166,397
- Total Active	2,170,932	471,815	222,482	2,865,229
Total Actuarial Liabilities	\$ 4,338,205	\$ 1,152,044	\$ 407,793	\$ 5,898,042

Actuarial Balance Sheet – Resources

For the purpose of the Actuarial Balance Sheet, SamCERA's resources are equal to the sum of:

- (a) Assets currently available to pay benefits and considered for funding purposes, the Valuation Assets,
- (b) The present value of future contributions expected to be made by current active members, and
- (c) The present value of future contributions expected to be made by the employer.

Actuarial Cost Method

The Actuarial Balance sheet determines the amount of future contributions that are needed, but the method used to determine the incidence of when those future contributions are yet to be made in future years is called the "actuarial cost method." For this valuation, the entry age actuarial cost method has been used. Under this method – or essentially any actuarial cost method – the contributions required to meet the difference between current assets and current actuarial liabilities are allocated each year between two elements:

- A Normal Cost amount; and
- Whatever amount is left over, which is used to amortize what is called the UAAL.

Normal Cost

The two items described above, the Normal Cost and UAAL, are the keys to understanding the actuarial cost method.

The Normal Cost is the theoretical contribution rate that is projected to meet the ongoing costs of a group of average new employees. Suppose that a group of new employees was covered under a separate fund from which all benefits and to which all contributions and associated investment returns were paid. Under the entry age actuarial cost method, the Normal Cost contribution rate maintains the funding of benefits as a level percentage of pay. If experience follows the actuarial assumptions precisely, the fund would be completely liquidated when the last payment to the last survivor of the group was made.

By applying the Normal Cost contribution rate to the present value of salaries expected to be paid in the future, we determine the present value of future Normal Cost contributions. Future contributions are expected to be made by both the members and the employer. The basic member contribution rates are determined based upon requirements established in the '37 Act and the actuarial assumptions. Members may also make additional contributions as part of a cost sharing or COLA cost sharing arrangements. Based on these member contribution rates, we determine the present value of future member contributions. We subtract that value from the total future Normal Cost contributions expected, based on the entry age cost method. The remaining difference is the employer's portion of the future Normal Cost contributions.

Actuarial Accrued Liability

The difference between the present value of all future obligations and the present value of the future Normal Cost contributions is referred to as the "Actuarial Accrued Liability." The AAL is then compared to the value of assets available to fund benefits, and the difference is referred to as the UAAL. The results for SamCERA for all plans (and including all Valuation Assets) are summarized below:

(Dollars in millions)	2018	2017	Percent Change
A. Actuarial present value of all future benefits for contributing members, former contributing members, and their survivors	\$ 5,898	\$ 5,649	4.4%
B. Actuarial present value of total future Normal Costs for current members	<u>927</u>	<u>929</u>	(0.2)%
C. Actuarial accrued liability [A-B]	\$ 4,971	\$ 4,720	5.3%
D. Valuation Assets	<u>4,352</u>	<u>3,977</u>	9.4%
E. UAAL or Surplus Funding [C-D] *	\$ 619	\$ 743	(16.7)%
F. Funded Ratio [D/C]	87.5%	84.3%	3.2%

* Note that line E may include a rounding adjustment item.

Unfunded Actuarial Accrued Liability/ Surplus Funding

The portion allocated to service already rendered or accrued is called the Actuarial Accrued Liability. The difference between the Actuarial Accrued Liability and the Valuation Assets is called the Unfunded Actuarial Accrued Liability (UAAL). If a UAAL amount exists, it usually results from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the employer had always contributed the current Normal Cost, if there were no prior benefit or assumption changes and if actual experience exactly matched the actuarial assumptions, the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

Exhibits 9a and 9b show how the UAAL was derived for each classification. Exhibit 9a includes all Valuation Assets, and exhibit 9b excludes the SCA. In the Actuarial Balance sheet, the total actuarial accrued liability for all future benefits must be equal to the current and future assets.

Funding Adequacy

A key consideration in determining the adequacy of the funding of SamCERA is how the UAAL is being funded. Under the current funding method, the June 30, 2008 UAAL is amortized over a fixed period ending June 30, 2023. Changes in the UAAL in years following June 30, 2008 are being amortized separately over new 15-year periods from the valuation date at which the difference is calculated, including the change in UAAL as of June 30, 2018.

**Analysis of Change
 in UAAL**

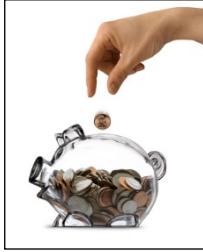
The UAAL, at any date after establishment of a system, is affected by any actuarial gains or losses arising when the actual experience of the system varies from the experience anticipated by the actuarial assumptions used in the valuations. To the extent actual experience, as it develops, differs from that expected according to the assumptions used, so also will the emerging costs differ from the estimated costs.

The 2018 actuarial valuation reflects a decrease in the system-wide UAAL of \$124.1 million for the fiscal year just ended.

Unfunded Actuarial Accrued Liability - June 30, 2017	\$ 743.1
Expected Increase / (Decrease) ⁽¹⁾	(109.7)
Expected UAAL - June 30, 2018	\$ 633.4
Asset (Gains) and Losses	(42.8)
Retiree COLA Greater / (Less) than Expected	12.2
Salary Increases Greater / (Less) than Expected	10.4
Other Liability (Gain) / Loss	<u>5.8</u>
Total Changes	<u>(14.4)</u>
Actual UAAL - June 30, 2018	\$ 619.0

1. Based on actual contributions.

Section 5 Member Contributions



For SamCERA members in Plans 1-6, contributions are of three types: Basic contributions, Cost Sharing contributions, and COLA Cost Sharing contributions. SamCERA members in Plan 7 pay contributions equal to one-half of the total Normal Cost rate for all members.

Basic contributions for Plans 1-6 are defined in the following sections of the County Employees' Retirement Law:

Basic Contributions (Plans 1-6)

Plan	Code Section	Contribution Provides Average Annuity of
General Plans 1, 2 & 4	31621.9	1/120 th of FAC at age 55
General Plan 5	31621	1/120 th of FAC at age 60
Probation & Safety	31639.25	1/100 th of FAC at age 50

FAC = Final Average Compensation

There are no member contributions under General Plan 3.

Basic member contributions are determined using the Entry Age Normal Cost Method and the following actuarial assumptions:

1. Expected rate of return on assets
2. Individual salary increase rate (wage growth + merit)
3. Mortality for members based on service retirement
4. No COLAs are assumed

The basic member contribution rates for Plans 1-6 were recalculated as of the June 30, 2017 valuation to reflect the investment return and wage growth assumptions adopted with the 2017 Investigation of Experience study. The rates are shown in Appendix D.

Cost-Sharing Contributions

In addition to the basic rate, all Plan 1, 2, and 4 employees (except SMCM&VCD), as well as Plan 5 Safety and Probation employees, make additional cost-sharing contributions as shown in Appendix B. Plan 5 General employees, and all Plan 6 and 7 employees do not participate in cost-sharing. For valuation purposes, cost-sharing contributions are assumed to be permanent. The cost-sharing contributions are fixed and not impacted by changes in assumptions.

Cost-of-Living Contributions (Plans 1-6)

Depending on which plan and bargaining unit they belong to, members may share in the cost of the COLA by making additional contributions (COLA contributions). The COLA level is described in detail in the Member Contributions section of Appendix B.

COLA member rates are determined by calculating and applying a load factor to the basic member rates. COLA load factors are determined for each class and plan of member separately, as shown in the following table:

Plan	COLA Share	COLA Load
General 1	50%	36.19%
General 2	50%	33.89%
General 4	50%	26.31%
General 5	50%	25.38%
Safety 1	50%	47.93%
Safety 2	50%	50.07%
Safety 4	50%	37.71%
Safety 5	50%	34.76%
Safety 6	50%	32.47%
Probation 1	50%	53.21%
Probation 2	50%	51.34%
Probation 4	50%	37.84%
Probation 5	50%	34.64%
Probation 6	50%	30.44%

Example:

A member who enters General Plan 5 at age 35 has a basic member contribution rate of 6.71% (Exhibit D-1). The General Plan 5 COLA load is 25.38% for a member COLA contribution of 1.70% (6.71% x 25.38%) of pay. The basic plus COLA member contribution rate is 8.41% (6.71% + 1.70%).

The COLA load for each plan is determined as follows: the present value of future normal costs with and without COLA provisions is calculated. The difference is multiplied by the COLA share percentage, and then divided by the present value of future basic only member contributions.

Member Contribution Rates – Pick-up (Plans 1-6)

Effective July 1, 2016 no employer pick-up contributions are valued.

**Member Contribution
Rates
(Plan 7)**

Contributions for Plan 7 are defined in Section 7522.30 of the Government Code.

All employees of the same class who are members of Plan 7 shall contribute the same percentage of payroll. Such percentage will be 50% of the total Normal Cost rate for that class. The rates are recalculated annually. Note that for small groups, the Normal Cost rate, and hence the member rate may change significantly from year-to-year. As the group becomes larger, this volatility should be reduced.

Effective July 1, 2019, Plan 7 member rates are as follows:

- General members: 8.61% (decreased from 8.71%)
- SMCM&VCD members: 9.04% (increased from 8.84%)
- Safety members: 14.50% (decreased from 14.51%)
- Probation members: 14.11% (decreased from 14.33%)

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Section 6 Employer Contributions



Contributions to SamCERA are determined using the Entry Age Normal Cost Method. The portion of the actuarial present value of retirement benefits allocated to a valuation year by the Actuarial Cost Method is called the Normal Cost. These amounts are usually expressed as a percentage of payroll and called the Normal Cost Contribution Rate. Exhibit 11 shows the Normal Cost Rates by type of benefit and for each plan based on this valuation.

It should be noted that when we use the term “Gross Normal Cost rate,” we are referring to the value of benefits earned by active members allocated to the valuation year. The Employer Normal Cost rate is the portion of the annual benefit that the employer is responsible for. This is simply the Gross Normal Cost rate less the contributions expected to be made by the members.

Note that in the following exhibits “SMCM&VCD” refers to the San Mateo County Mosquito and Vector Control District.

Statutory Contribution Rate

A summary of the total Statutory Contribution Rate for each classification, along with a comparison to the prior year’s rates, can be found in Exhibit 10, with additional detail for each plan in Exhibits 10a through 10d. These results are expressed as a percentage of payroll. Note that SamCERA’s UAAL is determined separately for each class. Thus, the employers fund the UAAL evenly as a percentage of pay over salaries for all members within a class.

The UAAL rate reflects a layered 15-year amortization beginning with the June 30, 2008 valuation. Gains and losses after that date are reflected over new 15-year periods starting with the valuation date. A one-year deferral in the implementation of the new rate is reflected. Therefore, the new employer contribution rate calculated in the 2018 valuation is effective July 1, 2019, and the UAAL is amortized over the remaining 14 years.

The SCA (CSCA for the County UAAL and DSCA for the SMCM&VCD) offset amounts are calculated in a similar manner to the UAAL rate described above. Effective with the June 30, 2018 valuation the DSCA balance is to be amortized within a period of five years. The total DSCA offset amount in a given year is limited to the SMCM&VCD UAAL rate, and the DSCA will be adjusted to reflect the actual offset (after reflecting the limitation, if any).

Exhibits 12a through 12c show detailed information on how the UAAL contribution rate is calculated using the layered method. The UAAL contribution rates are calculated prior to reflecting the SCAs. Exhibits 12d and 12e show detailed information on how the SCA offsets are calculated using the same layered approach as used for UAAL amortizations.

Statutory Contribution Rate
(continued)

The total Statutory Contribution Rate was 35.31% for the fiscal year beginning July 1, 2018 after reflecting all bargained COLA and cost sharing arrangements. For the fiscal year beginning in 2019, the Statutory Contribution Rate decreased to 33.67%. This is equal to the aggregate Employer Normal Cost contribution rate of 10.57% plus appropriate amounts to amortize the UAAL according to the funding policy, over layered 15-year closed periods.

Statutory Contribution Rate
(all values as a % of Payroll)

Employer Normal Cost	10.57%
Total Amortization of UAAL	<u>23.10%</u>
Total Employer Contribution	33.67%

Changes in the Normal Cost Rate

The change in the calculated gross Normal Cost rates from year-to-year is generally due to the normal experience of the System, as described below.

- 1. Experience:** Normal experience from year-to-year, reflecting differences in both the weighting between membership groups and in their characteristics, as well as on what was assumed to occur during the past fiscal year and what actually occurred, particularly with respect to salary increases and turnover experience. Based on current system benefit provisions, the aggregate Normal Cost rate is expected to decrease as a greater number of members are covered by Plan 7, instead of the more expensive older plans. However, the change will be fairly gradual.

**Exhibit 10 Employer Statutory Contribution Rates – All Plans
 For the 2019-2020 Fiscal Year**

	All Plans							Prior Year Total Contribution Rate
	Gross Normal Cost	Member Contributions	Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
General Members								
County	20.32%	(11.10)%	7.07%	2.15%	9.22%	19.32%	28.54%	30.13%
Courts	20.91%	(11.64)%	7.06%	2.21%	9.27%	21.76%	31.03%	32.23%
Total	20.35%	(11.12)%	7.07%	2.16%	9.23%	19.43%	28.66%	30.22%
SMCM&VCD Members	20.39%	(8.26)%	8.83%	3.30%	12.13%	0.00%	12.13%	24.69%
Safety Members	34.13%	(17.15)%	13.01%	3.97%	16.98%	44.68%	61.66%	62.85%
Probation Members	33.45%	(16.50)%	13.15%	3.80%	16.95%	32.88%	49.83%	50.29%
All Plans	22.68%	(12.11)%	8.10%	2.47%	10.57%	23.10%	33.67%	35.31%
County Only	22.75%	(12.14)%	8.13%	2.48%	10.61%	23.24%	33.85%	35.48%

1. County UAAL Contribution Rate includes an aggregate offset of 2.85% of County payroll to reflect the County Supplementary Contribution Account. Offsets vary by class of member as follows:

- General member UAAL offset is 2.44% of payroll
- Safety member UAAL offset is 5.02% of payroll
- Probation member UAAL offset is 4.10% of payroll

SMCM&VCD UAAL Contribution Rate includes an offset of 21.76% of District payroll to reflect the District Supplementary Contribution Account.

**Exhibit 10a Employer Statutory Contribution Rates – General Members
 For the 2019-2020 Fiscal Year**

General Members								
	Gross Normal Cost	Member Contributions	Employer Rates					Prior Year Total Contribution Rate
			Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
<u>Plan 1</u>								
County	27.79%	(13.79)%	10.15%	3.85%	14.00%	19.32%	33.32%	31.29%
Courts	27.79%	(13.79)%	10.15%	3.85%	14.00%	21.76%	35.76%	33.32%
Total	27.79%	(13.79)%	10.15%	3.85%	14.00%	19.32%	33.32%	31.29%
<u>Plan 2</u>								
County	21.84%	(12.92)%	6.18%	2.74%	8.92%	19.32%	28.24%	29.79%
Courts	21.84%	(12.92)%	6.18%	2.74%	8.92%	21.76%	30.68%	31.82%
Total	21.84%	(12.92)%	6.18%	2.74%	8.92%	19.42%	28.34%	29.87%
<u>Plan 3</u>								
County	7.83%	0.00%	7.83%	0.00%	7.83%	19.32%	27.15%	28.66%
Courts	7.83%	0.00%	7.83%	0.00%	7.83%	21.76%	29.59%	30.69%
Total	7.83%	0.00%	7.83%	0.00%	7.83%	19.32%	27.15%	28.66%
<u>Plan 4</u>								
County	22.38%	(12.92)%	7.22%	2.24%	9.46%	19.32%	28.78%	30.47%
Courts	22.38%	(12.92)%	7.22%	2.24%	9.46%	21.76%	31.22%	32.50%
Total	22.38%	(12.92)%	7.22%	2.24%	9.46%	19.46%	28.92%	30.60%
<u>Plan 5</u>								
County	20.62%	(9.28)%	9.27%	2.07%	11.34%	19.32%	30.66%	32.16%
Courts	20.62%	(9.28)%	9.27%	2.07%	11.34%	21.76%	33.10%	34.19%
Total	20.62%	(9.28)%	9.27%	2.07%	11.34%	19.40%	30.74%	32.21%
<u>Plan 7</u>								
County	17.21%	(8.61)%	6.75%	1.85%	8.60%	19.32%	27.92%	29.26%
Courts	17.21%	(8.61)%	6.75%	1.85%	8.60%	21.76%	30.36%	31.29%
Total	17.21%	(8.61)%	6.75%	1.85%	8.60%	19.41%	28.01%	29.33%
<u>All Plans</u>								
County	20.32%	(11.10)%	7.07%	2.15%	9.22%	19.32%	28.54%	30.13%
Courts	20.91%	(11.64)%	7.06%	2.21%	9.27%	21.76%	31.03%	32.23%
Total	20.35%	(11.12)%	7.07%	2.16%	9.23%	19.43%	28.66%	30.22%

Notes:

1. UAAL Contribution Rate includes an offset of 2.44% of payroll to reflect the County Supplementary Contribution Account, except for Courts.

**Exhibit 10b Employer Statutory Contribution Rates – SMCM&VCD Members
 For the 2019-2020 Fiscal Year**

SMCM&VCD Members

	Employer Rates							Prior Year Total Contribution Rate
	Gross Normal Cost	Member Contributions	Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
Plan 1 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan 2 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan 4	21.69%	(7.82)%	9.82%	4.05%	13.87%	0.00%	13.87%	26.41%
Plan 7	18.08%	(9.04)%	7.06%	1.98%	9.04%	0.00%	9.04%	21.21%
All Plans	20.39%	(8.26)%	8.83%	3.30%	12.13%	0.00%	12.13%	24.69%

Notes:

1. UAAL Contribution Rate includes an offset of 21.76% of payroll to reflect the District Supplementary Contribution Account.
2. There are currently no active Plan 1 or Plan 2 SMCM&VCD members. Employer rates will be developed in the future if needed.

**Exhibit 10c Employer Statutory Contribution Rates – Safety Members
 For the 2019-2020 Fiscal Year**

	Employer Rates							Prior Year Total Contribution Rate
	Gross Normal Cost	Member Contributions	Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
Plan 1 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.86%
Plan 2	36.73%	(16.94)%	13.94%	5.85%	19.79%	44.68%	64.47%	64.05%
Plan 4	35.73%	(18.36)%	13.50%	3.87%	17.37%	44.68%	62.05%	63.22%
Plan 5	36.44%	(18.28)%	14.26%	3.90%	18.16%	44.68%	62.84%	64.03%
Plan 6 ⁽²⁾	N/A	0.00%	N/A	N/A	NA	NA	NA	NA
Plan 7	29.00%	(14.50)%	11.13%	3.37%	14.50%	44.68%	59.18%	60.08%
All Plans	34.13%	(17.15)%	13.01%	3.97%	16.98%	44.68%	61.66%	62.85%

Notes:

1. UAAL Contribution Rate includes an offset of 5.02% of payroll to reflect the County Supplementary Contribution Account.
2. There are currently no active Plan 1 or Plan 6 Safety members. Employer rates will be developed in the future if needed.

**Exhibit 10d Employer Statutory Contribution Rates – Probation Members
 For the 2019-2020 Fiscal Year**

Probation Members								
	Gross Normal Cost	Member Contributions	Employer Rates				Total Contribution Rate	Prior Year Total Contribution Rate
			Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾		
Plan 1 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65.51%
Plan 2	36.87%	(17.97)%	13.87%	5.03%	18.90%	32.88%	51.78%	52.17%
Plan 4	33.97%	(16.72)%	13.53%	3.72%	17.25%	32.88%	50.13%	50.33%
Plan 5	31.60%	(16.37)%	11.77%	3.46%	15.23%	32.88%	48.11%	48.03%
Plan 6 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48.04%
Plan 7	28.21%	(14.11)%	10.89%	3.21%	14.10%	32.88%	46.98%	47.19%
All Plans	33.45%	(16.50)%	13.15%	3.80%	16.95%	32.88%	49.83%	50.29%

Notes:

1. UAAL Contribution Rate includes an offset of 4.10% of payroll to reflect the County Supplementary Contribution Account.
2. There are currently no active Plan 1 or Plan 6 Probation members. Employer rates will be developed in the future if needed.

Exhibit 11 Calculated Gross Normal Cost Rates

All Plans					
Plan	Normal Cost				Total Gross Normal Cost
	Service Retirement	Disability Retirement	Death Benefits while Active	Termination Benefits	
General Plan 1	19.96%	2.24%	0.69%	4.90%	27.79%
General Plan 2	15.21%	2.00%	0.40%	4.23%	21.84%
General Plan 3	7.16%	0.00%	0.00%	0.67%	7.83%
General Plan 4	15.92%	2.11%	0.39%	3.96%	22.38%
General Plan 5	14.84%	2.32%	0.39%	3.07%	20.62%
General Plan 7	12.40%	2.10%	0.30%	2.41%	17.21%
General Total	14.51%	2.08%	0.36%	3.40%	20.35%
SMCM&VCD Plan 1	N/A	N/A	N/A	N/A	N/A
SMCM&VCD Plan 2	N/A	N/A	N/A	N/A	N/A
SMCM&VCD Plan 4	16.02%	2.15%	0.34%	3.18%	21.69%
SMCM&VCD Plan 7	13.33%	1.85%	0.42%	2.48%	18.08%
SMCM&VCD Total	15.05%	2.04%	0.37%	2.93%	20.39%
Safety Plan 1	N/A	N/A	N/A	N/A	N/A
Safety Plan 2	28.39%	3.72%	1.51%	3.11%	36.73%
Safety Plan 4	27.50%	4.10%	1.23%	2.90%	35.73%
Safety Plan 5	27.79%	5.02%	1.16%	2.47%	36.44%
Safety Plan 6	N/A	N/A	N/A	N/A	N/A
Safety Plan 7	21.71%	4.41%	1.07%	1.81%	29.00%
Safety Total	26.09%	4.25%	1.21%	2.58%	34.13%
Probation Plan 1	N/A	N/A	N/A	N/A	N/A
Probation Plan 2	28.93%	3.67%	1.25%	3.02%	36.87%
Probation Plan 4	26.52%	3.49%	1.08%	2.88%	33.97%
Probation Plan 5	24.58%	3.74%	0.97%	2.31%	31.60%
Probation Plan 6	N/A	N/A	N/A	N/A	N/A
Probation Plan 7	21.50%	3.81%	0.94%	1.96%	28.21%
Probation Total	26.06%	3.56%	1.08%	2.75%	33.45%
All Plans	16.49%	2.42%	0.50%	3.27%	22.68%

Exhibit 12a UAAL Amortization Detail – General Members
 (Dollars in Thousands)

Unfunded Actuarial Liability Amortization Detail							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2008	Initial UAAL	\$ 227,529	\$ 15,358	\$ 52,112	\$ 190,775	4 Years	\$ 51,262
June 30, 2009	(Gain) / Loss	\$ 239,187	\$ 16,145	\$ 46,448	\$ 208,884	5 Years	\$ 45,691
June 30, 2010	(Gain) / Loss	\$ (94,855)	\$ (6,403)	\$ (16,062)	\$ (85,195)	6 Years	\$ (15,800)
June 30, 2011	(Gain) / Loss	\$ (29,968)	\$ (2,023)	\$ (4,517)	\$ (27,474)	7 Years	\$ (4,443)
June 30, 2012	(Gain) / Loss	\$ 96,532	\$ 6,516	\$ 13,154	\$ 89,893	8 Years	\$ 12,940
June 30, 2013	(Gain) / Loss	\$ 18,775	\$ 1,267	\$ 2,342	\$ 17,701	9 Years	\$ 2,304
June 30, 2014	(Gain) / Loss	\$ (40,741)	\$ (2,750)	\$ (4,698)	\$ (38,794)	10 Years	\$ (4,621)
June 30, 2015	(Gain) / Loss	\$ (30,946)	\$ (2,089)	\$ (3,326)	\$ (29,709)	11 Years	\$ (3,272)
June 30, 2016	(Gain) / Loss	\$ 99,644	\$ 6,726	\$ 10,050	\$ 96,320	12 Years	\$ 9,886
June 30, 2017	(Gain) / Loss	\$ 70,988	\$ 4,792	\$ 6,759	\$ 69,020	13 Years	\$ 6,649
June 30, 2018	(Gain) / Loss	\$ (17,399)	\$ (1,174)	\$ 3,335	\$ (21,908)	14 Years	\$ (1,992)
Total Amortization Payment July 1, 2019:							\$ 98,603
Projected Payroll July 1, 2019:							\$ 453,104
UAAL as of June 30, 2018:		<u>\$ 538,745</u>		UAAL Contribution Rate (as a % of Payroll) FYB July 1, 2019:			<u>21.76%</u>

Notes:

1. Amortization Payments are based on a fixed schedule that increases by the payroll assumption each year.
2. The calculation of UAAL is as of June 30, 2018; whereas, the contribution rates are effective as of July 1, 2019. The June 30, 2018 UAAL is adjusted to June 30, 2019 based on the July 1, 2018 contribution rates and June 30, 2018 valuation assumptions.
3. (Gain)/Loss includes the following:
 - new assumptions adopted effective June 30, 2011 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2012
 - new assumptions adopted effective June 30, 2014 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2016
 - new assumptions adopted effective June 30, 2017 based on the Investigation of Experience report

Exhibit 12b UAAL Amortization Detail – Safety Members
 (Dollars in Thousands)

Unfunded Actuarial Liability Amortization Detail							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2008	Initial UAAL	\$ 83,032	\$ 5,605	\$ 19,017	\$ 69,619	4 Years	\$ 18,707
June 30, 2009	(Gain) / Loss	\$ 87,719	\$ 5,921	\$ 17,034	\$ 76,606	5 Years	\$ 16,757
June 30, 2010	(Gain) / Loss	\$ (35,482)	\$ (2,395)	\$ (6,008)	\$ (31,869)	6 Years	\$ (5,910)
June 30, 2011	(Gain) / Loss	\$ (13,899)	\$ (938)	\$ (2,095)	\$ (12,743)	7 Years	\$ (2,061)
June 30, 2012	(Gain) / Loss	\$ 28,700	\$ 1,937	\$ 3,911	\$ 26,726	8 Years	\$ 3,847
June 30, 2013	(Gain) / Loss	\$ 5,490	\$ 371	\$ 685	\$ 5,176	9 Years	\$ 674
June 30, 2014	(Gain) / Loss	\$ (16,393)	\$ (1,107)	\$ (1,890)	\$ (15,609)	10 Years	\$ (1,859)
June 30, 2015	(Gain) / Loss	\$ (8,618)	\$ (582)	\$ (926)	\$ (8,274)	11 Years	\$ (911)
June 30, 2016	(Gain) / Loss	\$ 26,865	\$ 1,813	\$ 2,710	\$ 25,969	12 Years	\$ 2,665
June 30, 2017	(Gain) / Loss	\$ 19,694	\$ 1,329	\$ 1,875	\$ 19,148	13 Years	\$ 1,845
June 30, 2018	(Gain) / Loss	\$ (5,292)	\$ (357)	\$ (327)	\$ (5,322)	14 Years	\$ (484)
Total Amortization Payment July 1, 2019:							\$ 33,269
Projected Payroll July 1, 2019:							\$ 66,933
UAAL as of June 30, 2018:		\$ 171,816	UAAL Contribution Rate (as a % of Payroll) FYB July 1, 2019:				49.70%

Notes:

1. Amortization Payments are based on a fixed schedule that increases by the payroll assumption each year.
2. The calculation of UAAL is as of June 30, 2018; whereas, the contribution rates are effective as of July 1, 2019. The June 30, 2018 UAAL is adjusted to June 30, 2019 based on the July 1, 2018 contribution rates and June 30, 2018 valuation assumptions.
3. (Gain)/Loss includes the following:
 - new assumptions adopted effective June 30, 2011 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2012
 - new assumptions adopted effective June 30, 2014 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2016
 - new assumptions adopted effective June 30, 2017 based on the Investigation of Experience report

Exhibit 12c UAAL Amortization Detail – Probation Members
 (Dollars in Thousands)

Unfunded Actuarial Liability Amortization Detail							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2008	Initial UAAL	\$ 20,804	\$ 1,404	\$ 4,765	\$ 17,443	4 Years	\$ 4,687
June 30, 2009	(Gain) / Loss	\$ 22,078	\$ 1,490	\$ 4,287	\$ 19,280	5 Years	\$ 4,217
June 30, 2010	(Gain) / Loss	\$ (8,660)	\$ (585)	\$ (1,467)	\$ (7,778)	6 Years	\$ (1,443)
June 30, 2011	(Gain) / Loss	\$ (3,189)	\$ (215)	\$ (481)	\$ (2,923)	7 Years	\$ (473)
June 30, 2012	(Gain) / Loss	\$ 9,678	\$ 653	\$ 1,319	\$ 9,012	8 Years	\$ 1,297
June 30, 2013	(Gain) / Loss	\$ 1,401	\$ 95	\$ 175	\$ 1,321	9 Years	\$ 172
June 30, 2014	(Gain) / Loss	\$ (3,314)	\$ (224)	\$ (382)	\$ (3,155)	10 Years	\$ (376)
June 30, 2015	(Gain) / Loss	\$ (2,324)	\$ (157)	\$ (250)	\$ (2,231)	11 Years	\$ (246)
June 30, 2016	(Gain) / Loss	\$ 10,991	\$ 742	\$ 1,109	\$ 10,624	12 Years	\$ 1,090
June 30, 2017	(Gain) / Loss	\$ 10,271	\$ 693	\$ 978	\$ 9,986	13 Years	\$ 962
June 30, 2018	(Gain) / Loss	\$ (1,945)	\$ (131)	\$ (281)	\$ (1,795)	14 Years	\$ (163)
Total Amortization Payment July 1, 2019:							\$ 9,726
Projected Payroll July 1, 2019:							\$ 26,303
UAAL as of June 30, 2018:		\$ 55,790		UAAL Contribution Rate (as a % of Payroll) FYB July 1, 2019:			36.98%

Notes:

- Amortization Payments are based on a fixed schedule that increases by the payroll assumption each year.
- The calculation of UAAL is as of June 30, 2018; whereas, the contribution rates are effective as of July 1, 2019. The June 30, 2018 UAAL is adjusted to June 30, 2019 based on the July 1, 2018 contribution rates and June 30, 2018 valuation assumptions.
- (Gain)/Loss includes the following:
 - new assumptions adopted effective June 30, 2011 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2012
 - new assumptions adopted effective June 30, 2014 based on the Investigation of Experience report
 - new economic assumptions effective June 30, 2016
 - new assumptions adopted effective June 30, 2017 based on the Investigation of Experience report

Exhibit 12d Amortization Detail – County SCA Offsets
 (Dollars in Thousands)

General Members							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2014	Initial CSCA	\$ 34,567	\$ 2,333	\$ 3,986	\$ 32,914	10 Years	\$ 3,921
June 30, 2015	CSCA Addition	\$ 7,963	\$ 537	\$ 856	\$ 7,644	11 Years	\$ 842
June 30, 2016	CSCA Addition	\$ 14,640	\$ 988	\$ 1,477	\$ 14,152	12 Years	\$ 1,453
June 30, 2017	CSCA Addition	\$ 25,356	\$ 1,712	\$ 2,414	\$ 24,654	13 Years	\$ 2,375
June 30, 2018	CSCA Addition	\$ 19,684	\$ 1,329	\$ -	\$ 21,013	14 Years	\$ 1,911
Total CSCA County Offset Payment July 1, 2019:							\$ 10,501
Projected County Payroll July 1, 2019:							\$ 430,256
CSCA Value as of June 30, 2018:		\$ 102,210		CSCA County Offset (as a % of Payroll) FYB July 1, 2019:			2.44%

Safety Members							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2014	Initial CSCA	\$ 11,714	\$ 791	\$ 1,351	\$ 11,154	10 Years	\$ 1,329
June 30, 2015	CSCA Addition	\$ 2,701	\$ 182	\$ 290	\$ 2,593	11 Years	\$ 286
June 30, 2016	CSCA Addition	\$ 4,441	\$ 300	\$ 448	\$ 4,292	12 Years	\$ 441
June 30, 2017	CSCA Addition	\$ 7,652	\$ 516	\$ 729	\$ 7,440	13 Years	\$ 717
June 30, 2018	CSCA Addition	\$ 6,090	\$ 411	\$ -	\$ 6,501	14 Years	\$ 591
Total CSCA County Offset Payment July 1, 2019:							\$ 3,363
Projected County Payroll July 1, 2019:							\$ 66,933
CSCA Value as of June 30, 2018:		\$ 32,597		CSCA County Offset (as a % of Payroll) FYB July 1, 2019:			5.02%

Probation Members							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2014	Initial CSCA	\$ 3,186	\$ 215	\$ 367	\$ 3,033	10 Years	\$ 361
June 30, 2015	CSCA Addition	\$ 769	\$ 52	\$ 83	\$ 739	11 Years	\$ 81
June 30, 2016	CSCA Addition	\$ 1,549	\$ 105	\$ 156	\$ 1,497	12 Years	\$ 154
June 30, 2017	CSCA Addition	\$ 3,027	\$ 204	\$ 288	\$ 2,944	13 Years	\$ 284
June 30, 2018	CSCA Addition	\$ 2,053	\$ 139	\$ -	\$ 2,192	14 Years	\$ 199
Total CSCA County Offset Payment July 1, 2019:							\$ 1,079
Projected County Payroll July 1, 2019:							\$ 26,303
CSCA Value as of June 30, 2018:		\$ 10,584		CSCA County Offset (as a % of Payroll) FYB July 1, 2019:			4.10%

Notes:

1. CSCA Offsets are based on a fixed schedule that increases by the payroll assumption each year.
2. The calculation of CSCA amounts are as of June 30, 2018; whereas, the contribution rates are effective as of July 1, 2019. The June 30, 2018 CSCA is adjusted to June 30, 2019 based on the July 1, 2018 contribution rates and June 30, 2018 valuation assumptions.

Exhibit 12e Amortization Detail – District SCA Offsets
 (Dollars in Thousands)

Preliminary Offset Calculations							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2016	Initial DSCA	\$ 1,654	\$ 112	\$ 167	\$ 1,599	4 Years	\$ 430
June 30, 2017	DSCA Addition	\$ 270	\$ 18	\$ 26	\$ 263	4 Years	\$ 71
June 30, 2018	DSCA Addition	\$ 3	\$ 0	\$ -	\$ 4	4 Years	\$ 1
Total DSCA Offset Payment July 1, 2019:							\$ 501
Projected District Payroll July 1, 2019:							\$ 2,016
DSCA Value as of June 30, 2018:		\$ 1,927		DSCA District Offset (as a % of Payroll) FYB July 1, 2019:			24.85%

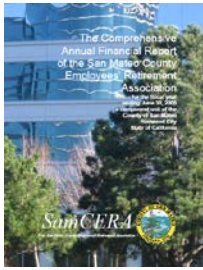
Adjusted Offset Calculations							
Date Established	Description	Balance as of June 30, 2018	Interest on Balance	Amortization Payment on June 30, 2019	Balance as of June 30, 2019	Remaining Period as of June 30, 2019	July 1, 2019 Amortization Payment
June 30, 2016	Initial DSCA	\$ 1,654	\$ 112	\$ 167	\$ 1,599	4 Years	\$ 376
June 30, 2017	DSCA Addition	\$ 270	\$ 18	\$ 26	\$ 263	4 Years	\$ 62
June 30, 2018	DSCA Addition	\$ 3	\$ 0	\$ -	\$ 4	4 Years	\$ 1
Total DSCA Offset Payment July 1, 2019:							\$ 439
Projected District Payroll July 1, 2019:							\$ 2,016
DSCA Value as of June 30, 2018:		\$ 1,927		DSCA District Offset (as a % of Payroll) FYB July 1, 2019:			21.76%

Notes:

1. DSCA Offsets are based on a fixed schedule that increases by the payroll assumption each year.
2. The calculation of DSCA amounts are as of June 30, 2018; whereas, the contribution rates are effective as of July 1, 2019. The June 30, 2018 DSCA is adjusted to June 30, 2019 based on the July 1, 2018 contribution rates and June 30, 2018 valuation assumptions.
3. The preliminary calculation of DSCA Offset results in a larger offset than the UAAL contribution rate payable by the District, and therefore must be limited to the adjusted offset to prevent a negative UAAL contribution rate.

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Section 7 Information for Comprehensive Annual Financial Report (CAFR)



The Governmental Accounting Standards Board (GASB) Statement No. 67 sets standards for defined benefit pension plan reporting and disclosures. The reporting requirements for GASB 67 include certain supplementary information that must be added to the financial statements. GASB Statement No. 68 specifies financial reporting for pension accounting by state and local governmental employers. We will provide information required for GASB 67 and GASB 68 in a separate report.

We are providing several exhibits in this report for consistency with prior reports and as supporting information for inclusion in SamCERA's CAFR.

- Exhibit 13 – Schedule of Funding Progress
- Exhibit 14 – Solvency Test
- Exhibit 15 – History of Employer Contribution Rates
- Exhibit 16 – Actuarial Analysis of Financial Experience
- Exhibit 17 – Asset and Liability Volatility Ratios
- Exhibit 18 – Summary of Significant Actuarial Statistics and Measures
- Exhibit 19 – Summary of SamCERA Membership
For more detailed information on the valuation data, see Appendix C.
- Exhibit 20 – Summary of Active Member Valuation Data
- Exhibit 21 – Summary of Demographic Activity of Retirees and Beneficiaries
- Exhibit 22 – Average Salary and Active Counts by Employer
- Exhibit 23 – Summary of Retired and Inactive Benefits

Please note that all liability calculations shown in this Section 7 are based on an investment return assumption of 6.75%. GASB 67 and 68 calculations as of June 30, 2018 will use an investment return assumption of 6.92%, as the investment return for GASB 67 and 68 is required to be gross of expected administrative expenses.

Additional CAAP Disclosure

The California Actuarial Advisory Panel (CAAP) has adopted a set of model disclosure elements for actuarial valuation reports of public retirement systems in California. Most of these elements are included in other areas of this report. The remaining CAAP-recommended disclosures are as follows:

Disclosure Element	Description	Value
Gross Normal Cost \$	Normal Cost allocated to valuation year, paid at mid-year.	\$ 122,092,221
Statutory Contribution \$	Expected Statutory Contribution paid at mid-year.	\$ 181,254,192
Asset Smoothing Ratio	Actuarial Value of Assets divided by Market Value of Assets	99.5%
Asset Volatility Ratio	Market Value of Assets divided by Payroll	8.1
Liability Volatility Ratio	Actuarial Accrued Liability divided by Payroll	9.2

A history of the Asset and Liability Volatility Ratios is included in Exhibit 17.

Exhibit 13 Schedule of Funding Progress
 (Dollars in Thousands)

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Valuation Assets</u>	<u>(b) Actuarial Accrued Liabilities</u>	<u>(b-a) Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>[(b-a)/c] UAAL as a Percentage of Covered Payroll</u>
June 30, 2009	\$ 1,909,679	\$ 2,987,712	\$ 1,078,033	63.9%	\$ 433,668	248.58%
June 30, 2010	2,179,076	3,098,453	919,377	70.3%	434,295	211.69%
June 30, 2011	2,405,140	3,246,727	841,587	74.1%	427,041	197.07%
June 30, 2012	2,480,271	3,442,553	926,282	72.0%	418,916	229.71%
June 30, 2013	2,618,639	3,572,750	954,111	73.3%	404,361	235.96%
June 30, 2014	2,993,187	3,797,042	803,855	78.8%	416,274	193.11%
June 30, 2015	3,343,550	4,045,786	702,236	82.6%	439,018	159.96%
June 30, 2016	3,624,726	4,362,296	737,570	83.1%	472,385	156.14%
June 30, 2017	3,976,717	4,719,850	743,133	84.3%	510,132	145.67%
June 30, 2018	4,351,502	4,970,535	619,033	87.5%	535,938	115.50%

Note: The Covered Payroll amounts are consistent with the GASB 67/68 Disclosure report.

Exhibit 14 Solvency Test
 (Dollars in Thousands)

Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liabilities for			Portion of Actuarial Accrued Liabilities Covered by Assets		
		Active Member Contributions (A)	Retirees and Beneficiaries ⁽¹⁾ (B)	Active Members (Employer Financed Portion) (C)	(A)	(B)	(C)
June 30, 2009	\$ 1,909,679	\$ 412,147	\$ 1,670,547	\$ 905,018	100%	90%	0%
June 30, 2010	2,179,076	449,355	1,745,146	903,952	100%	99%	0%
June 30, 2011	2,405,140	485,126	1,866,219	895,382	100%	100%	6%
June 30, 2012	2,480,271	498,569	2,022,791	921,193	100%	98%	0%
June 30, 2013	2,618,639	534,276	2,157,590	880,884	100%	97%	0%
June 30, 2014	2,993,187	584,080	2,285,328	927,634	100%	100%	13%
June 30, 2015	3,343,550	628,287	2,451,544	965,955	100%	100%	27%
June 30, 2016	3,624,726	679,246	2,635,409	1,047,641	100%	100%	30%
June 30, 2017	3,976,717	735,102	2,811,651	1,173,097	100%	100%	37%
June 30, 2018	4,351,502	783,887	3,032,813	1,153,835	100%	100%	46%

1. Includes inactive members.

Exhibit 15 History of Employer Statutory Contribution Rates

Statutory Contribution Rates									
Valuation Year	General Members (County & Courts)			General Members (Nurses & UAPD)			General Members (SMCM&VCD)		
	Normal	UAAL	Total	Normal	UAAL	Total	Normal	UAAL	Total
2008	10.16%	9.81%	19.97%	Same as County General			8.55%	8.04%	16.59%
2009	10.11%	18.40%	28.51%	Same as County General			8.25%	15.09%	23.34%
2010	10.05%	16.35%	26.40%	Same as County General			11.70%	16.35%	28.05%
2011	9.71%	16.41%	26.12%	8.70%	16.41%	25.11%	11.97%	16.41%	28.38%
2012	9.98%	20.17%	30.15%	8.96%	20.17%	29.13%	11.68%	20.17%	31.85%
2013	9.74%	22.35%	32.09%	8.92%	22.35%	31.27%	11.70%	22.35%	34.05%
2014	10.12%	20.27%	30.39%	9.14%	20.21%	29.35%	11.72%	21.16%	32.88%

Statutory Contribution Rates									
Valuation Year	General Members (County)			General Members (Courts)			General Members (SMCM&VCD)		
	Normal	UAAL	Total	Normal	UAAL	Total	Normal	UAAL	Total
2015	8.67%	18.37%	27.04%	9.04%	19.54%	28.58%	11.75%	19.54%	31.29%
2016	8.91%	19.81%	28.72%	9.09%	21.30%	30.39%	12.02%	12.50%	24.52%
2017	9.58%	20.55%	30.13%	9.65%	22.58%	32.23%	12.32%	12.37%	24.69%
2018	9.22%	19.32%	28.54%	9.27%	21.76%	31.03%	12.13%	0.00%	12.13%

Statutory Contribution Rates									
Valuation Year	Safety Member			Probation Members (excluding Managers)			Probation Members (Managers)		
	Normal	UAAL	Total	Normal	UAAL	Total	Normal	UAAL	Total
2009	19.21%	51.83%	71.04%	19.92%	23.84%	43.76%	Same as Probation (ex Managers)		
2010	19.01%	44.50%	63.51%	19.85%	21.62%	41.47%	Same as Probation (ex Managers)		
2011	18.87%	41.75%	60.62%	19.50%	22.30%	41.80%	Same as Probation (ex Managers)		
2012	19.05%	48.51%	67.56%	19.99%	26.71%	46.70%	Same as Probation (ex Managers)		
2013	18.51%	50.33%	68.84%	18.33%	29.32%	47.65%	17.85%	29.32%	47.17%
2014	18.99%	46.48%	65.47%	18.92%	28.09%	47.01%	18.79%	28.09%	46.88%
2015	15.14%	43.58%	58.72%	15.31%	26.77%	42.08%	17.23%	26.77%	44.00%
2016	16.31%	44.25%	60.56%	15.94%	31.72%	47.66%	Same as Probation (ex Managers)		
2017	17.28%	45.57%	62.85%	17.42%	32.87%	50.29%	Same as Probation (ex Managers)		
2018	16.98%	44.68%	61.66%	16.95%	32.88%	49.83%	Same as Probation (ex Managers)		

Notes:

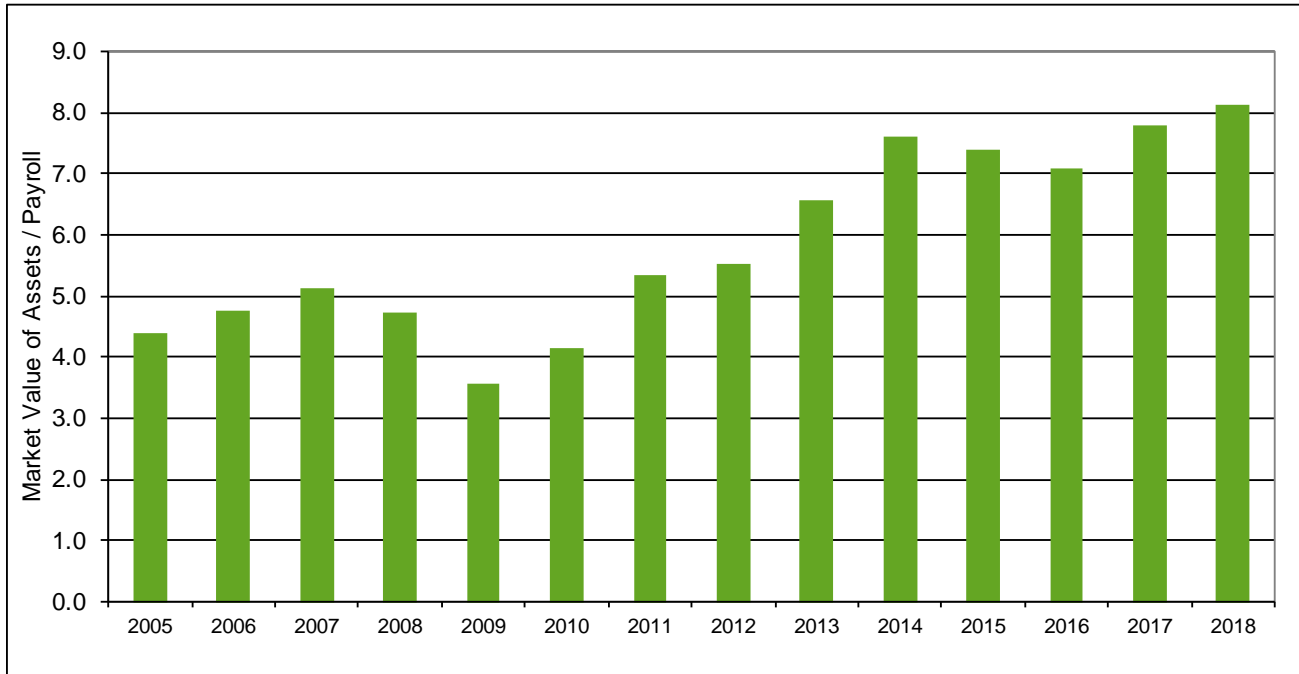
1. Contribution rates shown are those calculated in the corresponding actuarial valuation. In some cases, actual contributions were higher.
2. Beginning with the 2010 actuarial valuation, the Mosquito and Vector Control District adopted the same benefit formula and member contribution rates as Plan 1, 2 and 4 General County members (excluding cost sharing and COLA sharing on member rates).
3. Beginning with the 2011 actuarial valuation, Plan 1, 2, and 4 members of the CNA contribute 25% of the cost of COLA, in addition to current member rates and cost sharing.
4. Beginning with the 2012 actuarial valuation, Plan 1, 2, and 4 Probation members (excluding Managers) contribute 25% of the cost of COLA, in addition to current member rates and cost sharing.
5. Beginning with the 2013 actuarial valuation, Plan 1, 2, and 4 members of the UAPD contribute 25% of the cost of COLA, in addition to current member rates and cost sharing. In 2011 and 2012 these members contributed the same as County General members.
6. Beginning with the 2015 actuarial valuation, Plan 1, 2, and 4 members of the UAPD and the CNA, and Probation members (Managers) contribute 50% of the cost of COLA, in addition to current member rates and cost sharing.
7. Effective with the first pay period after June 30, 2016 all members (except those with benefits negotiated under Court Interpreters and Board of Supervisors bargaining units, and SMCM&VCD members) contribute 50% of the cost of COLA, in addition to current member rates and cost sharing. Additionally, pick-contributions are discontinued for members with benefits negotiated under the PDA bargaining unit.
8. Effective October 2016, all members (except those with benefits negotiated under Board of Supervisors bargaining unit, and SMCM&VCD members) contribute 50% of the cost of COLA, in addition to current member rates and cost sharing. This is reflected in 2016 values.

Exhibit 16 Actuarial Analysis of Financial Experience

Summary of (Gains) / Losses	Change In Liability				
	2018	2017	2016	2015	2014
Unfunded Liability as of July 1	\$ 743,133,000	\$ 737,570,000	\$ 702,236,000	\$ 803,855,000	\$ 954,111,000
Expected Change in UAAL	(109,756,000)	(110,404,000)	(96,454,000)	(76,018,000)	(88,525,000)
Salary (Gain) / Loss	10,401,000	27,685,000	24,707,000	39,129,000	(15,884,000)
Fewer Withdrawals than expected	0	0	0	0	0
Retiree COLA more / (less) than expected	12,203,000	7,050,000	(6,275,000)	3,648,000	(15,603,000)
Asset (Gain) / Loss	(42,796,000)	(28,286,000)	27,821,000	(74,068,000)	(88,035,000)
Change due to Assumption Changes	0	133,221,000	89,364,000	0	59,345,000
Miscellaneous Experience	5,848,000	(23,703,000)	(3,829,000)	5,690,000	(1,554,000)
Change Due to New Formula					
Unfunded Liability as of June 30	\$ 619,033,000	\$ 743,133,000	\$ 737,570,000	\$ 702,236,000	\$ 803,855,000

Exhibit 17 Asset and Liability Volatility Ratios

Asset Volatility Ratios



Liability Volatility Ratios

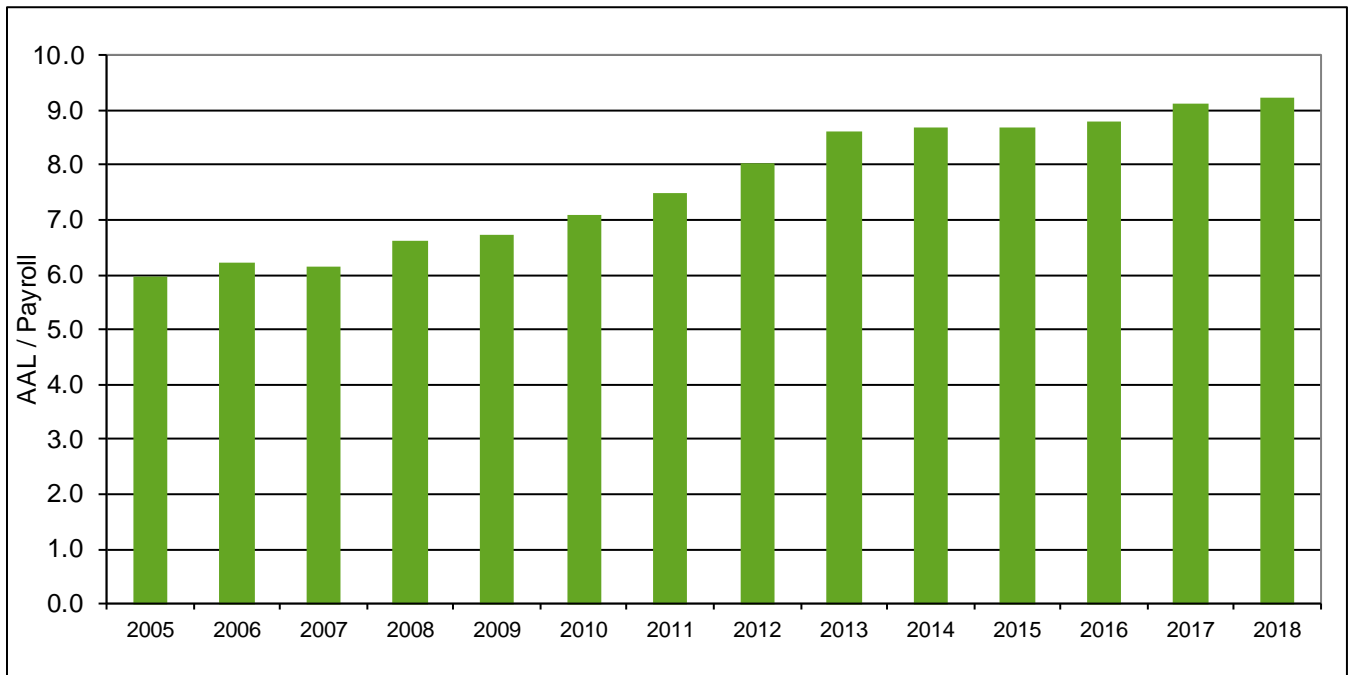


Exhibit 18 Summary of Significant Actuarial Statistics and Measures

	June 30th of		Relative
	2018	2017	Change
1. Active Members			
Number of Members	5,367	5,337	0.6 %
Average Age	45.1	44.2	2.0%
Average Credited Service	10.6	10.5	1.0%
Covered Payroll (\$thousands)	\$ 535,938	\$ 510,132	5.1 %
Average Monthly Salary	\$ 8,407	\$ 8,154	3.1 %
2. Retired Members			
Number of Members			
Service Retirement	4,002	3,869	3.4 %
Disability Retirement	472	469	0.6 %
Beneficiaries	635	618	2.8 %
Average Age	71.2	71.2	-
Actual Retiree Benefits Paid (\$thousands)	\$ 204,729	\$ 190,364	7.5 %
Average Monthly Pension	\$ 3,510	\$ 3,347	4.9 %
3. Number of Inactive Members	1,666	1,487	12.0 %
4. Assets			
Market Value of Fund (\$thousands)	\$ 4,373,962	\$ 4,038,702	8.3 %
Return on Market Value	6.7%	12.6%	
Valuation Assets (\$thousands)	\$ 4,351,502	\$ 3,976,717	9.4 %
Return on Valuation Assets	7.8%	7.8%	
5. Liability Values (\$thousands)			
Actuarial Accrued Liability	\$ 4,970,535	\$ 4,719,850	5.3 %
Unfunded Actuarial Accrued Liability	\$ 619,033	\$ 743,133	(16.7)%
Deferred Asset (Gains) / Losses	\$ 21,496	\$ (21,816)	
6. Funded Ratio (based on valuation assets)	87.5%	84.3%	3.9 %

Exhibit 19 Summary of SamCERA Membership

Plan	One	Two	Three	Four	Five	Six	Seven	Total
Retirees and beneficiaries currently receiving benefits:								
General	1,518	1,979	135	780	2	-	1	4,415
Safety	271	212	-	76	1	-	-	560
Probation	36	66	-	32	-	-	-	134
Subtotal	<u>1,825</u>	<u>2,257</u>	<u>135</u>	<u>888</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>5,109</u>
Inactive employees entitled to but not currently receiving benefits (Deferred):								
General	9	310	72	759	80	-	294	1,524
Safety	1	20	-	46	8	-	8	83
Probation	-	16	-	39	1	-	3	59
Subtotal	<u>10</u>	<u>346</u>	<u>72</u>	<u>844</u>	<u>89</u>	<u>-</u>	<u>305</u>	<u>1,666</u>
Current employees:								
Vested:								
General	8	570	57	1,952	155	-	96	2,838
Safety	-	48	-	234	36	-	17	335
Probation	-	29	-	174	6	-	2	211
Non-Vested:								
General	-	-	5	20	113	-	1,627	1,765
Safety	-	-	-	-	23	-	150	173
Probation	-	-	-	-	2	-	43	45
Subtotal	<u>8</u>	<u>647</u>	<u>62</u>	<u>2,380</u>	<u>335</u>	<u>-</u>	<u>1,935</u>	<u>5,367</u>
Total SamCERA Membership	1,843	3,250	269	4,112	427	-	2,241	12,142

Exhibit 20 Summary of Active Member Valuation Data

Valuation Date		Members	Annual Salary	Average Annual Salary	% Change Average Salary
2009	General	4,777	370,760,830	77,614	4.1%
	Safety	436	48,120,081	110,367	2.9%
	Probation	330	26,270,802	79,608	4.6%
	Total	5,543	445,151,713	80,309	4.0%
2010	General	4,609	363,305,740	78,825	1.6%
	Safety	425	48,576,912	114,299	3.6%
	Probation	313	25,247,595	80,663	1.3%
	Total	5,347	437,130,248	81,752	1.8%
2011	General	4,494	355,876,715	79,189	0.5%
	Safety	446	52,073,940	116,758	2.2%
	Probation	305	24,591,392	80,628	0.0%
	Total	5,245	432,542,046	82,468	0.9%
2012	General	4,361	351,965,689	80,708	1.9%
	Safety	435	51,129,267	117,539	0.7%
	Probation	299	24,554,583	82,122	1.9%
	Total	5,095	427,649,539	83,935	1.8%
2013	General	4,173	338,595,633	81,140	2.5%
	Safety	452	52,233,510	115,561	-1.0%
	Probation	292	23,722,165	81,240	0.8%
	Total	4,917	414,551,308	84,310	2.2%
2014	General	4,272	352,918,558	82,612	1.8%
	Safety	452	52,974,475	117,200	1.4%
	Probation	280	23,514,343	83,980	3.4%
	Total	5,004	429,407,375	85,813	1.8%
2015	General	4,334	382,303,295	88,210	6.8%
	Safety	479	55,917,864	116,739	-0.4%
	Probation	282	24,418,977	86,592	3.1%
	Total	5,095	462,640,136	90,803	5.8%
2016	General	4,421	408,191,518	92,330	4.7%
	Safety	495	61,564,028	124,372	6.5%
	Probation	271	24,034,819	88,689	2.4%
	Total	5,187	493,790,365	95,198	4.8%
2017	General	4,560	430,613,886	94,433	2.3%
	Safety	503	65,105,116	129,434	4.1%
	Probation	274	26,503,623	96,729	9.1%
	Total	5,337	522,222,625	97,849	2.8%
2018	General	4,603	448,931,595	97,530	3.3%
	Safety	508	66,799,289	131,495	1.6%
	Probation	256	25,741,800	100,554	4.0%
	Total	5,367	541,472,684	100,889	3.1%

Exhibit 21 Summary of Demographic Activity of Retirees and Beneficiaries

Year Ended	Added to Rolls ⁽¹⁾		Removed from Rolls		Rolls end of year		% Increase in Payroll	Average Monthly Allowances
	No.	Annual Allowances in Thousands	No.	Annual Allowances in Thousands	No.	Total Retiree Payroll in Thousands		
June 30, 2009	159	\$ 12,717	66	\$ 3,281	3,935	\$ 119,052	8.6	2,521
June 30, 2010	163	9,076	96	3,240	4,002	124,888	4.9	2,601
June 30, 2011 ⁽²⁾	209	12,703	64	2,916	4,147	134,675	7.8	2,706
June 30, 2012	218	14,379	90	4,209	4,275	144,845	7.6	2,823
June 30, 2013	186	13,024	63	3,095	4,398	154,774	6.9	2,933
June 30, 2014	203	12,474	83	3,479	4,518	163,769	5.8	3,021
June 30, 2015	213	16,290	93	4,179	4,638	175,880	7.4	3,160
June 30, 2016	233	15,347	123	5,030	4,748	186,197	5.9	3,268
June 30, 2017	310	16,738	102	3,867	4,956	199,068	6.9	3,347
June 30, 2018	315	21,360	162	5,242	5,109	215,186	8.1	3,510

1. Amount added to rolls includes COLAs granted in year to continuing retirees and beneficiaries.

2. Revised from June 30, 2011 valuation for corrections.

Exhibit 22 Average Salary and Active Counts by Employer

	2018	2017	2016	2015	2014
General Plan 1	\$10,121	\$11,305	\$9,945	\$9,235	\$8,617
General Plan 2	9,526	8,994	8,636	8,186	7,584
General Plan 3	7,462	7,484	7,173	6,747	6,300
General Plan 4	8,534	8,134	7,807	7,386	6,873
General Plan 5	9,672	8,980	8,485	7,735	6,912
General Plan 7	6,974	6,737	6,714	6,315	5,721
General Plan Total	8,128	7,869	7,694	7,351	6,884
Safety Plan 1	0	14,434	15,810	14,712	14,091
Safety Plan 2	13,607	13,528	12,505	11,545	11,191
Safety Plan 4	11,894	11,381	10,729	9,919	9,581
Safety Plan 5	11,349	10,544	9,940	9,145	8,958
Safety Plan 6	0	0	16,793	16,010	14,381
Safety Plan 7	8,747	8,356	7,538	6,701	7,011
Safety Plan Total	10,958	10,786	10,364	9,728	9,767
Probation Plan 1	0	7,722	7,261	7,038	6,874
Probation Plan 2	9,061	9,069	8,349	8,012	7,699
Probation Plan 4	8,714	8,270	7,454	7,267	6,922
Probation Plan 5	8,219	7,612	6,429	6,106	5,916
Probation Plan 6	0	7,347	6,259	5,739	5,216
Probation Plan 7	6,676	6,121	5,962	5,684	5,807
Probation Plan Total	8,379	8,061	7,391	7,216	6,998
Grand Total	8,407	8,154	7,933	7,567	7,151

Participating Employers and Active Members

	2018	2017	2016	2015	2014
<i>County of San Mateo</i>					
General Members	4,343	4,303	4,170	4,092	4,014
Safety Members	508	503	495	479	452
Probation Members	256	274	271	282	280
Total	5,107	5,080	4,936	4,853	4,746
<i>San Mateo County Mosquito and Vector Control District</i>					
General Members Total	21	20	20	20	19
<i>Courts</i>					
General Members Total	239	237	231	222	239
Total Active Membership	5,367	5,337	5,187	5,095	5,004

Exhibit 23 Summary of Retired and Inactive Benefits

	2018	2017	2016	2015	2014
Retired Members					
Service Retirement					
Number	4,002	3,869	3,749	3,628	3,525
Total Annual Allowance	\$ 177,401,000	\$ 156,245,000	\$ 152,161,000	\$ 143,392,000	\$ 133,583,000
Average Monthly Payment	\$ 3,694	\$ 3,527	\$ 3,382	\$ 3,294	\$ 3,158
Disability Retirement					
Number	472	469	454	442	428
Total Annual Allowance	\$ 20,322,000	\$ 19,291,000	\$ 18,630,000	\$ 17,511,000	\$ 16,308,000
Average Monthly Payment	\$ 3,588	\$ 3,469	\$ 3,420	\$ 3,301	\$ 3,175
Beneficiaries					
Number	635	618	545	568	565
Total Annual Allowance	\$ 17,463,000	\$ 14,914,000	\$ 15,406,000	\$ 14,977,000	\$ 13,878,000
Average Monthly Payment	\$ 2,292	\$ 2,128	\$ 2,356	\$ 2,197	\$ 2,047
Total Retired Members					
Number	5,109	4,956	4,748	4,638	4,518
Total Annual Allowance	\$ 215,186,000	\$ 190,450,000	\$ 186,197,000	\$ 175,880,000	\$ 163,769,000
Average Monthly Payment	\$ 3,510	\$ 3,347	\$ 3,268	\$ 3,160	\$ 3,021
Inactive Members	1,666	1,487	1,486	1,384	1,304

Appendix A Actuarial Procedures and Assumptions



The actuarial procedures and assumptions to be used in the valuation are described in this section. The assumptions were reviewed and changed effective June 30, 2017, as a result of the 2017 Investigation of Experience Study. At its meeting on May 22, 2018, the Board reaffirmed these demographic assumptions for use in the 2018 valuation.

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of SamCERA and of SamCERA itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of SamCERA's benefits.

Table A-1 summarizes the assumptions. The mortality rates are taken from the sources listed.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of contributions upon termination of employment while vested.

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-11 present the probabilities a member will leave the system for various reasons.

NOTE: Assumptions for Probation members are assumed to be the same as Safety members unless otherwise noted.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age).

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of: (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL as of June 30, 2008 is amortized as a level percentage of the projected salaries of present and future members of SamCERA over the remaining period from the valuation date to June 30, 2023. This is commonly referred to as a "closed amortization method". Actuarial gains and losses after the June 30, 2008 valuation are amortized over new closed 15-year periods from their respective valuation dates.

The SCA (CSCA for the County UAAL and DSCA for the SMCM&VCD) offset amounts are calculated using a similar closed amortization method to the UAAL rate described above. However, effective with the June 30, 2018 valuation, the DSCA balance is amortized over five years. All layers are re-amortized as of June 30, 2018, and any future layers are amortized over new five-year periods. The total DSCA offset amount in a given year is limited to the SMCM&VCD UAAL rate, and the DSCA will be adjusted to reflect the actual offset (after reflecting the limitation, if any).

Beginning with the June 30, 2010 actuarial valuation, the San Mateo County Mosquito and Vector Control District adopted the same "enhanced" benefit formula that applies to Plan 1, 2, and 4 County General members and the same member rates currently being paid by County General members from those plans. However, because the Mosquito and Vector Control District does not participate in cost sharing on the member rates, it will have a separate normal cost rate and expected member contribution rate from the County General group.

The normal cost rate is calculated separately for County General and for the Mosquito and Vector Control District. These normal cost rates will differ from each other for two reasons:

- 1) The demographics within the two groups will vary (specifically, the groups will have different average entry ages), and
- 2) The expected refund of contributions, which is a component of the normal cost, will differ between the County and the Mosquito and Vector Control District, since the District does not participate in cost sharing on the member rates.

Records and Data

The data used in this valuation consist of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by SamCERA and are accepted for valuation purposes without audit.

Replacement of Terminated Members	The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. Under this assumption, the normal cost rates for active members will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions, or the pattern of the new entrants.
Growth in Membership	For benefit determination purposes, no growth in the membership of SamCERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth in the total number of active members is assumed.
Internal Revenue Code Section 415 Limit	The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement, except for Plan 7 members, which cannot receive benefits in excess of the 415 limit. For Plan 7 members, the benefit levels, combined with the limited compensation are low enough that it is unlikely the 415 limit would apply.
Internal Revenue Code Section 401(a)(17)	The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.
Government Code Section 7522.10	The maximum compensation limit under Government Code 7522.10 is reflected in the valuation for funding purposes. Future annual increases to the limit are assumed to occur based on the CPI inflation assumption.
Employer Contributions	The statutory employer contribution rate is set by the Retirement Board based on actuarial valuations.
Member Contributions	<p>The member contribution rates vary by entry age (except for Plan 7) and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section.</p> <p>The individual member rates by entry age, plan, and class are illustrated in Appendix D of the valuation report.</p>
Valuation of Assets	The assets are valued using a modified five-year smoothed method based on the difference between the expected market value and the actual market value of the assets as of the end of each six-month period (12/31 and 6/30). The expected market value is the prior period's market value increased with the net increase in the cash flow of funds, all increased with interest during the period at the expected investment return rate assumption.

**Valuation of Assets
 (continued)**

Effective June 30, 2018 all deferred gains and losses are combined into a single amount to be recognized over a five-year (10 six-month) period. Beginning with the six-month period immediately following the June 30, 2018 valuation, offsetting of current period gains or losses against prior period gains or losses will occur, as follows. First, to the extent there is a loss for the period, it shall be used to offset any unrecognized gains from prior periods in the order of oldest to most recent. Any remaining loss for the period is recognized over a five-year (10 six-month) period. Similarly, any gain for the period shall be offset against unrecognized losses from prior periods.

The gross preliminary Actuarial Value of Assets is equal to the Market Value of Assets less any of the remaining unrecognized differences. A 20% corridor is then applied, so that the gross Actuarial Value of Assets cannot be greater than 120% of the Market Value of Assets nor less than 80% of the Market Value of Assets. The Valuation Assets used in the calculation of the SCR are equal to the gross Actuarial Value of Assets less any non-valuation reserves.

**Investment Earnings
 and Expenses**

The future investment earnings of the assets of SamCERA are assumed to accrue at an annual rate of 6.75% compounded annually, net of both investment and administrative expenses. This rate was adopted effective June 30, 2017.

**Postretirement Benefit
 Increases**

Postretirement increases are described in Appendix B. Assumed increases for valuation purposes are:

	General	Safety	Probation
Plan 1	2.50%	2.50%	2.50%
Plan 2	2.40%	2.40%	2.40%
Plan 3	0.00%	N/A	N/A
Plans 4, 5, and 7	1.90%	1.90%	1.90%
Plan 6	N/A	1.90%	1.90%

Assumed Plan 1 General and Safety COLAs are set at the inflation (CPI) assumption of 2.50% per year. Since Plan 2 does not have a COLA bank, it is expected that increases will be limited in some years. This reduces the overall expected rate and is reflected in a lower assumed increase.

**Interest on Member
 Contributions**

The annual credited interest rate on member contributions is assumed to be 6.75% compounded semi-annually (3.375% per six-month period) for an annualized rate of 6.86%. This rate was adopted effective June 30, 2017 for valuation purposes.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.00% per annum rate of increase in the general wage level of the membership.

Increases are assumed to occur mid-year. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

SamCERA supplied two types of compensation data:

- 1) pensionable pay from the most recent bi-weekly pay period; and
- 2) pensionable pay from the prior year. We annualized bi-weekly pay (by multiplying by 26) and then used the greater of the two amounts.

Social Security Wage Base

Plan 3 members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 3.00% per year. Note, statutory provisions describe how to compute a member's offset amount at time of termination or retirement.

Retirement

The retirement rates vary by age and are shown by plan in Tables A-6 through A-1.

All General members who attain or who have attained age 75 and all Safety members who have attained age 65 are assumed to retire immediately. Additionally, if a member's benefit is equal to or greater than the 100% of compensation limit, the member is assumed to retire immediately. For purposes of the valuation, immediate retirement is assumed at:

- Age 62 with 38 years of service (General, except Plan 3, Plan 5, and Plan 7)
- Age 65 with 41 years of service (General Plan 5)
- Age 67 with 40 years of service (General Plan 7)
- Any age with 33 years of service (Safety & Probation, except Plans 5, 6, and 7)
- Age 55 with 33 years of service (Safety & Probation Plan 5)
- Age 55 with 38 years of service (Safety & Probation Plan 6)
- Age 57 with 38 years of service (Safety & Probation Plan 7)

Inactive members are assumed to retire at the later of current age and:

- Age 58 (General Members, except Plan 3 and Plan 7)
- Age 65 (General Plan 3 Members)
- Age 62 (General Plan 7 Members)
- Age 50 (Probation and Safety members)

The retirement rates were adopted effective June 30, 2017.

Disability

The rates of disability used in the valuation are illustrated in Tables A-6 through A-11.

The disability rates were adopted effective June 30, 2017.

Mortality – Active Members

The rates of mortality used in the valuation are described in Table A-1 and illustrated in Tables A-6 through A-11.

These mortality rates were adopted effective June 30, 2017.

Other Employment Terminations

Tables A-6 to A-11 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability or retirement. These rates do not apply to members eligible for service retirement.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further benefits, or they may leave their contributions with SamCERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work or may remain inactive until becoming eligible to receive a retirement benefit under either SamCERA or a reciprocal retirement system. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately.

The rates of termination were adopted effective June 30, 2017.

Probability of Refund

Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability the remaining members will elect a deferred retirement benefit. For Plan 3, 100% of members are assumed to elect a vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions.

The probability of refund assumptions were adopted effective June 30, 2017.

Mortality – Disabled Members

The rates of mortality used in the valuation are described in Table A-1 and illustrated in Table A-3.

These mortality rates were adopted effective June 30, 2017.

Mortality – Other than Disabled Members, and Beneficiaries

The rates of mortality for service retired members and members after termination that are used in the valuation are described in Table A-1 and illustrated in Table A-2.

Beneficiaries of retired and disabled members are assumed to be of the opposite sex and have the same mortality as service retired General members.

These mortality rates were adopted effective June 30, 2017.

Probability of Eligible Survivor

For members not currently in pay status, 75% of all males and 55% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be three years younger than male members and two years older than female members. Survivors are assumed to be of the opposite sex as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur.

**Valuation of Current
Inactive Members**

Current non-vested members who have terminated active employment are assumed to take a refund of their contributions at the valuation date.

Current vested members who have terminated active employment are assumed to keep their accounts with SamCERA and retire as specified in this section. An adjustment for these individuals such that the greater of the Final Average Compensation and annualized bi-weekly pay limited to two times the Final Average Compensation is used.

Reciprocal Benefits

Thirty percent of future deferred vested General members and 40% of future deferred vested Safety members are assumed to immediately join a reciprocal agency. For future reciprocal members, salaries are assumed to increase at the same rate as if they had remained in active employment with SamCERA. For current deferred vested members, eligibility is based on the data supplied by SamCERA and future salaries are assumed to increase at 3.52% annually for General members and 3.77% annually for Safety members.

This assumption was adopted effective June 30, 2017

Part-Time Employees

For valuation purposes, part-time employees are assumed to continue working the same number of hours in the future.

**Adjustment to Plan 3
Normal Cost Rate**

Plan 3 members are eligible to transfer to Plan 2 or Plan 4 (depending on entry date) after five years of service. We have adjusted the Plan 3 Normal Cost to account for this. The adjustment is equal to 50% of the difference between the unadjusted Plan 3 Normal Cost rate and the Plan 4 Normal Cost rate.

**Member Contribution
Rate Assumptions**

The following assumptions summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the present value of the future benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL:

- A. The annuity factor used for General members is based on a 33% / 67% blend of the male and female annuity factors using current valuation assumptions and no COLA. For Safety members it is based on a 75% / 25% blend of the male and female annuity factors using current valuation assumptions. The valuation mortality tables use a static projection to 2039.
- B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 6.75%.
- C. Compensation is based on the salary paid in the year prior to attaining the retirement age.

Example: For a Plan 4 Member who enters at age 54 or earlier, compensation at retirement (age 55) will be the monthly average of the annual salary for age 54.

- D. For purposes of calculating the value of the member's future contribution, interest is assumed to be credited at 6.75% semiannually (3.375% for each six-month period) for a 6.86% annual rate.

**Member Contribution
Rate Assumptions
(continued)**

- E. Member Rates are assumed to increase with entry age, except in Plan 7. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age. In these cases, the member contribution rate is adjusted so that it is no less than the value for the previous entry age.
- F. Member rates for all Plans 1, 2, 4, 5, and 6 members are loaded to account for a 50% COLA share. The COLA loads are applied to the otherwise applicable basic member rates prior to the addition of any cost-sharing rates. The loads were determined based on 2017 information and applied as follows:

General Plan 1:	36.19%
General Plan 2:	33.89%
General Plan 4:	26.31%
General Plan 5:	25.38%

Safety Plan 1:	47.93%
Safety Plan 2:	50.07%
Safety Plan 4:	37.71%
Safety Plan 5:	34.76%
Safety Plan 6:	32.47%

Probation Plan 1:	53.21%
Probation Plan 2:	51.34%
Probation Plan 4:	37.84%
Probation Plan 5:	34.64%
Probation Plan 6:	30.44%

Table A-1 Summary of Valuation Assumptions as of June 30, 2018

I.	Economic assumptions	
A.	General wage increases	3.00%
B.	Investment earnings	6.75%
C.	Growth in active membership	0.00%
D.	CPI inflation assumption	2.50%
II.	Demographic assumptions	
A.	Salary increases due to service	Table A-5
B.	Retirement	Tables A-6 to A-11
C.	Disability	Tables A-6 to A-11
D.	Mortality for active members prior to termination	Tables A-6 to A-11

Basis – RP-2014 Employee Mortality Table for respective genders with MP-2014 Ultimate Projection Scale:

<u>Class of Members</u>	<u>Adjustment Factor</u>
General – Males	100%
General – Females	100%
Safety – Males	100%
Safety – Females	100%

E.	Mortality for active members after termination and service retired members	Table A-2
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Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with MP-2014 Ultimate Projection Scale:

<u>Class of Members</u>	<u>Adjustment Factor</u>
General – Males	95%
General – Females	95%
Safety – Males	95%
Safety – Females	95%

**Table A-1 Summary of Valuation Assumptions as of June 30, 2018
 (continued)**

F. Mortality among disabled members

Table A-3

Basis – Average of RP-2014 Healthy Annuitant and Disabled Mortality Tables for respective genders, with MP-2014 Ultimate Projection Scale:

<u>Class of Members</u>	<u>Adjustment Factor</u>	<u>Minimum Blended Rate</u>
General – Males	95% for Healthy and 105% for Disabled	1.00%
General – Females	95% for Healthy and 105% for Disabled	0.50%

Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with MP-2014 Ultimate Projection Scale:

<u>Class of Members</u>	<u>Adjustment Factor</u>	<u>Minimum Blended Rate</u>
Safety – Males	105%	1.00%
Safety – Females	105%	0.50%

G. Mortality for beneficiaries

Table A-2

Basis – Beneficiaries are assumed to be of the opposite sex and have the same mortality as General members.

H. Other terminations of employment

Tables A-6 to A-11

I. Refund of contributions on vested termination

Table A-4

Table A-2 Mortality for Members Retired for Service⁽¹⁾

Age	General Male	General Female	Safety Male	Safety Female
20	0.093%	0.039%	0.093%	0.039%
25	0.111%	0.041%	0.111%	0.041%
30	0.103%	0.052%	0.103%	0.052%
35	0.120%	0.068%	0.120%	0.068%
40	0.144%	0.094%	0.144%	0.094%
45	0.223%	0.157%	0.223%	0.157%
50	0.386%	0.263%	0.386%	0.263%
55	0.545%	0.344%	0.545%	0.344%
60	0.738%	0.493%	0.738%	0.493%
65	1.046%	0.765%	1.046%	0.765%
70	1.593%	1.223%	1.593%	1.223%
75	2.548%	1.989%	2.548%	1.989%
80	4.249%	3.310%	4.249%	3.310%
85	7.362%	5.748%	7.362%	5.748%
90	12.911%	10.177%	12.911%	10.177%

Annual Projected Mortality Improvement

Age	All Groups
65 & Less	1.000%
70	1.000%
75	1.000%
80	1.000%
85	1.000%
90	0.930%
95	0.850%
100	0.640%
105	0.430%
110	0.210%
115	0.000%

1. Mortality rates are those applicable for the fiscal year beginning in 2014. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality rate for an 85-year old General male in fiscal year beginning in 2017 is 7.143% calculated as follows:

$$\begin{aligned}
 \text{Age 85 rate in 2017} &= \text{Age 85 rate in 2014 with 3 years improvement} \\
 &= 7.362\% \times (100.0\% - 1.0\%) \times (100.0\% - 1.0\%) \times (100.0\% - 1.0\%) \\
 &= 7.143\%
 \end{aligned}$$

Table A-3 Mortality for Members Retired for Disability

Age	General Male	General Female	Safety Male	Safety Female
20	1.000%	0.500%	1.000%	0.500%
25	1.000%	0.500%	1.000%	0.500%
30	1.000%	0.500%	1.000%	0.500%
35	1.000%	0.500%	1.000%	0.500%
40	1.000%	0.500%	1.000%	0.500%
45	1.006%	0.554%	1.000%	0.500%
50	1.264%	0.757%	1.000%	0.500%
55	1.499%	0.932%	1.000%	0.500%
60	1.766%	1.139%	1.000%	0.545%
65	2.187%	1.477%	1.156%	0.845%
70	2.915%	2.092%	1.761%	1.351%
75	4.124%	3.149%	2.817%	2.198%
80	6.147%	4.860%	4.696%	3.659%
85	9.629%	7.621%	8.137%	6.353%
90	15.538%	12.053%	14.270%	11.248%

**Table A-4 Immediate Refund of Contributions upon Termination of Employment
 (Excludes Plan 3)**

Years of Service	General	Safety
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	35%	35%
6	35%	35%
7	35%	35%
8	34%	33%
9	34%	31%
10	33%	29%
11	33%	27%
12	32%	25%
13	31%	22%
14	30%	19%
15	30%	16%
16	29%	13%
17	28%	10%
18	25%	8%
19	23%	6%
20	20%	0%
21	18%	0%
22	15%	0%
23	12%	0%
24	9%	0%
25	6%	0%
26	3%	0%
27	0%	0%
28	0%	0%
29	0%	0%
30 & Up	0%	0%

Table A-5 Annual Increase in Salary

Years of Service	Due to Promotion and Longevity		Total Annual Increase ⁽¹⁾	
	General	Safety	General	Safety
<1	6.50%	6.00%	9.70%	9.18%
1	4.75%	4.00%	7.89%	7.12%
2	3.50%	3.00%	6.61%	6.09%
3	2.75%	2.50%	5.83%	5.58%
4	2.00%	2.00%	5.06%	5.06%
5	1.75%	1.75%	4.80%	4.80%
6	1.50%	1.50%	4.55%	4.55%
7	1.25%	1.25%	4.29%	4.29%
8	1.05%	1.05%	4.08%	4.08%
9	0.90%	0.90%	3.93%	3.93%
10	0.80%	0.80%	3.82%	3.82%
11	0.70%	0.75%	3.72%	3.77%
12	0.60%	0.75%	3.62%	3.77%
13	0.50%	0.75%	3.52%	3.77%
14	0.50%	0.75%	3.52%	3.77%
15	0.50%	0.75%	3.52%	3.77%
16	0.50%	0.75%	3.52%	3.77%
17	0.50%	0.75%	3.52%	3.77%
18	0.50%	0.75%	3.52%	3.77%
19	0.50%	0.75%	3.52%	3.77%
20 or More	0.50%	0.75%	3.52%	3.77%

1. The total expected increase in salary is the increase due to promotion and longevity, adjusted for assumed 3.00% per annum increases in the general wage. The total result is compounded rather than additive.

**Appendix A Rates of Separation from Active Service
Tables A-6 to A-11**

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each rate represents the probability that a member will separate from service at each age due to the particular cause. For example, a rate of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed rates needed for each SamCERA plan by sex:

Table A-6: General Plan 1, 2, 4, 5 & 7 Males	A-10: Safety and Probation Plans 1, 2, 4, 5, 6 & 7 Males
A-7: General Plan 1, 2, 4, 5 & 7 Females	
A-8: General Plan 3 Males	A-11: Safety and Probation Plans 1, 2, 4, 5, 6 & 7 Females
A-9: General Plan 3 Females	

**Table A-6 Rate of Separation from Active Service
 General Plans 1, 2, 4, 5 and 7 – Male**

Age	Plans 1, 2, 4 Service Retirement ⁽¹⁾	Plans 5 & 7 Service Retirement ⁽¹⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0000	0.0004	0.0002	N/A	0.0003	0	0.1300
19	0.0000	0.0000	0.0004	0.0002	N/A	0.0004	1	0.1100
20	0.0000	0.0000	0.0004	0.0002	N/A	0.0004	2	0.0900
21	0.0000	0.0000	0.0004	0.0002	N/A	0.0004	3	0.0800
22	0.0000	0.0000	0.0004	0.0002	N/A	0.0005	4	0.0700
23	0.0000	0.0000	0.0004	0.0002	N/A	0.0005	5	0.0633
24	0.0000	0.0000	0.0004	0.0002	N/A	0.0005	6	0.0567
25	0.0000	0.0000	0.0004	0.0002	N/A	0.0005	7	0.0500
26	0.0000	0.0000	0.0004	0.0002	N/A	0.0005	8	0.0470
27	0.0000	0.0000	0.0004	0.0002	N/A	0.0004	9	0.0440
28	0.0000	0.0000	0.0005	0.0002	N/A	0.0004	10	0.0410
29	0.0000	0.0000	0.0005	0.0003	N/A	0.0004	11	0.0380
30	0.0000	0.0000	0.0006	0.0003	N/A	0.0005	12	0.0350
31	0.0000	0.0000	0.0006	0.0003	N/A	0.0005	13	0.0330
32	0.0000	0.0000	0.0006	0.0003	N/A	0.0005	14	0.0310
33	0.0000	0.0000	0.0007	0.0004	N/A	0.0005	15	0.0290
34	0.0000	0.0000	0.0008	0.0004	N/A	0.0005	16	0.0270
35	0.0000	0.0000	0.0008	0.0004	N/A	0.0005	17	0.0250
36	0.0000	0.0000	0.0008	0.0005	N/A	0.0005	18	0.0230
37	0.0000	0.0000	0.0009	0.0005	N/A	0.0006	19	0.0210
38	0.0000	0.0000	0.0010	0.0006	N/A	0.0006	20	0.0190
39	0.0000	0.0000	0.0011	0.0006	N/A	0.0006	21	0.0170
40	0.0000	0.0000	0.0012	0.0007	N/A	0.0006	22	0.0150
41	0.0000	0.0000	0.0013	0.0007	N/A	0.0007	23	0.0140
42	0.0000	0.0000	0.0014	0.0008	N/A	0.0007	24	0.0130
43	0.0000	0.0000	0.0015	0.0008	N/A	0.0008	25	0.0120
44	0.0000	0.0000	0.0016	0.0008	N/A	0.0009	26	0.0110
45	0.0000	0.0000	0.0017	0.0009	N/A	0.0010	27	0.0100
46	0.0000	0.0000	0.0018	0.0009	N/A	0.0011	28	0.0100
47	0.0000	0.0000	0.0019	0.0010	N/A	0.0012	29	0.0100
48	0.0000	0.0000	0.0020	0.0011	N/A	0.0014	30 & Above ⁽²⁾	0.0100
49	0.0000	0.0000	0.0020	0.0011	N/A	0.0015		
50	0.0300	0.0270	0.0021	0.0011	N/A	0.0017		
51	0.0300	0.0270	0.0021	0.0012	N/A	0.0019		
52	0.0300	0.0270	0.0022	0.0012	N/A	0.0021		
53	0.0300	0.0270	0.0023	0.0012	N/A	0.0023		
54	0.0500	0.0450	0.0023	0.0013	N/A	0.0025		
55	0.0600	0.0540	0.0023	0.0013	N/A	0.0028		
56	0.0600	0.0540	0.0024	0.0013	N/A	0.0031		
57	0.0750	0.0675	0.0025	0.0013	N/A	0.0034		
58	0.1200	0.1080	0.0027	0.0014	N/A	0.0038		
59	0.1200	0.1080	0.0028	0.0015	N/A	0.0042		
60	0.1500	0.1350	0.0029	0.0016	N/A	0.0047		
61	0.1750	0.1575	0.0031	0.0017	N/A	0.0052		
62	0.2500	0.2250	0.0033	0.0018	N/A	0.0059		
63	0.2000	0.1800	0.0033	0.0018	N/A	0.0066		
64	0.2200	0.1980	0.0033	0.0018	N/A	0.0074		
65	0.3500	0.3150	0.0033	0.0018	N/A	0.0083		
66	0.3500	0.3150	0.0033	0.0018	N/A	0.0092		
67	0.3500	0.4200	0.0033	0.0018	N/A	0.0102		
68	0.3000	0.3000	0.0033	0.0018	N/A	0.0113		
69	0.3000	0.3000	0.0033	0.0018	N/A	0.0125		
70	0.4000	0.4000	0.0033	0.0018	N/A	0.0139		
71	0.4000	0.4000	0.0033	0.0018	N/A	0.0154		
72	0.4000	0.4000	0.0033	0.0018	N/A	0.0170		
73	0.4000	0.4000	0.0033	0.0018	N/A	0.0189		
74	0.4000	0.4000	0.0033	0.0018	N/A	0.0209		
75	1.0000	1.0000	0.0000	0.0000	N/A	0.0232		

1. 100% probability of retirement is assumed at ages 62 and above with 38 or more years of service (65/41 for Plan 5; 67/40 for Plan 7). Rates of retirement are 0.00% prior to age 52 for Plan 7.

2. 0.00% probability of termination with 30 years of service and above for Plans 1, 2, 4, & 5.

**Table A-7 Rate of Separation from Active Service
 General Plans 1, 2, 4, 5 and 7 – Female**

Age	Plans 1, 2, 4 Service Retirement ⁽¹⁾	Plans 5 & 7 Service Retirement ⁽¹⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	0	0.1300
19	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	1	0.1100
20	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	2	0.0950
21	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	3	0.0800
22	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	4	0.0750
23	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	5	0.0700
24	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	6	0.0650
25	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	7	0.0600
26	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	8	0.0550
27	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	9	0.0500
28	0.0000	0.0000	0.0005	0.0003	N/A	0.0002	10	0.0450
29	0.0000	0.0000	0.0006	0.0003	N/A	0.0002	11	0.0400
30	0.0000	0.0000	0.0006	0.0003	N/A	0.0002	12	0.0350
31	0.0000	0.0000	0.0007	0.0004	N/A	0.0002	13	0.0340
32	0.0000	0.0000	0.0007	0.0004	N/A	0.0002	14	0.0330
33	0.0000	0.0000	0.0007	0.0004	N/A	0.0003	15	0.0320
34	0.0000	0.0000	0.0008	0.0004	N/A	0.0003	16	0.0310
35	0.0000	0.0000	0.0008	0.0005	N/A	0.0003	17	0.0300
36	0.0000	0.0000	0.0009	0.0005	N/A	0.0003	18	0.0270
37	0.0000	0.0000	0.0010	0.0005	N/A	0.0003	19	0.0240
38	0.0000	0.0000	0.0011	0.0006	N/A	0.0003	20	0.0210
39	0.0000	0.0000	0.0012	0.0007	N/A	0.0004	21	0.0180
40	0.0000	0.0000	0.0014	0.0007	N/A	0.0004	22	0.0150
41	0.0000	0.0000	0.0015	0.0008	N/A	0.0004	23	0.0140
42	0.0000	0.0000	0.0016	0.0009	N/A	0.0005	24	0.0130
43	0.0000	0.0000	0.0018	0.0010	N/A	0.0005	25	0.0120
44	0.0000	0.0000	0.0020	0.0011	N/A	0.0006	26	0.0110
45	0.0000	0.0000	0.0022	0.0012	N/A	0.0007	27	0.0100
46	0.0000	0.0000	0.0024	0.0013	N/A	0.0007	28	0.0100
47	0.0000	0.0000	0.0026	0.0014	N/A	0.0008	29	0.0100
48	0.0000	0.0000	0.0027	0.0015	N/A	0.0009	30 & Above ⁽²⁾	0.0100
49	0.0000	0.0000	0.0029	0.0015	N/A	0.0010		
50	0.0300	0.0270	0.0030	0.0016	N/A	0.0011		
51	0.0300	0.0270	0.0031	0.0017	N/A	0.0012		
52	0.0300	0.0270	0.0033	0.0018	N/A	0.0013		
53	0.0300	0.0270	0.0034	0.0019	N/A	0.0014		
54	0.0500	0.0450	0.0036	0.0020	N/A	0.0015		
55	0.0600	0.0540	0.0038	0.0021	N/A	0.0017		
56	0.0600	0.0540	0.0040	0.0022	N/A	0.0018		
57	0.0750	0.0675	0.0042	0.0023	N/A	0.0019		
58	0.1200	0.1080	0.0044	0.0024	N/A	0.0021		
59	0.1200	0.1080	0.0046	0.0025	N/A	0.0023		
60	0.1500	0.1350	0.0048	0.0026	N/A	0.0024		
61	0.1750	0.1575	0.0050	0.0027	N/A	0.0026		
62	0.2500	0.2250	0.0052	0.0028	N/A	0.0029		
63	0.2000	0.1800	0.0052	0.0028	N/A	0.0031		
64	0.2200	0.1980	0.0052	0.0028	N/A	0.0034		
65	0.3500	0.3150	0.0052	0.0028	N/A	0.0037		
66	0.3500	0.3150	0.0052	0.0028	N/A	0.0041		
67	0.3500	0.4200	0.0052	0.0028	N/A	0.0046		
68	0.3000	0.3000	0.0052	0.0028	N/A	0.0051		
69	0.3000	0.3000	0.0052	0.0028	N/A	0.0057		
70	0.4000	0.4000	0.0052	0.0028	N/A	0.0063		
71	0.4000	0.4000	0.0052	0.0028	N/A	0.0070		
72	0.4000	0.4000	0.0052	0.0028	N/A	0.0078		
73	0.4000	0.4000	0.0052	0.0028	N/A	0.0087		
74	0.4000	0.4000	0.0052	0.0028	N/A	0.0097		
75	1.0000	1.0000	0.0000	0.0000	N/A	0.0108		

1. 100% probability of retirement is assumed at ages 62 and above with 38 or more years of service (65/41 for Plan 5; 67/40 for Plan 7). Rates of retirement are 0.00% prior to age 52 for Plan 7.
 2. 0.00% probability of termination with 30 years of service and above for Plans 1, 2, 4, & 5.

**Table A-8 Rate of Separation from Active Service
 General Plan 3 – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0003	0	0.1300
19	0.0000	N/A	N/A	N/A	0.0004	1	0.1100
20	0.0000	N/A	N/A	N/A	0.0004	2	0.0900
21	0.0000	N/A	N/A	N/A	0.0004	3	0.0800
22	0.0000	N/A	N/A	N/A	0.0005	4	0.0700
23	0.0000	N/A	N/A	N/A	0.0005	5	0.0633
24	0.0000	N/A	N/A	N/A	0.0005	6	0.0567
25	0.0000	N/A	N/A	N/A	0.0005	7	0.0500
26	0.0000	N/A	N/A	N/A	0.0005	8	0.0470
27	0.0000	N/A	N/A	N/A	0.0004	9	0.0440
28	0.0000	N/A	N/A	N/A	0.0004	10	0.0410
29	0.0000	N/A	N/A	N/A	0.0004	11	0.0380
30	0.0000	N/A	N/A	N/A	0.0005	12	0.0350
31	0.0000	N/A	N/A	N/A	0.0005	13	0.0330
32	0.0000	N/A	N/A	N/A	0.0005	14	0.0310
33	0.0000	N/A	N/A	N/A	0.0005	15	0.0290
34	0.0000	N/A	N/A	N/A	0.0005	16	0.0270
35	0.0000	N/A	N/A	N/A	0.0005	17	0.0250
36	0.0000	N/A	N/A	N/A	0.0005	18	0.0230
37	0.0000	N/A	N/A	N/A	0.0006	19	0.0210
38	0.0000	N/A	N/A	N/A	0.0006	20	0.0190
39	0.0000	N/A	N/A	N/A	0.0006	21	0.0170
40	0.0000	N/A	N/A	N/A	0.0006	22	0.0150
41	0.0000	N/A	N/A	N/A	0.0007	23	0.0140
42	0.0000	N/A	N/A	N/A	0.0007	24	0.0130
43	0.0000	N/A	N/A	N/A	0.0008	25	0.0120
44	0.0000	N/A	N/A	N/A	0.0009	26	0.0110
45	0.0000	N/A	N/A	N/A	0.0010	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0011	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0012	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0014	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0015		
50	0.0000	N/A	N/A	N/A	0.0017		
51	0.0000	N/A	N/A	N/A	0.0019		
52	0.0000	N/A	N/A	N/A	0.0021		
53	0.0000	N/A	N/A	N/A	0.0023		
54	0.0000	N/A	N/A	N/A	0.0025		
55	0.0300	N/A	N/A	N/A	0.0028		
56	0.0300	N/A	N/A	N/A	0.0031		
57	0.0300	N/A	N/A	N/A	0.0034		
58	0.0300	N/A	N/A	N/A	0.0038		
59	0.0300	N/A	N/A	N/A	0.0042		
60	0.0300	N/A	N/A	N/A	0.0047		
61	0.0600	N/A	N/A	N/A	0.0052		
62	0.1500	N/A	N/A	N/A	0.0059		
63	0.1000	N/A	N/A	N/A	0.0066		
64	0.1500	N/A	N/A	N/A	0.0074		
65	0.3000	N/A	N/A	N/A	0.0083		
66	0.3000	N/A	N/A	N/A	0.0092		
67	0.3000	N/A	N/A	N/A	0.0102		
68	0.3000	N/A	N/A	N/A	0.0113		
69	0.3000	N/A	N/A	N/A	0.0125		
70	0.4000	N/A	N/A	N/A	0.0139		
71	0.4000	N/A	N/A	N/A	0.0154		
72	0.4000	N/A	N/A	N/A	0.0170		
73	0.4000	N/A	N/A	N/A	0.0189		
74	0.4000	N/A	N/A	N/A	0.0209		
75	1.0000	N/A	N/A	N/A	0.0232		

**Table A-9 Rate of Separation from Active Service
 General Plan 3 – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0002	0	0.1300
19	0.0000	N/A	N/A	N/A	0.0002	1	0.1100
20	0.0000	N/A	N/A	N/A	0.0002	2	0.0950
21	0.0000	N/A	N/A	N/A	0.0002	3	0.0800
22	0.0000	N/A	N/A	N/A	0.0002	4	0.0750
23	0.0000	N/A	N/A	N/A	0.0002	5	0.0700
24	0.0000	N/A	N/A	N/A	0.0002	6	0.0650
25	0.0000	N/A	N/A	N/A	0.0002	7	0.0600
26	0.0000	N/A	N/A	N/A	0.0002	8	0.0550
27	0.0000	N/A	N/A	N/A	0.0002	9	0.0500
28	0.0000	N/A	N/A	N/A	0.0002	10	0.0450
29	0.0000	N/A	N/A	N/A	0.0002	11	0.0400
30	0.0000	N/A	N/A	N/A	0.0002	12	0.0350
31	0.0000	N/A	N/A	N/A	0.0002	13	0.0340
32	0.0000	N/A	N/A	N/A	0.0002	14	0.0330
33	0.0000	N/A	N/A	N/A	0.0003	15	0.0320
34	0.0000	N/A	N/A	N/A	0.0003	16	0.0310
35	0.0000	N/A	N/A	N/A	0.0003	17	0.0300
36	0.0000	N/A	N/A	N/A	0.0003	18	0.0270
37	0.0000	N/A	N/A	N/A	0.0003	19	0.0240
38	0.0000	N/A	N/A	N/A	0.0003	20	0.0210
39	0.0000	N/A	N/A	N/A	0.0004	21	0.0180
40	0.0000	N/A	N/A	N/A	0.0004	22	0.0150
41	0.0000	N/A	N/A	N/A	0.0004	23	0.0140
42	0.0000	N/A	N/A	N/A	0.0005	24	0.0130
43	0.0000	N/A	N/A	N/A	0.0005	25	0.0120
44	0.0000	N/A	N/A	N/A	0.0006	26	0.0110
45	0.0000	N/A	N/A	N/A	0.0007	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0007	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0008	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0009	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0010		
50	0.0000	N/A	N/A	N/A	0.0011		
51	0.0000	N/A	N/A	N/A	0.0012		
52	0.0000	N/A	N/A	N/A	0.0013		
53	0.0000	N/A	N/A	N/A	0.0014		
54	0.0000	N/A	N/A	N/A	0.0015		
55	0.0400	N/A	N/A	N/A	0.0017		
56	0.0400	N/A	N/A	N/A	0.0018		
57	0.0400	N/A	N/A	N/A	0.0019		
58	0.0400	N/A	N/A	N/A	0.0021		
59	0.0400	N/A	N/A	N/A	0.0023		
60	0.0400	N/A	N/A	N/A	0.0024		
61	0.0600	N/A	N/A	N/A	0.0026		
62	0.1500	N/A	N/A	N/A	0.0029		
63	0.1000	N/A	N/A	N/A	0.0031		
64	0.1500	N/A	N/A	N/A	0.0034		
65	0.3000	N/A	N/A	N/A	0.0037		
66	0.3000	N/A	N/A	N/A	0.0041		
67	0.3000	N/A	N/A	N/A	0.0046		
68	0.3000	N/A	N/A	N/A	0.0051		
69	0.3000	N/A	N/A	N/A	0.0057		
70	0.4000	N/A	N/A	N/A	0.0063		
71	0.4000	N/A	N/A	N/A	0.0070		
72	0.4000	N/A	N/A	N/A	0.0078		
73	0.4000	N/A	N/A	N/A	0.0087		
74	0.4000	N/A	N/A	N/A	0.0097		
75	1.0000	N/A	N/A	N/A	0.0108		

**Table A-10 Rate of Separation from Active Service
 Safety & Probation Plans – Male**

Age	Plans 1, 2, 4 Service Retirement ⁽¹⁾	Plans 5, 6, 7 Service Retirement ⁽²⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0000	0.0015	0.0000	0.0010	0.0003	0	0.0700
19	0.0000	0.0000	0.0015	0.0000	0.0010	0.0004	1	0.0550
20	0.0000	0.0000	0.0015	0.0000	0.0010	0.0004	2	0.0450
21	0.0000	0.0000	0.0015	0.0000	0.0010	0.0004	3	0.0300
22	0.0000	0.0000	0.0015	0.0000	0.0010	0.0005	4	0.0250
23	0.0000	0.0000	0.0015	0.0000	0.0010	0.0005	5	0.0240
24	0.0000	0.0000	0.0015	0.0000	0.0010	0.0005	6	0.0230
25	0.0000	0.0000	0.0015	0.0000	0.0010	0.0005	7	0.0220
26	0.0000	0.0000	0.0015	0.0000	0.0010	0.0005	8	0.0201
27	0.0000	0.0000	0.0015	0.0000	0.0010	0.0004	9	0.0182
28	0.0000	0.0000	0.0016	0.0000	0.0010	0.0004	10	0.0163
29	0.0000	0.0000	0.0017	0.0000	0.0010	0.0004	11	0.0144
30	0.0000	0.0000	0.0018	0.0000	0.0010	0.0005	12	0.0125
31	0.0000	0.0000	0.0019	0.0000	0.0010	0.0005	13	0.0120
32	0.0000	0.0000	0.0020	0.0000	0.0010	0.0005	14	0.0115
33	0.0000	0.0000	0.0021	0.0000	0.0010	0.0005	15	0.0110
34	0.0000	0.0000	0.0022	0.0000	0.0010	0.0005	16	0.0105
35	0.0000	0.0000	0.0023	0.0000	0.0010	0.0005	17	0.0100
36	0.0000	0.0000	0.0024	0.0000	0.0010	0.0005	18	0.0080
37	0.0000	0.0000	0.0025	0.0000	0.0010	0.0006	19	0.0060
38	0.0000	0.0000	0.0026	0.0000	0.0010	0.0006	20 ⁽³⁾	0.0040
39	0.0000	0.0000	0.0027	0.0000	0.0010	0.0006	21 ⁽³⁾	0.0020
40	0.0000	0.0000	0.0028	0.0000	0.0010	0.0006	22 & Above ⁽³⁾	0.0000
41	0.0000	0.0000	0.0029	0.0000	0.0010	0.0007		
42	0.0000	0.0000	0.0030	0.0000	0.0010	0.0007		
43	0.0000	0.0000	0.0032	0.0000	0.0010	0.0008		
44	0.0000	0.0000	0.0035	0.0000	0.0010	0.0009		
45	0.0300	0.0000	0.0037	0.0000	0.0010	0.0010		
46	0.0300	0.0000	0.0040	0.0000	0.0010	0.0011		
47	0.0300	0.0000	0.0042	0.0000	0.0010	0.0012		
48	0.0500	0.0000	0.0048	0.0000	0.0010	0.0014		
49	0.0500	0.0000	0.0054	0.0000	0.0010	0.0015		
50	0.1500	0.0500	0.0077	0.0000	0.0010	0.0017		
51	0.1500	0.0500	0.0088	0.0000	0.0010	0.0019		
52	0.1500	0.0500	0.0100	0.0000	0.0010	0.0021		
53	0.2000	0.0500	0.0111	0.0000	0.0010	0.0023		
54	0.1300	0.1000	0.0122	0.0000	0.0010	0.0025		
55	0.2250	0.2750	0.0134	0.0000	0.0010	0.0028		
56	0.2250	0.2750	0.0145	0.0000	0.0010	0.0031		
57	0.1700	0.2750	0.0156	0.0000	0.0010	0.0034		
58	0.1700	0.2750	0.0139	0.0000	0.0010	0.0038		
59	0.2500	0.2750	0.0122	0.0000	0.0010	0.0042		
60	0.4000	0.4000	0.0106	0.0000	0.0010	0.0047		
61	0.4000	0.4000	0.0089	0.0000	0.0010	0.0052		
62	0.4000	0.4000	0.0072	0.0000	0.0010	0.0059		
63	0.4000	0.4000	0.0055	0.0000	0.0010	0.0066		
64	0.4000	0.4000	0.0038	0.0000	0.0010	0.0074		
65	1.0000	1.0000	0.0000	0.0000	0.0000	0.0000		

1. 100% probability of retirement is assumed with 33 or more years of service for Safety and Probation Plans 1, 2, and 4.
2. 100% probability of retirement is assumed at ages 55 and above with 33 or more years of service for Safety and Probation Plan 5, ages 55 and above with 38 or more years of service for Safety and Probation Plan 6, and ages 57 and above with 38 or more years of service for Safety and Probation Plan 7.
3. 0.00% probability of termination with 20 years of service and above for all Safety/Probation plans except Plan 7.

**Table A-11 Rate of Separation from Active Service
 Safety & Probation Plans – Female**

Age	Plans 1, 2, 4 Service Retirement ⁽¹⁾	Plans 5, 6, 7 Service Retirement ⁽²⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	0	0.0700
19	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	1	0.0550
20	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	2	0.0450
21	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	3	0.0300
22	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	4	0.0250
23	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	5	0.0240
24	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	6	0.0230
25	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	7	0.0220
26	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	8	0.0201
27	0.0000	0.0000	0.0015	0.0000	0.0010	0.0002	9	0.0182
28	0.0000	0.0000	0.0016	0.0000	0.0010	0.0002	10	0.0163
29	0.0000	0.0000	0.0017	0.0000	0.0010	0.0002	11	0.0144
30	0.0000	0.0000	0.0018	0.0000	0.0010	0.0002	12	0.0125
31	0.0000	0.0000	0.0019	0.0000	0.0010	0.0002	13	0.0120
32	0.0000	0.0000	0.0020	0.0000	0.0010	0.0002	14	0.0115
33	0.0000	0.0000	0.0021	0.0000	0.0010	0.0003	15	0.0110
34	0.0000	0.0000	0.0022	0.0000	0.0010	0.0003	16	0.0105
35	0.0000	0.0000	0.0023	0.0000	0.0010	0.0003	17	0.0100
36	0.0000	0.0000	0.0024	0.0000	0.0010	0.0003	18	0.0080
37	0.0000	0.0000	0.0025	0.0000	0.0010	0.0003	19	0.0060
38	0.0000	0.0000	0.0026	0.0000	0.0010	0.0003	20 ⁽³⁾	0.0040
39	0.0000	0.0000	0.0027	0.0000	0.0010	0.0004	21 ⁽³⁾	0.0020
40	0.0000	0.0000	0.0028	0.0000	0.0010	0.0004	22 & Above ⁽³⁾	0.0000
41	0.0000	0.0000	0.0029	0.0000	0.0010	0.0004		
42	0.0000	0.0000	0.0030	0.0000	0.0010	0.0005		
43	0.0000	0.0000	0.0032	0.0000	0.0010	0.0005		
44	0.0000	0.0000	0.0035	0.0000	0.0010	0.0006		
45	0.0300	0.0000	0.0037	0.0000	0.0010	0.0007		
46	0.0300	0.0000	0.0040	0.0000	0.0010	0.0007		
47	0.0300	0.0000	0.0042	0.0000	0.0010	0.0008		
48	0.0500	0.0000	0.0048	0.0000	0.0010	0.0009		
49	0.0500	0.0000	0.0054	0.0000	0.0010	0.0010		
50	0.1500	0.0500	0.0077	0.0000	0.0010	0.0011		
51	0.1500	0.0500	0.0088	0.0000	0.0010	0.0012		
52	0.1500	0.0500	0.0100	0.0000	0.0010	0.0013		
53	0.2000	0.0500	0.0111	0.0000	0.0010	0.0014		
54	0.1300	0.1000	0.0122	0.0000	0.0010	0.0015		
55	0.2250	0.2750	0.0134	0.0000	0.0010	0.0017		
56	0.2250	0.2750	0.0145	0.0000	0.0010	0.0018		
57	0.1700	0.2750	0.0156	0.0000	0.0010	0.0019		
58	0.1700	0.2750	0.0139	0.0000	0.0010	0.0021		
59	0.2500	0.2750	0.0122	0.0000	0.0010	0.0023		
60	0.4000	0.4000	0.0106	0.0000	0.0010	0.0024		
61	0.4000	0.4000	0.0089	0.0000	0.0010	0.0026		
62	0.4000	0.4000	0.0072	0.0000	0.0010	0.0029		
63	0.4000	0.4000	0.0055	0.0000	0.0010	0.0031		
64	0.4000	0.4000	0.0038	0.0000	0.0010	0.0034		
65	1.0000	1.0000	0.0000	0.0000	0.0000	0.0000		

1. 100% probability of retirement is assumed with 33 or more years of service for Safety and Probation Plans 1, 2, and 4.
2. 100% probability of retirement is assumed at ages 55 and above with 33 or more years of service for Safety and Probation Plan 5, ages 55 and above with 38 or more years of service for Safety and Probation Plan 6, and ages 57 and above with 38 or more years of service for Safety and Probation Plan 7.
3. 0.00% probability of termination with 20 years of service and above for all Safety/Probation plans except Plan 7.

Appendix B Summary of Benefit Provisions



All actuarial calculations are based on our understanding of the statutes governing the SamCERA as contained in the County Employees Retirement Law (CERL) of 1937, with provisions adopted by the SamCERA Board, effective through June 30, 2018. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Code Section. This summary does not attempt to cover all the detailed provisions of the law.

MEMBERSHIP IN RETIREMENT PLANS

The County has established 12 defined benefit plans based on a member's date of entry into SamCERA. Plans 1, 2, 4, 5, 6, and 7 are open to all members depending on their date of entry. Only General members are eligible for Plan 3.

Government Code Section

Employees of the Mosquito and Vector Control District are eligible for participation in all General retirement plans, except for Plan 3.

- Plan 1:** Employees hired on or before July 5, 1980.
- Plan 2:** Employees hired after July 5, 1980 but on or before July 12, 1997.
- Plan 3:** General members hired on or before December 22, 2012 may have elected to participate in Plan 3. After five years of service, Plan 3 members can elect membership under the open eligible contributory plan. Members currently working in a contributory plan with Plan 3 service may purchase an upgrade of their Plan 3 service. (31496)
- Plan 4:** Employees hired after July 12, 1997 and before August 7, 2011 (General members, except Plan 5 transfers; see below); before July 10, 2011 (Probation members); and before January 8, 2012 (Safety members).
- Plan 5:** General members hired on or after August 7, 2011, and Deputy Sheriffs hired on or after January 8, 2012. Probation members hired on or after July 10, 2011 and Safety members (except Deputy Sheriffs) hired on or after January 8, 2012 may elect this Plan. Members must be first hired before January 1, 2013 to be eligible to elect this Plan.

After 10 years of service, General Plan 5 members can elect to transfer to Plan 4 and must pay the total actuarial equivalent cost of the increase in past service benefits at the date of transfer.
- Plan 6:** Probation members hired on or after July 10, 2011 and Safety members (except Deputy Sheriffs) hired on or after January 8, 2012 may elect this Plan. Members must be first hired before January 1, 2013 to be eligible to elect this Plan.
- Plan 7:** Employees first hired on or after January 1, 2013.

MEMBER CONTRIBUTIONS

Basic:

Plans 1, 2, 4, 5, and 6: Contributions are based on the entry age and class of each member and are required of all members. See section 5 for details on this calculation. Current member rates are shown in Appendix D.

Basic contributions cease when general members are credited with 30 years of service in a contributory plan provided they were members of SamCERA or a reciprocal system on March 7, 1973, and continuously thereafter. All safety members are eligible for the 30-year cessation of contributions. (31625.2, 31664.1)

Plan 7: Members contribute 50% of the aggregate Normal Cost rate for their Plan.

Plan 3: No member contributions are required under Plan 3.

Cost-of-Living:

Plans 1, 2, and 4: All members of Plans 1, 2 and 4 contribute 50% of the cost of COLA benefits in addition to other current member rates and cost sharing, except as described in the following paragraph.

Members of SMCM&VCD do not contribute towards the COLA benefit.

Plans 5 and 6: All members of Plans 5 and 6 contribute 50% of the cost of the COLA.

Plan 7: Members contribute 50% of the aggregate Normal Cost rate for their Plan.

Cost Sharing:

General Members: All members of Plans 1, 2, and 4 (except SMCM&VCD) contribute an additional 3.0% for cost sharing. (31678.2)

All other General members do not participate in cost sharing.

MEMBER CONTRIBUTIONS (Continued)

Safety Members:	<p>Deputy Sheriffs in Plans 1, 2, 4, and 5 contribute the following additional cost sharing rates based on age and service:</p> <table border="0"> <tr> <td style="padding-left: 20px;">If age 45 or older</td> <td style="text-align: right;">4.5%</td> </tr> <tr> <td style="padding-left: 20px;">If age is less than 45</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">▪ Service is less than 5 years:</td> <td style="text-align: right;">3.0%</td> </tr> <tr> <td style="padding-left: 40px;">▪ Service between 5 and 15 years:</td> <td style="text-align: right;">3.5%</td> </tr> <tr> <td style="padding-left: 40px;">▪ Service is more than 15 years</td> <td style="text-align: right;">4.5%</td> </tr> </table> <p>Safety members (except Deputy Sheriffs) in Plans 1, 2, and 4 contribute an additional 5.0% cost sharing.</p> <p>Safety members (except Deputy Sheriffs) in Plan 5 contribute an additional 4.0% cost sharing.</p> <p>Safety members in Plan 6 and 7 do not participate in cost sharing.</p>	If age 45 or older	4.5%	If age is less than 45		▪ Service is less than 5 years:	3.0%	▪ Service between 5 and 15 years:	3.5%	▪ Service is more than 15 years	4.5%	
If age 45 or older	4.5%											
If age is less than 45												
▪ Service is less than 5 years:	3.0%											
▪ Service between 5 and 15 years:	3.5%											
▪ Service is more than 15 years	4.5%											
Probation Members:	<p>Members of Plans 1, 2, 4, and 5 contribute an additional 3.5% for cost sharing.</p> <p>Members of Plans 6 and 7 do not participate in cost sharing.</p>											
<u>Interest Crediting:</u>	<p>Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Retirement on amounts that have been on deposit for at least six months.</p>	(31591, 31700)										
<u>Employer Pick-Up:</u>	<p>Effective with the first pay period in July 2016, no employer provides for employer pick-up contributions.</p>											

EMPLOYER CONTRIBUTIONS

<p>The employer (County, Courts, or District) contributes to the retirement fund a percent of the total compensation provided for all members based on an actuarial investigation, valuation and recommendation of the actuary.</p>	<p>(31453, 31453.5, 31453.6, 31454 31581)</p>
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SERVICE RETIREMENT ALLOWANCE

<u>Eligibility:</u>		
General Members:	<p>All members of Plans 1, 2, 4, and 5 are eligible to retire after meeting one of the following age and service requirements:</p> <ul style="list-style-type: none"> • Age 50 with 10 years of service*; • Any age with 30 years of service; or • Age 70 regardless of service. <p>Plan 3 members are eligible to retire at age 65 with 10 years of service. A reduced benefit is also payable at age 55 with 10 years of service.</p> <p>Plan 7 members are eligible to retire at age 52 with 5 years of service.</p>	<p>(31672)</p> <p>(31496)</p>

SERVICE RETIREMENT ALLOWANCE (Continued)

Safety and Probation Members:	Members of all plans except Plan 7 are eligible to retire after meeting one of the following age and service requirements: <ul style="list-style-type: none"> • Age 50 with 10 years of service; • Any age with 20 years of service. 	(31663.25)
	Plan 7 members are eligible to retire at age 50 with 5 years of service.	(31672.1)
	<i>* For part-time employees, age 50 is replaced with age 55.</i>	
<u>Final Average Compensation:</u>		
Plans 1 and 2:	Monthly average of a member's highest 12 consecutive months of compensation.	(31462.1)
All other Plans:	Monthly average of a member's highest compensation during any three years. Years do not have to be consecutive, except for Plan 7.	[31462, 31496.3(d)]
<u>Compensation Limit:</u>		
All Plans, except Plan 7:	The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code.	(31671)
Plan 7:	The amount of compensation taken into account shall not exceed the following applicable percentage of the Social Security Taxable Wage Base: <ul style="list-style-type: none"> • 100% for a member covered by Social Security (County and Courts General members); • 120% for a member not covered by Social Security (all other members). <p>The amount of compensation taken into account shall be adjusted based on changes in the Consumer Price Index for All Urban Consumers. Adjustments shall be effective annually on January 1.</p>	
<u>Monthly Allowance:</u>		
Plans 1, 2, 4, and 5:	General members: 1/60 x Final Average Compensation x General age factor x years of service.	(31676.14) (31676.1)
	Safety & Probation members: 3% x Final Average Compensation x Safety age factor x years of service.	(31664.1) (31664.2)
Plan 6:	Safety & Probation members: 2% x Final Average Compensation x Safety age factor x years of service.	(31664)
Plan 7:	General members: 2% x Final Average Compensation x General age factor x years of service.	
	Safety and Probation members: 2% x Final Average Compensation x Safety age factor x years of service.	

SERVICE RETIREMENT ALLOWANCE (Continued)

Plan 3: General members: (a)+(b)-(c) where: (31496)

- (a) 2% x Final Average Compensation x (Years of Service, (up to 35 years), plus
- (b) 1% x Final Average Compensation x Years of Service in excess of 35 (up to 10)
- (c) Estimated Primary Insurance Amount (PIA) x Years of Covered Service (up to 35) divided by 35.

The PIA is calculated based on certain assumptions specified by statute, and an assumed Social Security retirement age of 65.

If retirement occurs prior to age 65, benefit amount is adjusted by an actuarial equivalent factor (see Sample Plan Age Factors).

Percentage of Final Average Compensation at Sample Ages:

Plan	Age 50	Age 55	Age 60	Age 65	
County General 1,2&4	1.475%	1.948%	2.440%	2.611%	(31676.14)
SMCM&VCD*	1.475%	1.948%	2.440%	2.611%	(31676.14)
General Plan 3**	N/A	0.780%	1.220%	2.000%	(31496)
General Plan 5	1.182%	1.492%	1.917%	2.432%	(31676.1)
General Plan 7	N/A	1.300%	1.800%	2.300%	(7522.20(a))
Safety/Probation 1,2,&4	3.000%	3.000%	3.000%	3.000%	(31664.1)
Safety/Probation Plan 5	2.290%	3.000%	3.000%	3.000%	(31664.2)
Safety/Probation Plan 6	2.000%	2.620%	2.620%	2.620%	(31664)
Safety/Probation Plan 7	2.000%	2.500%	2.700%	2.700%	(7522.25(d))

* As of the June 30, 2010 actuarial valuation, SMCM&VCD has adopted the same benefit structure as County General.

** Prior to reduction for PIA benefit. Actual percentage will be less.

SERVICE RETIREMENT ALLOWANCE (Continued)

Maximum Allowance:

All Plans Allowance may not exceed 100% of Final Average Compensation.

Except 3:

Plan 3: The sum of the normal retirement allowance and the estimated PIA cannot exceed 70% of Final Average Compensation for a member with 35 or less years of service, and cannot exceed 80% of Final Average Compensation if service exceeds 35 years. (31496)

Unmodified Retirement Allowance (Normal Form):

All Plans Life Annuity payable to retired member with 60% continuance to an eligible survivor (or eligible children). (31760.1)

Except 3:

Plan 3: Life Annuity payable to retired member with 50% continuance to an eligible survivor (or eligible children). (31497.71)

Eligible survivor includes certain domestic partners. (31780.2)

Optional Retirement Allowance:

A member may elect to have the actuarial equivalent of the service or disability retirement allowance applied to a lesser retirement allowance during the retired member's life in order to provide an optional survivor allowance.

Option 1: Member's allowance is reduced to pay a cash refund of any unpaid annuity payments (up to the amount of the member's contributions at retirement) to the member's estate or to a beneficiary having an insurable interest in the life of the member. (31761)

Option 2: 100% of member's reduced allowance is payable to an eligible survivor or beneficiary having an insurable interest in the life of the member. (31762)

Option 3: 50% of member's reduced allowance is payable to an eligible survivor or beneficiary having an insurable interest in the life of the member. (31763)

Option 4: Other % of member's reduced allowance is payable to an eligible survivor or beneficiary(ies) having an insurable interest in the life of the member. (31764)

For Options 2, 3 or 4, the continuance will not be paid if the member revokes their election and names another beneficiary after retirement. (31782)

All Allowances: All allowances are made on a pro rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. For deaths that occur mid-month, the full month's payment is made. (31600)

SERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

<u>Eligibility:</u>		
All Plans Except 3:	Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.	(31720, 31720.5, 31720.6, 31720.7, 31720.9)
Plan 3:	Not available under Plan 3.	(31487)
<u>Monthly Allowance:</u>	Greater of (1) 50% of Final Average Compensation and (2) the service retirement allowance, if eligible to retire.	(31727.4)
<u>Normal Form Of Payment:</u>	Life Annuity with 100% continuance to a surviving spouse (or eligible children).	(31760, 31786)

NONSERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

<u>Eligibility:</u>		
All Plans Except 3:	Any age with five years of service and permanently incapacitated for the performance of duty.	(31720, 31836)
Plan 3:	Not available under Plan 3.	(31487)
<u>Monthly Allowance:</u>	The monthly allowance is equal to a service retirement allowance if the member is eligible to retire, otherwise allowance equals (a) or (b) where:	(31726, 31726.5)
General Members:	(a) 90% of 1/60th of Final Average Compensation x years of service, if member must rely on service in another retirement system in order to be eligible to retire, or allowance exceeds 1/3 of Final Average Compensation.	(31727(a))
	(b) 90% of 1/60th of Final Average Compensation x years of service projected to age 65, not to exceed 1/3 of Final Average Compensation.	(31727(b))
Safety Members:	1/60 is replaced by 1/50 and age 65 is replaced by age 55 in (a) and (b) above.	(31727.2)
<u>Normal Form Of Payment:</u>	Life Annuity with 60% continuance to a surviving spouse (or eligible children).	(31760.1)

SERVICE-CONNECTED DEATH BENEFITS

Eligibility

All Plans Except 3: Active members who die in service as a result of injury or disease arising out of and in the course of employment. (31787)

Plan 3: Not available under Plan 3. (31487)

Monthly Allowance: An annual death allowance is payable monthly to an eligible survivor (or eligible children) equal to 50% of the member's Final Average Compensation. (31787)

Optional Combined Benefit: (31781.3)

In lieu of the monthly allowance above, an eligible survivor may elect:

- (a) A lump sum equal to 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation), plus
- (b) A monthly payment equal to 50% of the member's Final Average Compensation, reduced by a monthly amount, which is the actuarial equivalent of (a) above based on the age of eligible survivor.

Death Benefit (Lump Sum): (31781)

The member's normal contributions and interest, plus 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation).

Additional Allowance for Children: (31787.5)

25% of death allowance (whether or not the monthly allowance or combined benefit is chosen) for one child, 40% for two children, and 50% for three or more children.

Additional Amount for Spouse of Safety Member: (31787.6)

An eligible survivor of a safety member is also entitled to receive a lump sum death benefit equal to 12 x monthly rate of compensation at the time of member's death in addition to all other benefits.

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the monthly allowance or the lump sum, whichever is more valuable.

NONSERVICE-CONNECTED DEATH BENEFITS

Eligibility:

All Plans Except 3: Active members who die while in service or while physically or mentally incapacitated for the performance of duty. (31780)

Plan 3: Not available under Plan 3.

Death Benefit (Lump Sum): (31781)

The member's normal contributions and interest, plus 1/12 of the Compensation earned in preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation).

Optional Death Benefit:

In lieu of the lump sum death benefit, several optional death benefits are available to provide flexibility to survivors, as follows.

First Optional Death Benefit: (31781.1)

If a member who would have been entitled to a nonservice-connected disability retirement allowance dies prior to retirement as a result of such disability, the eligible survivor (or eligible children) may elect to receive an optional death allowance equal to 60% of the monthly retirement allowance to which the member would have been entitled as of the date of death.

Second Optional Death Benefit: (31781.2, 31765.2)

If a member dies prior to reaching the minimum retirement age but has 10 or more years of service, an eligible survivor (or eligible children) may elect to leave the amount of the death benefit on deposit until the earliest date the member could have retired and at that time receive the allowance provided for in 31765.2 (a 60% continuance).

Third Optional Death Benefit:

An eligible survivor of a member who dies after five years of service may elect a combined benefit equal to:

(a) A lump sum equal to 1/12 of the compensation earnable in the preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation), plus (31781.3)

(b) A monthly payment equal to 60% of the monthly retirement allowance to which the member would have been entitled if the member retired or had been retired for a nonservice-connected disability as of the date of death, reduced by a monthly amount which is the actuarial equivalent of (a) above based on the age of the eligible survivor. (31781.1)

NONSERVICE-CONNECTED DEATH BENEFITS (Continued)

Fourth Optional Death Benefit:

If a member dies while eligible for a service retirement and the eligible survivor is designated as beneficiary, the spouse (or eligible children) may elect to receive 60% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31765.1)

Note for Third and Fourth Optional Death Benefits: In order to leave the eligible survivor the greatest benefit, the member is assumed to have retired for nonservice-connected disability, elected the Option 2 retirement allowance, and then died the next day.

Fifth Optional Death Benefit:

If a member dies while eligible for a service retirement and the eligible survivor is designated as beneficiary and survives the member by not less than 30 days the spouse (or eligible children) may elect to receive the same retirement allowance as the spouse would have received had the member retired on the date of death and selected Option 3. (31765)

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to receive an annuity or a lump sum, whichever is more valuable. The annuity is equal to the Option 2-100% Continuance calculation for the larger of either (1) a non-service connected disability benefit or (2) the member's earned service retirement benefit (if eligible).

DEFERRED RETIREMENT BENEFITS

Eligibility:

All Plans, except Plans 3 and 7: Age 50 with 10 years of membership. (31700)

Member contributions must be left on deposit and the member must have terminated with five years of service or entered a reciprocal agency. Members are eligible for service retirement when they would have reached eligibility if they would have remained in an active position.

Plan 3: Age 55 with 10 years of service. (31496)

Plan 7: **General members:**
 Age 52 with 5 years of service.

Safety and Probation members:
 Age 50 with 5 years of service.

All Plans: Member contributions must be left on deposit and the member must have terminated with 5 years of service or entered a reciprocal agency. Members (except for Plan 7) are eligible for service retirement when they would have reached eligibility if they would have remained in an active position.

Monthly Allowance:

All Plans Except 3: Same as service retirement allowance; payable any time after the member would have been eligible for service retirement. (31703, 31704, 31705)

If a terminated member dies before the effective date of the deferred retirement allowance, the member's accumulated contributions are paid to the estate or to the named beneficiary. (31702)

Plan 3: Same as service retirement allowance at normal retirement age 65 or in an actuarially equivalent reduced amount at early retirement, after age 55. (31496)

No benefit is paid for death while inactive.

COST-OF-LIVING INCREASES

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the Consumer Price Index (CPI) from the previous January 1 to the current January 1, to the nearest ½ of 1%. (31870, 31870.1, 31870.2, 31874.4)

Plan 1: General & Safety (31870.2)
 Members (and their beneficiaries) are limited to a maximum 5% cost-of-living increase.

Probation (31870.1)
 Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase.

Plan 2: All members (31870.1)
 Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase.

Plan 3: Plan 3 does not have a COLA. (31487)

Other Plans: All members (31870)
 Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase.

COLA Bank

Plan 1: When the CPI exceeds the applicable percentage (3% or 5%), the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation (COLA Bank). It may be used in future years to provide cost-of-living increases when the CPI falls below the applicable percentage. (31870.1, 31870.2)

Other Plans: All other Plans do not have a COLA bank. (31874.4)

Appendix C Valuation Data and Schedules



Data on SamCERA membership as of June 30, 2018 was supplied to us by SamCERA staff. On the following table, Exhibit C-1, we present a summary of SamCERA membership at June 30, 2018 for active members. Similar information is shown in Exhibit C-2 for inactive members and Exhibits C-3a and C-3b for retired members.

Note that salary amounts shown are annualized amounts based on the biweekly pay for the period prior to the valuation date. If the annualized amount was less than the total prior earnings, total prior year earnings were used.

Additional statistical data on both active and retired members is shown in the following tables.

Exhibit C-4: Age, Service, Compensation Distribution of Active Members

Exhibit C-5: Age, Retirement Year, Benefit Amount and Plan Distribution of Retired Members

Exhibits C-4 and C-5 are shown for all plans combined as well as for classification separately.

Exhibit C-1 SamCERA Membership – Active Members as of June 30, 2018

	Total Number	Annual Salary	Average Age	Average Monthly Salary	Average Credited Service
General Members					
Plan 1	8	\$ 971,659	64.9	\$ 10,121	36.7
Plan 2	570	65,157,763	56.2	9,526	26.2
Plan 3	62	5,551,437	52.9	7,462	15.6
Plan 4	1,972	201,957,412	48.8	8,534	13.5
Plan 5	268	31,104,567	43.8	9,672	4.8
Plan 7	1,723	144,188,757	38.4	6,974	2.3
Total	4,603	\$ 448,931,595	45.6	\$ 8,128	10.5
Safety Members					
Plan 1	-	\$ -	-	\$ -	-
Plan 2	48	7,837,854	52.9	13,607	24.5
Plan 4	234	33,397,202	45.9	11,894	13.5
Plan 5	59	8,034,759	40.4	11,349	4.6
Plan 7	167	17,529,474	34.1	8,747	2.5
Total	508	\$ 66,799,289	42.1	\$ 10,958	9.9
Probation Members					
Plan 1	-	\$ -	-	\$ -	-
Plan 2	29	3,153,287	51.1	9,061	24.2
Plan 4	174	18,194,686	44.8	8,714	15.5
Plan 5	8	789,048	34.8	8,219	5.7
Plan 6	-	-	-	-	-
Plan 7	45	3,604,778	31.6	6,676	2.6
Total	256	\$ 25,741,800	42.9	\$ 8,379	13.9
Grand Total	5,367	\$ 541,472,684	45.1	\$ 8,407	10.6

Exhibit C-2 SamCERA Membership – Inactive Members as of June 30, 2018

	Deferred Vested Number	Deferred Vested Average Age	Contingent Vested Number	Contingent Vested Average Age
General Members				
Plan 1	9	64.8	-	-
Plan 2	254	55.4	56	54.9
Plan 3	72	57.1	-	-
Plan 4	549	45.7	210	47.7
Plan 5	17	42.5	63	42.2
Plan 7	5	34.0	289	38.7
Total	906	49.4	618	43.6
Safety Members				
Plan 1	1	67.0	-	-
Plan 2	11	51.3	9	53.0
Plan 4	29	47.0	17	48.4
Plan 5	1	58.0	7	39.3
Plan 7	-	-	8	37.1
Total	42	48.9	41	45.6
Probation Members				
Plan 1	-	-	-	-
Plan 2	7	50.7	9	49.2
Plan 4	30	42.4	9	46.7
Plan 5	-	-	1	38.0
Plan 6	-	-	-	-
Plan 7	-	-	3	36.0
Total	37	43.9	22	45.9
Grand Total	985	49.2	681	43.8

Exhibit C-3a SamCERA Membership – Retired Members as of June 30, 2018

	Number	Average Age	Monthly Allowance	Average Monthly Benefit
General Members				
Plan 1	1,518	79.4	\$ 5,266,668	\$ 3,436
Plan 2	1,979	69.2	6,116,760	3,012
Plan 3	135	71.3	157,241	457
Plan 4	780	64.8	1,588,545	2,006
Plan 5	2	60.5	951	317
Plan 7	1	64.0	1,068	1,068
Total	4,415	72.0	\$ 13,131,232	\$ 2,974
Safety Members				
Plan 1	271	74.2	\$ 1,883,923	\$ 6,728
Plan 2	212	61.4	1,606,404	7,302
Plan 4	76	57.3	309,708	3,824
Plan 5	1	60.0	1,680	1,680
Total	560	67.1	\$ 3,801,714	\$ 6,789
Probation Members				
Plan 1	36	73.9	\$ 397,881	\$ 3,754
Plan 2	66	59.3	490,186	4,581
Plan 4	32	60.2	111,146	3,087
Total	134	63.4	\$ 999,213	\$ 7,457
Grand Total	5,109	71.2	\$ 17,932,160	\$ 3,510

**Exhibit C-3b SamCERA Membership – Retired Members as of June 30, 2018
 Subtotaled by Class and Retirement Type**

<u>Plan</u>	<u>Retirement Type</u>	<u>Number</u>	<u>Monthly Benefit</u>	<u>Average Monthly Benefit</u>
General Plans:				
	Healthy	3,529	\$ 11,055,970	\$ 2,916
	Disabled	356	1,025,977	2,850
	Beneficiaries	530	1,049,285	1,901
	Total	4,415	\$ 13,131,232	\$ 2,974
Safety Plans:				
	Healthy	356	\$ 2,821,386	\$ 7,564
	Disabled	106	619,825	5,635
	Beneficiaries	98	360,503	3,641
	Total	560	\$ 3,801,714	\$ 6,789
Probation Plans:				
	Healthy	117	\$ 906,086	\$ 4,254
	Disabled	10	47,682	3,973
	Beneficiaries	7	45,446	1,894
	Total	134	\$ 999,213	\$ 7,457
Grand Totals				
	Healthy	4,002	\$ 14,783,442	\$ 3,694
	Disabled	472	1,693,484	3,588
	Beneficiaries	635	1,455,234	2,292
	Total	5,109	\$ 17,932,160	\$ 3,510

Exhibit C-4 Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2018
All Members

Count	Years of Service									Total Count	
	Age	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	32	15	0	0	0	0	0	0	0	0	47
25-29	126	223	22	0	0	0	0	0	0	0	371
30-34	135	396	124	48	0	0	0	0	0	0	703
35-39	69	269	151	180	37	0	0	0	0	0	706
40-44	50	183	114	232	176	15	0	0	0	0	770
45-49	34	131	109	202	229	98	16	1	0	0	820
50-54	25	112	64	150	162	108	73	22	2	2	718
55-59	26	85	60	121	130	84	76	48	8	8	638
60-64	11	43	64	98	74	38	43	32	14	14	417
65 & Over	2	16	32	47	29	11	22	9	9	9	177
Total Count	510	1,473	740	1,078	837	354	230	112	33	33	5,367

Compensation	Years of Service									Average Comp.	
	Age	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	64,231	67,671	-	-	-	-	-	-	-	-	65,329
25-29	70,591	83,883	92,560	-	-	-	-	-	-	-	79,884
30-34	77,767	87,016	101,508	91,667	-	-	-	-	-	-	88,113
35-39	85,707	89,397	110,543	104,156	89,638	-	-	-	-	-	97,335
40-44	83,243	94,339	107,914	104,484	107,583	93,900	-	-	-	-	101,703
45-49	84,663	95,784	119,715	104,892	110,428	113,584	98,467	121,768	-	-	107,049
50-54	80,462	94,778	116,714	109,241	115,552	114,543	111,800	109,309	97,649	-	109,100
55-59	98,285	89,216	110,511	101,925	102,617	112,226	117,697	122,125	102,937	-	105,799
60-64	92,377	96,492	122,372	104,839	102,905	116,348	122,840	104,653	124,068	-	109,533
65 & Over	133,527	105,915	122,107	106,367	117,635	134,115	122,054	97,320	131,806	-	115,832
Avg. Annual Compensation	78,927	89,668	111,494	104,424	108,274	113,655	115,866	112,619	119,454	-	100,889



Exhibit C-4a Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2018
General Members

Age	Years of Service									Total Count
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	25	13	0	0	0	0	0	0	0	38
25-29	104	160	14	0	0	0	0	0	0	278
30-34	129	349	101	39	0	0	0	0	0	618
35-39	64	246	122	136	33	0	0	0	0	601
40-44	47	173	99	195	118	11	0	0	0	643
45-49	34	123	86	171	167	70	13	1	0	665
50-54	18	103	54	137	129	78	65	19	2	605
55-59	25	83	48	116	120	77	73	46	8	596
60-64	11	41	53	95	70	35	41	29	14	389
65 & Over	1	16	32	44	27	11	21	9	9	170
Total Count	458	1,307	609	933	664	282	213	104	33	4,603

Age	Years of Service									Average Comp.
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	59,867	65,094	-	-	-	-	-	-	-	61,655
25-29	68,256	78,804	77,976	-	-	-	-	-	-	74,816
30-34	77,075	84,545	98,761	82,973	-	-	-	-	-	85,210
35-39	84,461	88,059	106,976	99,317	84,675	-	-	-	-	93,878
40-44	80,697	93,594	103,550	101,910	100,999	81,072	-	-	-	97,851
45-49	84,663	94,147	112,560	99,841	103,871	104,824	97,695	121,768	-	101,184
50-54	69,075	92,979	112,712	107,810	113,384	101,385	109,552	97,130	97,649	104,749
55-59	96,439	88,379	102,030	100,193	101,640	110,627	116,681	120,399	102,937	103,794
60-64	92,377	95,090	117,082	104,338	101,699	114,929	123,604	97,188	124,068	107,447
65 & Over	121,388	105,915	122,107	102,820	117,792	134,115	119,427	97,320	131,806	114,549
Avg. Annual Compensation	77,307	87,912	106,972	101,304	104,189	106,928	114,950	107,691	119,454	97,530



Exhibit C-4b Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2018
Safety Members

Age	Years of Service									Total Count
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	6	1	0	0	0	0	0	0	0	7
25-29	17	48	7	0	0	0	0	0	0	72
30-34	4	37	17	5	0	0	0	0	0	63
35-39	5	16	23	23	3	0	0	0	0	70
40-44	3	8	13	15	27	2	0	0	0	68
45-49	0	7	22	22	28	14	1	0	0	94
50-54	7	8	10	6	18	20	2	3	0	74
55-59	1	2	12	2	7	4	2	2	0	32
60-64	0	2	11	2	2	2	0	3	0	22
65 & Over	1	0	0	3	1	0	1	0	0	6
Total Count	44	129	115	78	86	42	6	8	0	508

Age	Years of Service									Average Comp.
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	81,301	96,664	-	-	-	-	-	-	-	83,496
25-29	84,845	102,409	121,340	-	-	-	-	-	-	100,103
30-34	102,484	110,796	119,438	146,199	-	-	-	-	-	115,410
35-39	101,655	113,925	133,248	142,937	138,119	-	-	-	-	129,967
40-44	123,139	111,503	143,033	142,241	138,113	162,329	-	-	-	136,885
45-49	-	127,193	146,503	146,517	151,055	158,086	110,075	-	-	147,762
50-54	109,742	120,367	138,322	152,397	133,792	168,993	180,289	186,441	-	145,091
55-59	144,423	123,950	144,431	212,870	110,366	143,548	152,242	161,837	-	141,442
60-64	-	125,246	147,862	138,802	136,102	145,210	-	176,814	-	147,620
65 & Over	145,666	-	-	158,389	132,473	-	177,233	-	-	155,090
Avg. Annual Compensation	97,184	109,909	137,130	147,031	139,052	161,484	158,729	176,680	-	131,495



Exhibit C-4c Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2018
Probation Members

Count	Years of Service									Total Count	
	Age	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
	Under 25	1	1	0	0	0	0	0	0	0	2
	25-29	5	15	1	0	0	0	0	0	0	21
	30-34	2	10	6	4	0	0	0	0	0	22
	35-39	0	7	6	21	1	0	0	0	0	35
	40-44	0	2	2	22	31	2	0	0	0	59
	45-49	0	1	1	9	34	14	2	0	0	61
	50-54	0	1	0	7	15	10	6	0	0	39
	55-59	0	0	0	3	3	3	1	0	0	10
	60-64	0	0	0	1	2	1	2	0	0	6
	65 & Over	0	0	0	0	1	0	0	0	0	1
	Total Count	8	37	16	67	87	30	11	0	0	256

Compensation	Years of Service									Average Comp.	
	Age	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
	Under 25	70,899	72,176	-	-	-	-	-	-	-	71,537
	25-29	70,705	78,786	95,264	-	-	-	-	-	-	77,646
	30-34	72,980	85,260	96,941	108,264	-	-	-	-	-	91,512
	35-39	-	80,363	96,030	93,020	107,967	-	-	-	-	91,432
	40-44	-	90,064	95,659	101,556	106,051	96,030	-	-	-	103,141
	45-49	-	77,355	145,666	99,106	109,177	112,880	97,685	-	-	108,241
	50-54	-	75,399	-	100,244	112,309	108,273	113,326	-	-	108,319
	55-59	-	-	-	94,912	123,616	111,496	122,814	-	-	111,289
	60-64	-	-	-	84,455	111,918	108,264	107,182	-	-	105,153
	65 & Over	-	-	-	-	98,548	-	-	-	-	98,548
	Avg. Annual Compensation	71,298	81,135	99,380	98,262	109,028	109,929	110,228	-	-	100,554



**Exhibit C-5 Distribution of Retired Members by Age and Retirement Year as of June 30, 2018
 All Plans Combined**

Age	Retirement Year								Total Count	Average Monthly Benefit
	Pre-1984	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19		
Under 35	-	-	1	4	2	3	2	-	12	\$ 1,049
35-39	-	-	-	1	-	-	2	5	8	2,535
40-44	-	-	-	-	1	3	8	6	18	3,448
45-49	-	1	1	-	3	7	10	15	37	3,149
50-54	-	1	1	3	11	11	20	124	171	4,372
55-59	1	-	1	9	15	25	147	180	378	3,439
60-64	-	2	5	13	35	131	219	263	668	3,945
65-69	-	7	21	37	116	250	369	218	1,018	3,738
70-74	11	11	29	109	196	324	238	92	1,010	3,935
75-79	8	23	95	157	196	196	68	14	757	3,427
80-84	20	44	102	123	90	24	9	8	420	2,933
85-89	47	50	92	79	18	10	3	10	309	2,482
90-94	74	71	49	11	-	1	1	2	209	2,160
95-99	42	32	10	1	1	-	-	-	86	2,268
100 & Over	8	-	-	-	-	-	-	-	8	2,259
Total Count	211	242	407	547	684	985	1,096	937	5,109	
Avg Monthly Benefit	\$ 1,750	\$ 2,360	\$ 2,420	\$ 2,599	\$ 3,479	\$ 4,365	\$ 3,847	\$ 3,937		\$ 3,510



**Exhibit C-5a Distribution of Retired Members by Age and Retirement Year as of June 30, 2018
 General Plans Combined**

Age	Retirement Year								Total Count	Average Monthly Benefit
	Pre-1984	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19		
Under 35	-	-	1	4	2	3	2	-	12	\$ 1,049
35-39	-	-	-	1	-	-	2	2	5	2,729
40-44	-	-	-	-	1	2	6	5	14	3,033
45-49	-	1	1	-	1	5	8	5	21	2,251
50-54	-	1	1	1	6	5	15	57	86	2,476
55-59	1	-	-	8	12	17	110	144	292	2,318
60-64	-	2	3	9	27	102	186	240	569	3,247
65-69	-	2	14	30	104	212	344	208	914	3,310
70-74	7	8	21	91	133	308	229	85	882	3,423
75-79	5	14	76	102	180	188	63	13	641	2,927
80-84	17	35	90	116	89	24	9	7	387	2,662
85-89	43	45	92	78	18	10	3	8	297	2,355
90-94	69	70	49	11	-	1	1	2	203	2,095
95-99	40	32	10	1	1	-	-	-	84	2,188
100 & Over	8	-	-	-	-	-	-	-	8	2,259
Total Count	190	210	358	452	574	877	978	776	4,415	
Avg Monthly Benefit	\$ 1,518	\$ 2,093	\$ 2,064	\$ 2,022	\$ 2,694	\$ 3,836	\$ 3,317	\$ 3,345		\$ 2,974



**Exhibit C-5b Distribution of Retired Members by Age and Retirement Year as of June 30, 2018
 Safety Plans Combined**

Age	Retirement Year								Total Count	Average Monthly Benefit
	Pre-1984	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19		
Under 35	-	-	-	-	-	-	-	-	-	\$ -
35-39	-	-	-	-	-	-	-	3	3	2,211
40-44	-	-	-	-	-	1	1	-	2	6,256
45-49	-	-	-	-	2	2	2	3	9	4,486
50-54	-	-	-	2	4	5	3	43	57	6,604
55-59	-	-	1	1	3	8	28	27	68	7,189
60-64	-	-	2	4	6	24	24	19	79	8,159
65-69	-	5	7	6	11	33	20	9	91	7,223
70-74	4	3	8	16	58	13	5	7	114	6,938
75-79	3	9	16	40	15	3	2	-	88	5,971
80-84	3	9	12	5	1	-	-	1	31	5,261
85-89	4	5	-	-	-	-	-	1	10	5,810
90-94	5	1	-	-	-	-	-	-	6	4,376
95-99	2	-	-	-	-	-	-	-	2	5,623
100 & Over	-	-	-	-	-	-	-	-	-	-
Total Count	21	32	46	74	100	89	85	113	560	
Avg Monthly Benefit	\$ 3,850	\$ 4,114	\$ 4,967	\$ 5,182	\$ 6,843	\$ 8,691	\$ 8,233	\$ 7,253		\$ 6,789



**Exhibit C-5c Distribution of Retired Members by Age and Retirement Year as of June 30, 2018
 Probation Plans Combined**

Age	Retirement Year								Total Count	Average Monthly Benefit
	Pre-1984	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19		
Under 35	-	-	-	-	-	-	-	-	-	\$ -
35-39	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	1	1	2	3,543
45-49	-	-	-	-	-	-	-	7	7	4,122
50-54	-	-	-	-	1	1	2	24	28	5,653
55-59	-	-	-	-	-	-	9	9	18	7,455
60-64	-	-	-	-	2	5	9	4	20	7,138
65-69	-	-	-	1	1	5	5	1	13	9,464
70-74	-	-	-	2	5	3	4	-	14	11,760
75-79	-	-	3	15	1	5	3	1	28	6,862
80-84	-	-	-	2	-	-	-	-	2	19,276
85-89	-	-	-	1	-	-	-	1	2	4,844
90-94	-	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	3	21	10	19	33	48	134	
Avg Monthly Benefit	\$ -	\$ -	\$ 5,864	\$ 5,911	\$ 14,885	\$ 8,493	\$ 8,278	\$ 5,710		\$ 7,457



Appendix D Member Contribution Rates



This section illustrates the member basic contribution rates and COLA sharing contribution rates by entry age for Plans 1 through 6. For different COLA sharing percentages, the COLA contribution rates may be adjusted ratably, and should be rounded to two decimal places.

Member contribution rates for Plan 7 are not defined by entry age. Plan 7 members contribute 50% of the total Normal Cost rate. For the 2019-2020 fiscal year, Plan 7 member contribution rates are:

- General Plan 7 members: 8.61%
- SMCM&VCD Plan 7 members: 9.04%
- Safety Plan 7 members: 14.50%
- Probation Plan 7 members: 14.11%

Please refer to Appendix B for a detailed description of member contribution rates.

Exhibit D-1 General Member Contribution Rates (including SMCM&VCD)

Entry Age ⁽¹⁾	Basic Member Rates				
	General & SMCM&VCD			General	SMCM&VCD
	Plans 1&2	Plan 4	Plan 5	Plan 7	Plan 7
16	5.67%	5.48%	4.72%	8.61%	9.04%
17	5.77%	5.58%	4.81%	8.61%	9.04%
18	5.88%	5.68%	4.90%	8.61%	9.04%
19	5.99%	5.79%	5.00%	8.61%	9.04%
20	6.10%	5.90%	5.09%	8.61%	9.04%
21	6.22%	6.01%	5.19%	8.61%	9.04%
22	6.33%	6.12%	5.29%	8.61%	9.04%
23	6.45%	6.24%	5.38%	8.61%	9.04%
24	6.57%	6.35%	5.49%	8.61%	9.04%
25	6.69%	6.47%	5.59%	8.61%	9.04%
26	6.82%	6.59%	5.69%	8.61%	9.04%
27	6.94%	6.71%	5.80%	8.61%	9.04%
28	7.07%	6.83%	5.91%	8.61%	9.04%
29	7.20%	6.96%	6.02%	8.61%	9.04%
30	7.33%	7.09%	6.13%	8.61%	9.04%
31	7.47%	7.22%	6.24%	8.61%	9.04%
32	7.61%	7.35%	6.36%	8.61%	9.04%
33	7.75%	7.49%	6.47%	8.61%	9.04%
34	7.89%	7.62%	6.59%	8.61%	9.04%
35	8.03%	7.76%	6.71%	8.61%	9.04%
36	8.18%	7.91%	6.84%	8.61%	9.04%
37	8.34%	8.06%	6.96%	8.61%	9.04%
38	8.49%	8.21%	7.09%	8.61%	9.04%
39	8.65%	8.36%	7.22%	8.61%	9.04%
40	8.82%	8.52%	7.36%	8.61%	9.04%
41	8.99%	8.68%	7.49%	8.61%	9.04%
42	9.17%	8.84%	7.63%	8.61%	9.04%
43	9.34%	9.00%	7.78%	8.61%	9.04%
44	9.51%	9.16%	7.92%	8.61%	9.04%
45	9.68%	9.31%	8.07%	8.61%	9.04%
46	9.85%	9.45%	8.23%	8.61%	9.04%
47	10.01%	9.59%	8.38%	8.61%	9.04%
48	10.16%	9.71%	8.53%	8.61%	9.04%
49	10.31%	9.82%	8.67%	8.61%	9.04%
50	10.44%	9.89%	8.82%	8.61%	9.04%
51	10.56%	9.92%	8.95%	8.61%	9.04%
52	10.62%	9.92%	9.08%	8.61%	9.04%
53	10.62%	10.20%	9.20%	8.61%	9.04%
54	10.62%	10.53%	9.30%	8.61%	9.04%
55	10.62%	10.53%	9.37%	8.61%	9.04%
56	10.62%	10.53%	9.40%	8.61%	9.04%
57	10.62%	10.53%	9.40%	8.61%	9.04%
58	10.62%	10.53%	9.66%	8.61%	9.04%
59	10.62%	10.53%	9.97%	8.61%	9.04%
60	10.62%	10.53%	9.97%	8.61%	9.04%

1. For General and SMCM&VCD members (except plan 5 members) entering after age 55, the rate equals the rate at age 55. For General and SMCM&VCD plan 5 members entering after age 60, the rate equals the rate at age 60.

Exhibit D-2 Safety/Probation Member Contribution Rates

Entry Age ⁽¹⁾	Basic Member Rates			
	Safety & Probation		Safety	Probation
	Plans 1&2	Plans 4&5&6	Plan 7	Plan 7
16	7.99%	7.70%	14.50%	14.11%
17	8.13%	7.83%	14.50%	14.11%
18	8.26%	7.96%	14.50%	14.11%
19	8.40%	8.10%	14.50%	14.11%
20	8.54%	8.23%	14.50%	14.11%
21	8.68%	8.37%	14.50%	14.11%
22	8.83%	8.51%	14.50%	14.11%
23	8.97%	8.65%	14.50%	14.11%
24	9.12%	8.79%	14.50%	14.11%
25	9.27%	8.94%	14.50%	14.11%
26	9.43%	9.09%	14.50%	14.11%
27	9.58%	9.24%	14.50%	14.11%
28	9.74%	9.39%	14.50%	14.11%
29	9.90%	9.54%	14.50%	14.11%
30	10.06%	9.70%	14.50%	14.11%
31	10.23%	9.86%	14.50%	14.11%
32	10.40%	10.03%	14.50%	14.11%
33	10.58%	10.20%	14.50%	14.11%
34	10.75%	10.37%	14.50%	14.11%
35	10.94%	10.54%	14.50%	14.11%
36	11.12%	10.72%	14.50%	14.11%
37	11.32%	10.91%	14.50%	14.11%
38	11.51%	11.10%	14.50%	14.11%
39	11.72%	11.28%	14.50%	14.11%
40	11.93%	11.47%	14.50%	14.11%
41	12.13%	11.64%	14.50%	14.11%
42	12.32%	11.80%	14.50%	14.11%
43	12.51%	11.95%	14.50%	14.11%
44	12.67%	12.07%	14.50%	14.11%
45	12.83%	12.17%	14.50%	14.11%
46	12.96%	12.23%	14.50%	14.11%
47	13.05%	12.23%	14.50%	14.11%
48	13.09%	12.60%	14.50%	14.11%
49	13.09%	13.01%	14.50%	14.11%
50	13.09%	13.01%	14.50%	14.11%

1. For Safety and Probation members entering after age 50, the rate equals the rate at age 50.

Exhibit D-3 General Member Contribution Rates (except SMCM&VCD)

Entry Age ⁽¹⁾	50% Member COLA Rates			
	Plan 1	Plan 2	Plan 4	Plan 5
16	2.05%	1.92%	1.44%	1.20%
17	2.09%	1.96%	1.47%	1.22%
18	2.13%	1.99%	1.49%	1.24%
19	2.17%	2.03%	1.52%	1.27%
20	2.21%	2.07%	1.55%	1.29%
21	2.25%	2.11%	1.58%	1.32%
22	2.29%	2.15%	1.61%	1.34%
23	2.33%	2.19%	1.64%	1.37%
24	2.38%	2.23%	1.67%	1.39%
25	2.42%	2.27%	1.70%	1.42%
26	2.47%	2.31%	1.73%	1.44%
27	2.51%	2.35%	1.77%	1.47%
28	2.56%	2.40%	1.80%	1.50%
29	2.61%	2.44%	1.83%	1.53%
30	2.65%	2.48%	1.87%	1.56%
31	2.70%	2.53%	1.90%	1.58%
32	2.75%	2.58%	1.93%	1.61%
33	2.80%	2.63%	1.97%	1.64%
34	2.86%	2.67%	2.00%	1.67%
35	2.91%	2.72%	2.04%	1.70%
36	2.96%	2.77%	2.08%	1.74%
37	3.02%	2.83%	2.12%	1.77%
38	3.07%	2.88%	2.16%	1.80%
39	3.13%	2.93%	2.20%	1.83%
40	3.19%	2.99%	2.24%	1.87%
41	3.25%	3.05%	2.28%	1.90%
42	3.32%	3.11%	2.33%	1.94%
43	3.38%	3.17%	2.37%	1.97%
44	3.44%	3.22%	2.41%	2.01%
45	3.50%	3.28%	2.45%	2.05%
46	3.56%	3.34%	2.49%	2.09%
47	3.62%	3.39%	2.52%	2.13%
48	3.68%	3.44%	2.55%	2.16%
49	3.73%	3.49%	2.58%	2.20%
50	3.78%	3.54%	2.60%	2.24%
51	3.82%	3.58%	2.61%	2.27%
52	3.84%	3.60%	2.61%	2.30%
53	3.84%	3.60%	2.68%	2.33%
54	3.84%	3.60%	2.77%	2.36%
55	3.84%	3.60%	2.77%	2.38%
56	3.84%	3.60%	2.77%	2.39%
57	3.84%	3.60%	2.77%	2.39%
58	3.84%	3.60%	2.77%	2.45%
59	3.84%	3.60%	2.77%	2.53%
60	3.84%	3.60%	2.77%	2.53%

1. For General members (except plan 5 members) entering after age 55, the rate equals the rate at age 55. For General plan 5 members entering after age 60, the rate equals the rate at age 60.

Exhibit D-4 Safety Member Contribution Rates

Entry Age ⁽¹⁾	50% Member COLA Rates				
	Plan 1	Plan 2	Plan 4	Plan 5	Plan 6
16	3.83%	4.00%	2.90%	2.68%	2.50%
17	3.90%	4.07%	2.95%	2.72%	2.54%
18	3.96%	4.14%	3.00%	2.77%	2.58%
19	4.03%	4.21%	3.05%	2.82%	2.63%
20	4.09%	4.28%	3.10%	2.86%	2.67%
21	4.16%	4.35%	3.16%	2.91%	2.72%
22	4.23%	4.42%	3.21%	2.96%	2.76%
23	4.30%	4.49%	3.26%	3.01%	2.81%
24	4.37%	4.57%	3.31%	3.06%	2.85%
25	4.44%	4.64%	3.37%	3.11%	2.90%
26	4.52%	4.72%	3.43%	3.16%	2.95%
27	4.59%	4.80%	3.48%	3.21%	3.00%
28	4.67%	4.88%	3.54%	3.26%	3.05%
29	4.75%	4.96%	3.60%	3.32%	3.10%
30	4.82%	5.04%	3.66%	3.37%	3.15%
31	4.90%	5.12%	3.72%	3.43%	3.20%
32	4.98%	5.21%	3.78%	3.49%	3.26%
33	5.07%	5.30%	3.85%	3.55%	3.31%
34	5.15%	5.38%	3.91%	3.60%	3.37%
35	5.24%	5.48%	3.97%	3.66%	3.42%
36	5.33%	5.57%	4.04%	3.73%	3.48%
37	5.43%	5.67%	4.11%	3.79%	3.54%
38	5.52%	5.76%	4.19%	3.86%	3.60%
39	5.62%	5.87%	4.25%	3.92%	3.66%
40	5.72%	5.97%	4.33%	3.99%	3.72%
41	5.81%	6.07%	4.39%	4.05%	3.78%
42	5.90%	6.17%	4.45%	4.10%	3.83%
43	6.00%	6.26%	4.51%	4.15%	3.88%
44	6.07%	6.34%	4.55%	4.20%	3.92%
45	6.15%	6.42%	4.59%	4.23%	3.95%
46	6.21%	6.49%	4.61%	4.25%	3.97%
47	6.25%	6.53%	4.61%	4.25%	3.97%
48	6.27%	6.55%	4.75%	4.38%	4.09%
49	6.27%	6.55%	4.91%	4.52%	4.22%
50	6.27%	6.55%	4.91%	4.52%	4.22%

1. For Safety members entering after age 50, the rate equals the rate at age 50.

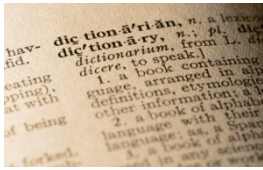
Exhibit D-5 Probation Member Contribution Rates

Entry Age ⁽¹⁾	50% Member COLA Rates				
	Plan 1	Plan 2	Plan 4	Plan 5	Plan 6
16	4.25%	4.10%	2.91%	2.67%	2.34%
17	4.33%	4.17%	2.96%	2.71%	2.38%
18	4.40%	4.24%	3.01%	2.76%	2.42%
19	4.47%	4.31%	3.07%	2.81%	2.47%
20	4.54%	4.38%	3.11%	2.85%	2.51%
21	4.62%	4.46%	3.17%	2.90%	2.55%
22	4.70%	4.53%	3.22%	2.95%	2.59%
23	4.77%	4.61%	3.27%	3.00%	2.63%
24	4.85%	4.68%	3.33%	3.04%	2.68%
25	4.93%	4.76%	3.38%	3.10%	2.72%
26	5.02%	4.84%	3.44%	3.15%	2.77%
27	5.10%	4.92%	3.50%	3.20%	2.81%
28	5.18%	5.00%	3.55%	3.25%	2.86%
29	5.27%	5.08%	3.61%	3.30%	2.90%
30	5.35%	5.16%	3.67%	3.36%	2.95%
31	5.44%	5.25%	3.73%	3.42%	3.00%
32	5.53%	5.34%	3.80%	3.47%	3.05%
33	5.63%	5.43%	3.86%	3.53%	3.10%
34	5.72%	5.52%	3.92%	3.59%	3.16%
35	5.82%	5.62%	3.99%	3.65%	3.21%
36	5.92%	5.71%	4.06%	3.71%	3.26%
37	6.02%	5.81%	4.13%	3.78%	3.32%
38	6.12%	5.91%	4.20%	3.85%	3.38%
39	6.24%	6.02%	4.27%	3.91%	3.43%
40	6.35%	6.12%	4.34%	3.97%	3.49%
41	6.45%	6.23%	4.40%	4.03%	3.54%
42	6.56%	6.33%	4.47%	4.09%	3.59%
43	6.66%	6.42%	4.52%	4.14%	3.64%
44	6.74%	6.50%	4.57%	4.18%	3.67%
45	6.83%	6.59%	4.61%	4.22%	3.70%
46	6.90%	6.65%	4.63%	4.24%	3.72%
47	6.94%	6.70%	4.63%	4.24%	3.72%
48	6.97%	6.72%	4.77%	4.36%	3.84%
49	6.97%	6.72%	4.92%	4.51%	3.96%
50	6.97%	6.72%	4.92%	4.51%	3.96%

1. For Probation members entering after age 50, the rate equals the rate at age 50.

Appendix E

Glossary



The following definitions include excerpts from a list adopted by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to SamCERA and include terms used exclusively by SamCERA. Defined terms are capitalized throughout this Appendix.

Accrued Benefit	The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.
Actuarial Accrued Liability	That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.
Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.
Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.
Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.
Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
Amortization Payment	That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
COLA	Cost of living adjustments to benefit payments are made each April 1. See full description in Appendix B.
County Supplementary Contributions Account (CSCA) Reserve	This is a reserve for supplemental contributions from the County of San Mateo that are over and above the County's required statutory contribution rates.

District Supplementary Contributions Account (DSCA) Reserve	This is a reserve for supplemental contributions from the San Mateo County Mosquito and Vector Control District ("District") that are over and above the District's required statutory contribution rates.
Employer Reserve	The accumulation of employer contributions for future retirement benefit payments. Additions include contributions from employers and related earnings. Deductions include annuity payments to retired members and survivors, lump sum death benefit payments to member survivors, and supplemental disability payments.
Entry Age Actuarial Cost Method	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
Funded Ratio	A measurement of the funded status of the system. The Funded Ratio is calculated by dividing the Valuation Assets by the Actuarial Accrued Liability. For example, a Funded Ratio of 90% indicates assets are 10% less than liabilities.
Member Reserve	The accumulation of member contributions. Additions include member contributions and related earnings. Deductions include annuity payments to retirees and refunds to members.
Non-Valuation Reserves	Reserves excluded from the calculation of contribution rates.
Normal Cost	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Plan Year	A 12-month period beginning July 1 and ending June 30.
Projected Benefits	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
Unfunded Actuarial Accrued Liability	The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.
Valuation Date	The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.
Valuation Reserves	All reserves excluding the Non-Valuation Reserves.