

Ventura County Employees' Retirement Association

Actuarial Valuation and Review
as of June 30, 2013



This report has been prepared at the request of the Board of Retirement to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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December 9, 2013

*Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003-6572*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2013. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2014-2015 and analyzes the preceding year's experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census and financial information on which our calculations were based was provided by the Retirement Association. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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); and changes in plan provisions or applicable law.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

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

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By:

A handwritten signature in black ink, appearing to read "Paul Angelo", written over a horizontal line.

*Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Actuary*

JWL/hy

A handwritten signature in black ink, appearing to read "John Monroe", written over a horizontal line.

*John Monroe, ASA, EA, MAAA
Vice President and Associate Actuary*

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SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

PURPOSE AND SCOPE

This report has been prepared by Segal Consulting to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2013. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2013, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2013, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the system's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with the prior year's information.

Please note that the Actuarial Standards Board has adopted Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines for actuaries to follow when measuring pension obligations. For a plan such as that offered by the Retirement Association that may use undistributed excess earnings to provide supplemental benefits, the valuation report must indicate that the impact of any such future use of undistributed excess earnings on the future financial condition of the plan has not been explicitly measured or otherwise reflected in the valuation.

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In 2004, the Board elected to amortize the Association's Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004 over a declining 15-year period. Any change in the UAAL after June 30, 2004 is amortized over separate 15-year declining amortization periods.

Ref: Pg. 42

Effective with the June 30, 2012 valuation, any change in the UAAL that arises due to assumption changes is amortized over separate 20-year declining amortization periods. Also, any change in the UAAL that arises due to retirement incentives is annualized over separate declining amortization period of up to 5 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2014 through June 30, 2015.

SIGNIFICANT ISSUES IN THIS VALUATION

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

Ref: Pg. 10

➤ The market value of assets earned a return of 13.5% for the July 1, 2012 to June 30, 2013 plan year. The valuation value of assets earned a return of 7.0% for the same period due to the deferral of most of the current year investment gains and the recognition of prior investment gains and losses. This resulted in an actuarial loss when measured against the assumed rate of return of 7.75%. This actuarial investment loss increased the average employer contribution rate by 0.35% of compensation.

Ref: Pg. 50

➤ The ratio of the valuation value of assets to actuarial accrued liabilities increased from 77.7% to 79.2%. The Association's Unfunded Actuarial Accrued Liability (UAAL) decreased from \$976 million as of June 30, 2012 to \$953 million as of June 30, 2013. This decrease is primarily due to expected changes in the UAAL, lower than expected individual salary increases offset by lower than expected investment return (on the valuation value of assets) and other experience losses. A complete reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.

Ref: Pg. 41

Ref: Pg. 20

➤ The average employer rate increased from 28.27% of payroll to 29.03% of payroll. This increase is primarily due to the investment loss (on the valuation value of assets), lower than expected total payroll growth and other experience losses, offset to some degree by lower than expected individual salary increases. A complete reconciliation of the Association's employer rate is provided in Section 2, Subsection D (see Chart 15).

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

- The Association approved a three-year phase-in for the change in employer contribution rate due to the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation. This is the second year of the phase-in. The average employer contribution rate after reflecting the phase-in is 28.21% of payroll and is shown in a separate phase-in letter that follows this report. All results shown in this valuation report exclude the effect of the phase-in.
- The average member rate increased from 8.53% of payroll to 8.58% of payroll. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).

Ref: Pg. 21

Note that based on our discussions with VCERA, we have used the discretion made recently available by AB 1380 to no longer round the PEPRA tier member's contribution rates to the nearest quarter of one percent as previously required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA). This is consistent with established practice for the Non-PEPRA tier plans and should allow for exactly one-half of the normal cost for the PEPRA tier plans to be paid by the employees and one-half by the employers. In addition, AB 1380 also provides that the "one percent" rule under Section 7522.30(d) does not apply. This section formerly limited the circumstances under which the PEPRA tier member rate would change. AB1380 is effective January 1, 2014 and this report will be adopted after that date with the contribution rates also being effective after that date.

- The results in this report have been prepared using the tiers of benefit provided as of June 30, 2013. In particular, for the first time we have included the results based on demographics of actual members enrolled and reported in the new PEPRA tiers that became available on and after January 1, 2013 under CalPEPRA.
- As indicated in Section 2, Subsection B of this report, the net unrecognized investment loss as of June 30, 2013 is \$6 million (as compared to an unrecognized loss of \$202 million in the June 30, 2012 valuation). This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years. This means that if the plan earns the assumed rate of investment return of 7.75% per year (net of expenses) on a **market value** basis then the deferred losses will be recognized over the next few years as shown in the footnote to Chart 7.
- The net deferred losses of \$6 million represent about 0.2% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the \$6 million market losses is expected to have a slight impact on the Association's future funded ratio and average employer contribution rate. This potential impact may be illustrated as follows:
 - If the net deferred losses were recognized immediately in the valuation value of assets, the funded ratio would decrease from 79.2% to 79.0%.
 - If the net deferred losses were recognized immediately in the valuation value of assets, the average employer rate would increase from 29.03% to about 29.11% of payroll.

Ref: Pg. 5

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

Ref: Pg. 74

- As requested by VCERA staff, Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have assumed that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by members with less than 30 years.
- The actuarial valuation report as of June 30, 2013 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.
- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because these new Statements are not effective until the fiscal year ending June 30, 2014 for Plan reporting and the fiscal year ending June 30, 2015 for employer reporting, the financial reporting information in this report continues to be in accordance with Statements 25 and 27.

Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

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

	June 30, 2013		June 30, 2012	
Employer Contribution Rates: ⁽¹⁾⁽²⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽³⁾	Total Rate	Annual Amount ⁽³⁾
General Tier 1	50.20%	\$5,696	37.35%	\$5,784
General PEPRA Tier 1	46.11%	506	32.55%	0
General Tier 2	18.68%	39,639	18.42%	39,284
General PEPRA Tier 2	17.03%	539	17.39%	0
General Tier 2C ⁽⁴⁾	19.65%	47,316	19.29%	47,506
General PEPRA Tier 2C ⁽⁴⁾	17.91%	1,405	17.73%	0
General Combined	19.96%	95,101	19.49%	92,574
Safety	55.68%	90,249	54.57%	86,659
Safety PEPRA	53.56%	92	51.26%	0
Safety Combined	55.68%	90,341	54.57%	86,659
All Categories combined	29.03%	\$185,442	28.27%	\$179,233
Average Member Contribution Rates: ⁽¹⁾⁽⁵⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽³⁾	Total Rate	Annual Amount ⁽³⁾
General Tier 1	9.16%	\$1,039	8.97%	\$1,389
General PEPRA Tier 1	6.50%	71	5.75%	0
General Tier 2	5.78%	12,267	5.78%	12,327
General PEPRA Tier 2	6.83%	216	7.25%	0
General Tier 2C ⁽⁴⁾	8.41%	20,253	8.41%	20,712
General PEPRA Tier 2C ⁽⁴⁾	9.46%	742	10.02%	0
Safety	12.44%	20,163	12.35%	19,612
Safety PEPRA	16.14%	28	15.00%	0
All Categories combined	8.58%	\$54,779	8.53%	\$54,040

⁽¹⁾ Before reflection of any member rate that may be "picked-up" by the employer. Contributions are assumed to be paid throughout the year.

⁽²⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation.

⁽³⁾ Based on projected compensation for each year shown.

⁽⁴⁾ Throughout this report, this category represents those Tier 2 members who contribute a negotiated 2.63% of compensation for a fixed 2% COLA pursuant to Government Code 31627 that applies to service after March 2003.

⁽⁵⁾ The non-refundability factors as of June 30, 2013 are 0.94 for General Tier 1 and Tier 2 (non-PEPRA) and 0.98 for Safety Tier 1 (non-PEPRA) are unchanged from June 30, 2012.

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

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

	June 30, 2013	June 30, 2012
Funded Status:		
Actuarial accrued liability(AAL) ⁽¹⁾	\$4,575,063	\$4,373,227
Valuation value of assets (VVA) ⁽¹⁾	3,621,709	3,397,360
Market value of assets (MVA)	3,627,505	3,209,617
Funded percentage on VVA basis (VVA/AAL)	79.16%	77.69%
Funded percentage on MVA basis (MVA/AAL)	79.29%	73.39%
Unfunded actuarial accrued liability (UAAL) on VVA basis	\$953,354	\$975,867
Unfunded actuarial accrued liability (UAAL) on MVA basis	947,558	1,163,610
Key Assumptions:		
Interest rate	7.75%	7.75%
Inflation rate	3.25%	3.25%
Across the board salary increase	0.75%	0.75%

⁽¹⁾ Excludes liabilities and assets held for supplemental medical benefit reserve and statutory contingency reserve.

SECTION 1: Valuation Summary for the Ventura County Employees' Retirement Association

Summary of Key Valuation Demographic and Financial Data

	June 30, 2013	June 30, 2012	Percentage Change
Active Members:			
Number of members	8,068	8,019	0.6%
Average age	45.4	45.4	N/A
Average service	11.2	11.1	N/A
Projected total compensation	\$638,763,186	\$633,847,360	0.8%
Average projected compensation	\$79,172	\$79,043	0.2%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,259	4,056	5.0%
Disability retired	828	828	0.0%
Beneficiaries	801	774	3.5%
Total	5,888	5,658	4.1%
Average age	69.1	68.9	N/A
Average monthly benefit ⁽¹⁾	\$2,862	\$2,769	3.4%
Vested Terminated Members:			
Number of terminated vested members ⁽²⁾	2,249	2,161	4.1%
Average age	46.1	45.9	N/A
Total Members:	16,205	15,838	2.3%
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$3,627,505	\$3,209,617	13.0%
Return on market value of assets	13.51%	1.49%	N/A
Actuarial value of assets	\$3,633,626	\$3,411,149	6.5%
Return on actuarial value of assets	6.97%	5.72%	N/A
Valuation value of assets	\$3,621,709	\$3,397,360	6.6%
Return on valuation value of assets	7.00%	5.75%	N/A

⁽¹⁾ Excludes monthly benefits for vested fixed supplemental and supplemental medical benefit amounts.

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

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the member population has changed over the past ten valuations can be seen in this chart.

CHART 1
Member Population: 2004 – 2013

Year Ended June 30	Active Members	Vested Terminated Members⁽¹⁾	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives
2004	7,626	1,351	4,031	5,382	0.71
2005	7,245	1,713	4,314	6,027	0.83
2006	7,403	1,756	4,570	6,326	0.85
2007	7,653	1,864	4,770	6,634	0.87
2008	7,928	2,007	4,914	6,921	0.87
2009	8,045	2,055	5,041	7,096	0.88
2010	8,003	2,040	5,267	7,307	0.91
2011	8,040	2,097	5,481	7,578	0.94
2012	8,019	2,161	5,658	7,819	0.98
2013	8,068	2,249	5,888	8,137	1.01

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

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 8,068 active members with an average age of 45.4, average service of 11.2 years and average compensation of \$79,172. The 8,019 active members in the prior valuation had an average age of 45.4, average service of 11.1 years and average compensation of \$79,043.

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

Inactive Members

In this year's valuation, there were 2,249 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 2,161 in the prior valuation.

These graphs show a distribution of active members by age and by years of service.

CHART 2
Distribution of Active Members by Age as of June 30, 2013

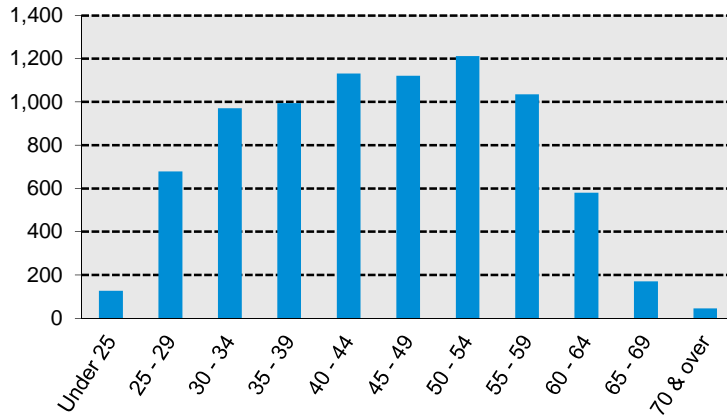
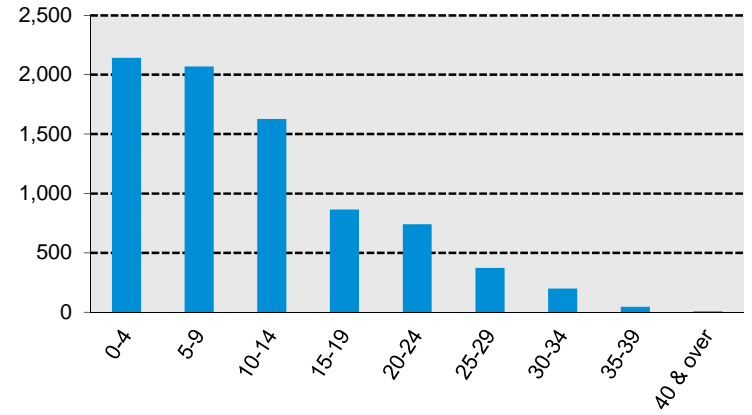


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2013



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Retired Members and Beneficiaries

As of June 30, 2013, 5,087 retired members and 801 beneficiaries were receiving total monthly benefits of \$16,851,966. For comparison, in the previous valuation, there were 4,884 retired members and 774 beneficiaries receiving monthly benefits of \$15,665,096. These monthly benefits exclude benefits for vested fixed supplemental and supplemental medical benefit amounts.

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

CHART 4

Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2013

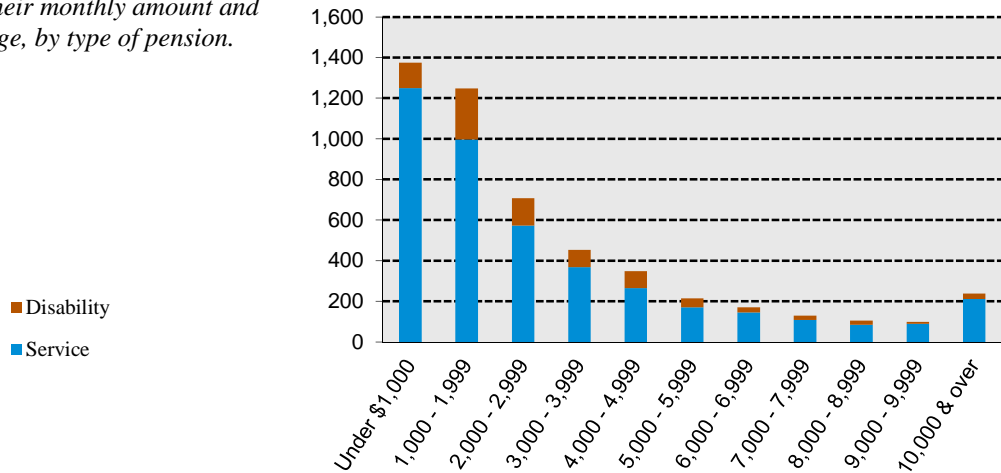
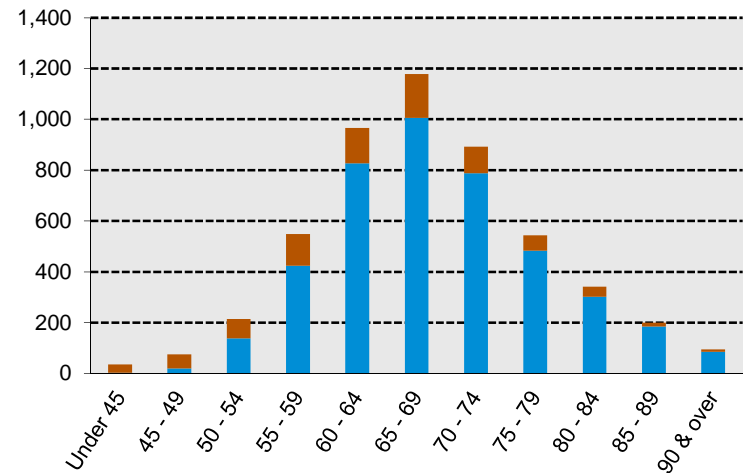


CHART 5

Distribution of Retired Members by Type and by Age as of June 30, 2013



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

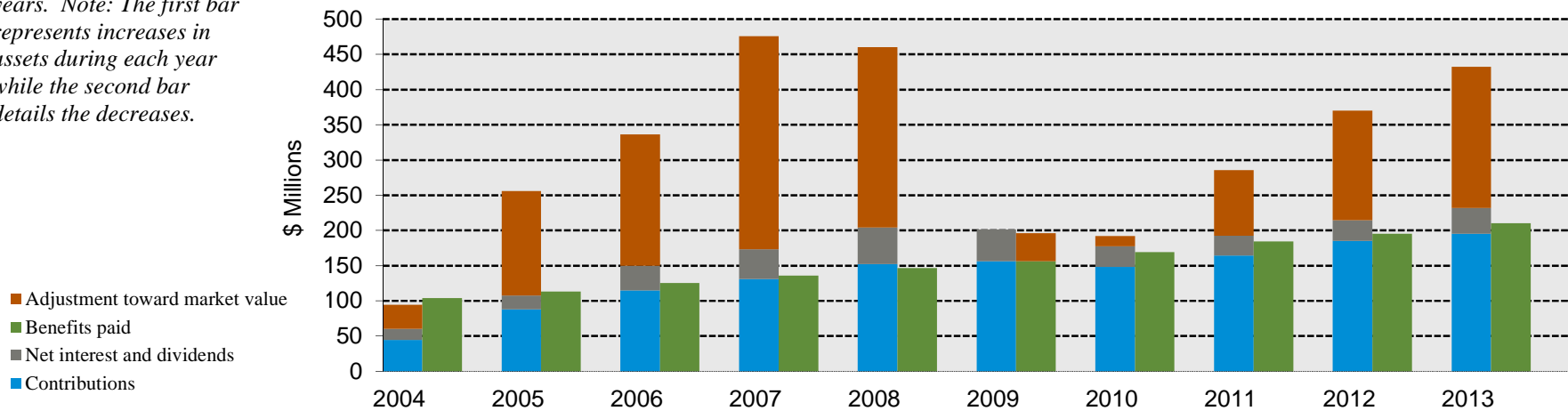
Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

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

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2004 – 2013



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2013

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

1. Market Value of Assets			\$3,627,505,467
2. Calculation of unrecognized return	Original Amount	Deferral Percentage	Unrecognized Return*
(a) Period ended June 30, 2013	\$66,644,214	90.00%	\$59,979,793
(b) Period ended December 31, 2012	101,488,670	80.00%	81,190,936
(c) Period ended June 30, 2012	83,335,657	70.00%	58,334,960
(d) Period ended December 31, 2011	(283,550,123)	60.00%	(170,130,074)
(e) Combined deferred loss as of June 30, 2011**	(63,892,227)	55.56%	(35,495,682)
(f) Total unrecognized return***			(6,120,067)
3. Actuarial Value of Assets: (1) – (2f)			\$3,633,625,534
4. Actuarial Value as percentage of Market Value			100.2%
5. Non-valuation reserves:			
(a) Supplemental medical benefit			\$11,916,998
(b) Statutory contingency			0
(c) Subtotal			\$11,916,998
6. Valuation Value of Assets: (3) – (5c)			\$3,621,708,536

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

** Net deferred loss as of June 30, 2011 was combined and will be recognized over 4.5 years in level semi-annual amounts.

*** Deferred return as of June 30, 2013 recognized in each of the next five years:

(a) Amount Recognized during 2013/2014	\$(20,614,589)
(b) Amount Recognized during 2014/2015	(20,614,589)
(c) Amount Recognized during 2015/2016	(13,515,453)
(d) Amount Recognized during 2016/2017	41,960,143
(e) Amount Recognized during 2017/2018	<u>6,664,421</u>
	\$(6,120,067)

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2013

The calculation of the valuation value of assets from June 30, 2012 to June 30, 2013 by category is provided below:

	Allocated Assets for Funding			
	General			Total
	Tier I	Tier II	Safety	
1. Allocated Assets as of Beginning of Plan Year	\$624,963,954	\$1,306,883,712	\$1,465,512,253	\$3,397,359,919
2. Member Contributions	443,482	25,278,864	6,304,738	32,027,084
3. Member Buybacks	249,594	1,003,979	337,867	1,591,440
4. Employer Pick-up Contributions Credited to Member Account	220,922	6,010,789	4,613,748	10,845,459
5. Employer Contributions	3,257,479	67,255,287	80,175,075	150,687,841
6. Refunds of Member Contributions and Death Benefits Paid	249,165	4,013,769	456,799	4,719,733
7. Retiree Benefit Payments Excluding Supplemental Medical Payments	72,368,727	49,090,417	81,906,826	203,365,970
8. Subtotal (Items 1 + 2 + 3 + 4 + 5 – 6 – 7)	\$556,517,539	\$1,353,328,445	\$1,474,580,056	\$3,384,426,040
9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7)	590,740,747	1,330,106,079	1,470,046,155	3,390,892,980
10. Earnings Allocated in Proportion to Item 9	41,337,913	93,076,040	102,868,543	237,282,496
11. Valuation Value of Assets (Items 8 + 10)	\$597,855,452	\$1,446,404,485	\$1,577,448,599	\$3,621,708,536

Note: Results may not add due to rounding.

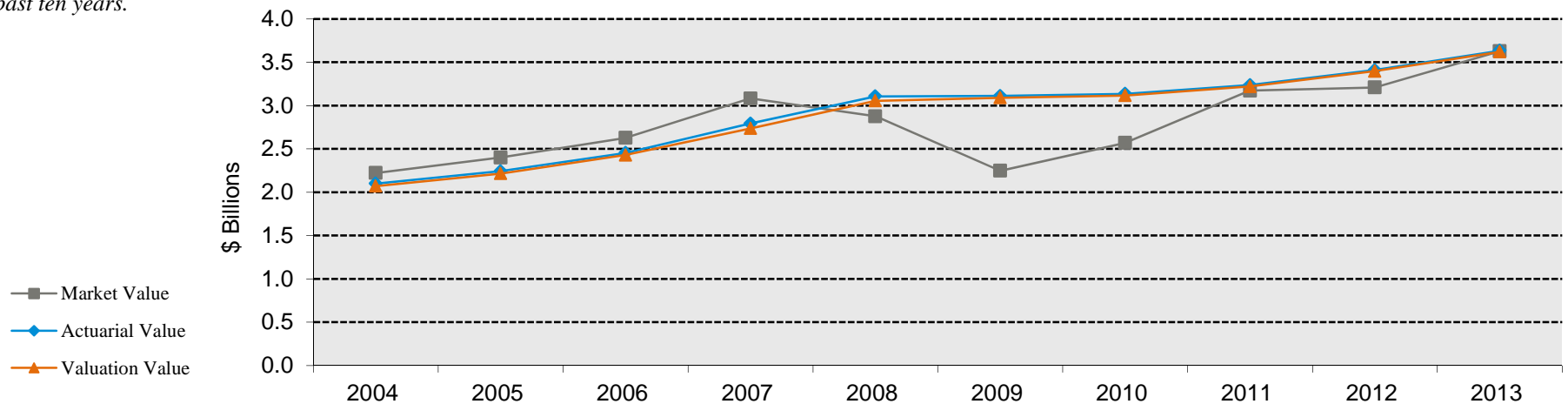
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The market value, actuarial value, and valuation value of assets are representations of VCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation value of assets is significant because VCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in market value, actuarial value and valuation value over the past ten years.

CHART 9

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2004 – 2013



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

C. ACTUARIAL EXPERIENCE

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

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term

development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

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

The total experience loss was \$15.4 million, a \$25.5 million loss from investments, a \$36.1 million loss from contribution experience and a \$46.2 million gain from all other sources. The net experience variation from individual sources other than investments and contribution experience was 1.0% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 10
Actuarial Experience for Year Ended June 30, 2013

1. Net loss from investments ⁽¹⁾	\$(25,512,000)
2. Net loss from contribution experience	(36,109,000)
3. Net gain from other experience ⁽²⁾	<u>46,186,000</u>
4. Net experience loss: (1) + (2) + (3)	\$(15,435,000)

⁽¹⁾ Details in Chart 11.

⁽²⁾ See Section 3, Exhibit H. Does not include the effect of plan or assumption changes, if any.

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on VCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets is 7.75% (based on the June 30, 2012 valuation). The actual rate of return on the valuation value of assets for the 2012/2013 plan year was 7.00%.

Since the actual return for the year was less than the assumed return, the VCERA experienced an actuarial loss during the year ended June 30, 2013 with regard to its investments.

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

CHART 11

Investment Experience for Year Ended June 30, 2013 – Market Value, Actuarial Value and Valuation Value of Assets

	Market Value	Actuarial Value	Valuation Value
1. Actual return	\$432,694,392	\$237,282,497	\$237,282,497
2. Average value of assets	3,202,214,141	3,403,746,103	3,390,892,980
3. Actual rate of return: (1) ÷ (2)	13.51%	6.97%	7.00%
4. Assumed rate of return	7.75%	7.75%	7.75%
5. Expected return: (2) x (4)	\$248,171,596	\$263,790,323	\$262,794,206
6. Actuarial gain/(loss): (1) – (5)	<u>\$184,522,796</u>	<u>\$(26,507,826)</u>	<u>\$(25,511,709)</u>

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last ten years.

CHART 12

Investment Return – Market Value, Actuarial Value and Valuation Value: 2004 – 2013

Year Ended June 30	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2004	\$315,448,393	16.28%	\$49,628,346	2.39%	\$70,837,167	3.49%
2005	203,080,574	9.19	168,122,229	8.05	168,122,229	8.16
2006	238,212,815	9.95	221,191,725	9.88	221,191,725	10.00
2007	458,962,761	17.48	344,644,568	14.06	308,000,514	12.68
2008	(211,806,573)	(6.86)	307,776,354	11.01	310,176,628	11.32
2009	(628,718,568)	(21.86)	5,186,654	0.17	31,242,785	1.02
2010	343,005,717	15.33	43,756,165	1.41	43,756,185	1.42
2011	622,940,028	24.34	121,406,541	3.89	121,406,541	3.91
2012	47,147,363	1.49	184,787,098	5.72	184,909,716	5.75
2013	432,694,392	13.51%	237,282,497	6.97%	237,282,497	7.00%
Total	\$1,820,966,902		\$1,683,782,177		\$1,696,925,987	
Five-Year Average Return		5.82%		3.72%		3.90%
Ten-Year Average Return		6.93%		6.11%		6.21%

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

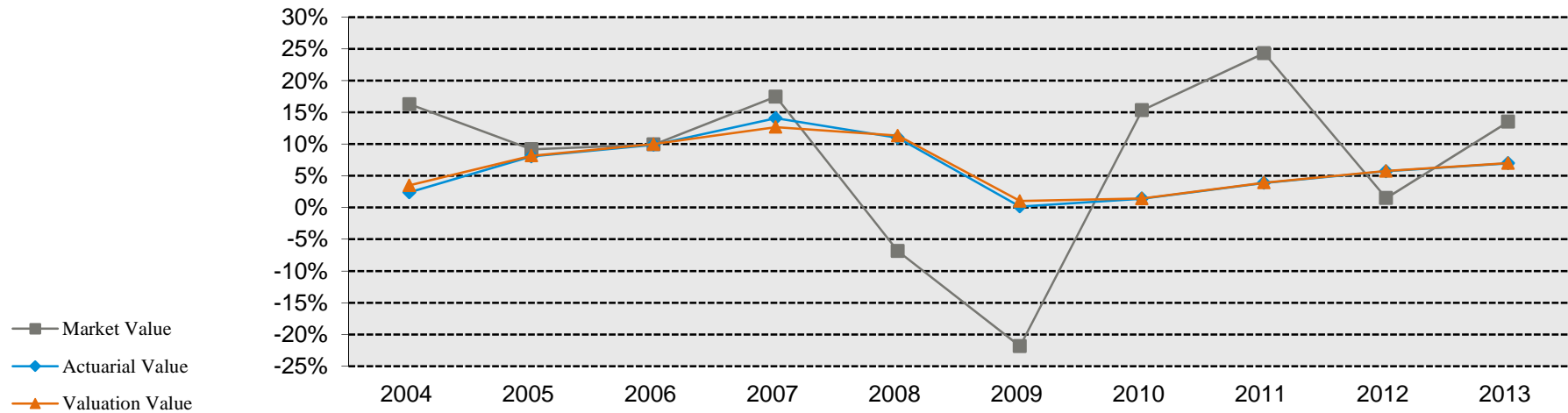
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

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

This chart illustrates how this leveling effect has actually worked over the years 2004 - 2013.

CHART 13

Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2004 - 2013



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2013 amounted to \$46.2 million which is 1.0% of the actuarial accrued liability. This gain was mainly due to individual salary increases less than assumed. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

Contribution to the Unfunded Actuarial Accrued Liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the combined annual inflation and "across the board" increases rate of 4.00%. The June 30, 2004 UAAL is being amortized over a 15-year declining period effective June 30, 2004. The change in UAAL that arises due to actuarial gains or losses or due to plan amendments (with the exception of retirement incentives) at each valuation is amortized over its own declining 15-year period. Effective with the June 30, 2012 valuation, any change in UAAL that arises due to changes in actuarial assumptions or methods is amortized over its own declining 20-year period and any change in UAAL due to retirement incentives is amortized over its own declining period of up to 5 years.

VCERA's UAAL is determined separately for each tier depending on the assets and liabilities for that tier.

Effective with the June 30, 2012 valuation, the Basic UAAL rate has been calculated on a combined basis for both General Tier 1 and General Tier 2. The recommended employer contribution rates determined under this combined methodology are

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

provided on Chart 14. For reference purposes only, Appendix E shows the employer contribution rates under the previous non-combined methodology.

Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have been directed by VCERA to assume that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by members with less than 30 years.

All employer contribution rates shown in this report are before reflecting the three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation.

Member Contributions *Non-PEPRA Members*

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

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

service pay redemptions that may potentially increase a member's final average compensation and hence retirement benefit.

PEPRA Members

Pursuant to Section 7522.30(a) of the Government Code, members under PEPRA tiers are required to contribute at least 50% of the Normal Cost. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of "similarly situated employees", if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the Normal Cost rates in this report, we have assumed that exactly 50% of the Normal Cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not the requirements of Section 7522.30(e). The only exception to this is that we have also shown the PEPRA Tier 2 with COLA contribution rates including the member COLA contribution rate of 2.63% of compensation based on current bargaining agreements.

Also of note is that based on our discussions with VCERA, we have used the discretion made recently available by Section 31620.5(a) of AB 1380 to no longer round the PEPRA member's contribution rates to the nearest one quarter of one percent as was previously required by CalPEPRA. This is consistent with established practice for the Non-PEPRA plans and should allow for exactly one-half of the normal cost for the PEPRA plans to be paid by the employees and one-half by the employers. In addition, Section 31620.5(b) of AB 1380 also provides that the "one percent rule" under Section 7522.30(d) does not apply. This section formerly limited the circumstances under which the PEPRA member rate would change. AB1380 is effective January 1, 2014 and this report will be adopted after that date with the contribution rates also being effective after that date.

The PEPRA member contribution rates are provided in Appendix B.

Tier 2 COLA Procedures

This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled "Funding Policies and Procedures for General Tier II COLA Benefit".

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

CHART 14a

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

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	8.15%	\$925	2.44%	\$277	10.59%	\$1,202
UAAL ⁽³⁾	<u>10.20%</u>	<u>1,157</u>	<u>29.41%</u>	<u>3,337</u>	<u>39.61%</u>	<u>4,494</u>
Total Contribution	18.35%	\$2,082	31.85%	\$3,614	50.20%	\$5,696
General PEPRA Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>10.20%</u>	<u>112</u>	<u>29.41%</u>	<u>323</u>	<u>39.61%</u>	<u>435</u>
Total Contribution	14.90%	\$164	31.21%	\$342	46.11%	\$506
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	\$17,997	0.00%	\$0	8.48%	\$17,997
UAAL ⁽³⁾	<u>10.20%</u>	<u>21,642</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>21,642</u>
Total Contribution	18.68%	\$39,639	0.00%	\$0	18.68%	\$39,639
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>10.20%</u>	<u>323</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>323</u>
Total Contribution	17.03%	\$539	0.00%	\$0	17.03%	\$539
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.48%	\$20,422	-0.04%	-\$97	8.44%	\$20,325
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>24,559</u>	<u>1.01%</u>	<u>2,432</u>	<u>11.21%</u>	<u>26,991</u>
Total Contribution	18.68%	\$44,981	0.97%	\$2,335	19.65%	\$47,316
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>800</u>	<u>1.01%</u>	<u>79</u>	<u>11.21%</u>	<u>879</u>
Total Contribution	17.03%	\$1,336	0.88%	\$69	17.91%	\$1,405
All General Members⁽⁶⁾						
Normal Cost	8.43%	\$40,148	0.04%	\$189	8.47%	\$40,337
UAAL	<u>10.20%</u>	<u>48,593</u>	<u>1.29%</u>	<u>6,171</u>	<u>11.49%</u>	<u>54,764</u>
Total Contribution	18.63%	\$88,741	1.33%	\$6,360	19.96%	\$95,101

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

CHART 14a (continued)

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

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.96%	\$22,627	4.30%	\$6,970	18.26%	\$29,597
UAAL	<u>42.87%</u>	<u>69,486</u>	<u>-5.45%</u>	<u>-8,834</u>	<u>37.42%</u>	<u>60,652</u>
Total Contribution	56.83%	\$92,113	-1.15%	-\$1,864	55.68%	\$90,249
Safety PEPPRA Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.87%</u>	<u>73</u>	<u>-5.45%</u>	<u>-9</u>	<u>37.42%</u>	<u>64</u>
Total Contribution	54.14%	\$92	-0.58%	\$0	53.56%	\$92
All Safety Members⁽⁶⁾						
Normal Cost	13.96%	\$22,646	4.30%	\$6,979	18.26%	\$29,625
UAAL	<u>42.87%</u>	<u>69,559</u>	<u>-5.45%</u>	<u>-8,843</u>	<u>37.42%</u>	<u>60,716</u>
Total Contribution	56.83%	\$92,205	-1.15%	-\$1,864	55.68%	\$90,341
All Categories Combined⁽⁶⁾						
Normal Cost	9.83%	\$62,794	1.12%	\$7,168	10.95%	\$69,962
UAAL	<u>18.50%</u>	<u>118,152</u>	<u>-0.42%</u>	<u>-2,672</u>	<u>18.08%</u>	<u>115,480</u>
Total Contribution	28.33%	\$180,946	0.70%	\$4,496	29.03%	\$185,442

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPPRA Tier 1	1,099
General Tier 2	212,229
General PEPPRA Tier 2	3,163
General Tier 2C	240,822
General PEPPRA Tier 2C	7,847
Safety	162,085
Safety PEPPRA	<u>171</u>
Total	\$638,764

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

CHART 14b

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

	June 30, 2012 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	7.90%	\$1,224	2.48%	\$384	10.38%	\$1,608
UAAL ⁽³⁾	<u>9.92%</u>	<u>1,536</u>	<u>17.05%</u>	<u>2,640</u>	<u>26.97%</u>	<u>4,176</u>
Total Contribution	17.82%	\$2,760	19.53%	\$3,024	37.35%	\$5,784
General PEPRA Tier 1 Members						
Normal Cost	3.95%	\$0	1.63%	\$0	5.58%	\$0
UAAL ⁽³⁾	<u>9.92%</u>	<u>0</u>	<u>17.05%</u>	<u>0</u>	<u>26.97%</u>	<u>0</u>
Total Contribution	13.87%	\$0	18.68%	\$0	32.55%	\$0
General Tier 2 Members w/o COLA						
Normal Cost	8.50%	\$18,128	0.00%	\$0	8.50%	\$18,128
UAAL ⁽³⁾	<u>9.92%</u>	<u>21,156</u>	<u>0.00%</u>	<u>0</u>	<u>9.92%</u>	<u>21,156</u>
Total Contribution	18.42%	\$39,284	0.00%	\$0	18.42%	\$39,284
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	7.47%	\$0	0.00%	\$0	7.47%	\$0
UAAL ⁽³⁾	<u>9.92%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>9.92%</u>	<u>0</u>
Total Contribution	17.39%	\$0	0.00%	\$0	17.39%	\$0
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.50%	\$20,934	-0.04%	-\$99	8.46%	\$20,835
UAAL ⁽³⁾⁽⁵⁾	<u>9.92%</u>	<u>24,429</u>	<u>0.91%</u>	<u>2,242</u>	<u>10.83%</u>	<u>26,671</u>
Total Contribution	18.42%	\$45,363	0.87%	\$2,143	19.29%	\$47,506
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	7.33%	\$0	-0.43%	\$0	6.90%	\$0
UAAL ⁽³⁾⁽⁵⁾	<u>9.92%</u>	<u>0</u>	<u>0.91%</u>	<u>0</u>	<u>10.83%</u>	<u>0</u>
Total Contribution	17.25%	\$0	0.48%	\$0	17.73%	\$0
All General Members⁽⁶⁾						
Normal Cost	8.48%	\$40,286	0.06%	\$285	8.54%	\$40,571
UAAL	<u>9.92%</u>	<u>47,121</u>	<u>1.03%</u>	<u>4,882</u>	<u>10.95%</u>	<u>52,003</u>
Total Contribution	18.40%	\$87,407	1.09%	\$5,167	19.49%	\$92,574

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CHART 14b (continued)

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

	June 30, 2012 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.92%	\$22,106	4.29%	\$6,812	18.21%	\$28,918
UAAL	<u>39.72%</u>	<u>63,077</u>	<u>-3.36%</u>	<u>-5,336</u>	<u>36.36%</u>	<u>57,741</u>
Total Contribution	53.64%	\$85,183	0.93%	\$1,476	54.57%	\$86,659
Safety PEPPRA Members						
Normal Cost	10.58%	\$0	4.32%	\$0	14.90%	\$0
UAAL	<u>39.72%</u>	<u>0</u>	<u>-3.36%</u>	<u>0</u>	<u>36.36%</u>	<u>0</u>
Total Contribution	50.30%	\$0	0.96%	\$0	51.26%	\$0
All Safety Members⁽⁶⁾						
Normal Cost	13.92%	\$22,106	4.29%	\$6,812	18.21%	\$28,918
UAAL	<u>39.72%</u>	<u>63,077</u>	<u>-3.36%</u>	<u>-5,336</u>	<u>36.36%</u>	<u>57,741</u>
Total Contribution	53.64%	\$85,183	0.93%	\$1,476	54.57%	\$86,659
All Categories Combined⁽⁶⁾						
Normal Cost	9.84%	\$62,392	1.12%	\$7,097	10.96%	\$69,489
UAAL	<u>17.39%</u>	<u>110,198</u>	<u>-0.08%</u>	<u>-454</u>	<u>17.31%</u>	<u>109,744</u>
Total Contribution	27.23%	\$172,590	1.04%	\$6,643	28.27%	\$179,233

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2012 annual payroll (also in thousands) shown below:

General Tier 1	\$15,488
General PEPPRA Tier 1	0
General Tier 2	213,275
General PEPPRA Tier 2	0
General Tier 2C	246,280
General PEPPRA Tier 2C	0
Safety	158,805
Safety PEPPRA	<u>0</u>
Total	\$633,848

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.51% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The employer contribution rates as of June 30, 2013 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Employer Contribution Rate

The chart below details the changes in the recommended average employer contribution rate from the prior valuation to the current year's valuation.

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

CHART 15

Reconciliation of Recommended Average Employer Contribution Rate from June 30, 2012 to June 30, 2013 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Employer Contribution Rate as of June 30, 2012⁽⁴⁾	28.27%	\$179,233
Effect of investment loss ⁽²⁾	0.35%	2,236
Effect of difference in actual versus expected individual salary increases	(0.68)%	(4,344)
Effect of difference in actual versus expected total payroll growth	0.55%	3,513
Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in June 30, 2012 valuation	0.50%	3,194
Effect of net other changes ⁽³⁾	<u>0.04%</u>	<u>1,610</u>
Total change	<u>0.76%</u>	<u>\$6,209</u>
Recommended Average Employer Contribution Rate as of June 30, 2013⁽⁴⁾	29.03%	\$185,442

⁽¹⁾ Based on projected payroll for each year.

⁽²⁾ The Association's valuation value of assets earned 7.00% which was less than the 7.75% assumed rate of return.

⁽³⁾ Other differences in actual versus expected experience including mortality, disability, withdrawal, retirement and in-service redemption experience. Estimated annual dollar cost also reflects change in payroll from prior valuation.

⁽⁴⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The member contribution rates as of June 30, 2013 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation.

Reconciliation of Recommended Member Contribution Rate

The chart below details the changes in the recommended average member contribution rate from the prior valuation to the current year's valuation.

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

CHART 16
Reconciliation of Recommended Average Member Contribution Rate from June 30, 2012 to June 30, 2013
(Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Member Contribution Rate in June 30, 2012 Valuation	8.53%	\$54,040
Effect of changes in demographic profile of employee group ⁽²⁾	<u>0.05%</u>	<u>739</u>
Recommended Average Member Contribution Rate in June 30, 2013 Valuation	8.58%	\$54,779

⁽¹⁾ Based on projected payroll for each year.

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

SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

E. INFORMATION REQUIRED BY THE GASB

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

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

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

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

These graphs show key GASB factors.

CHART 17
Required Versus Actual Contributions

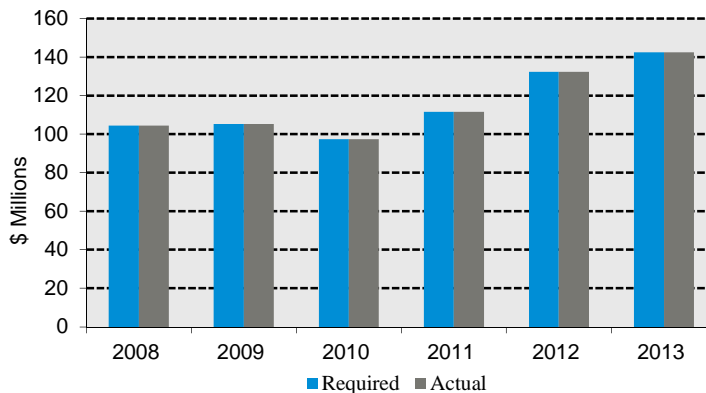
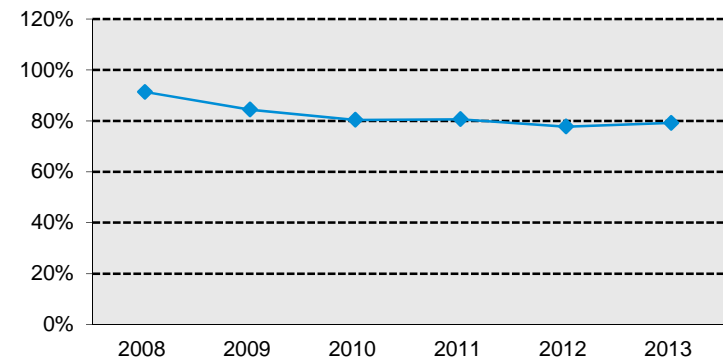


CHART 18
Funded Ratio



SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

F. VOLATILITY RATIOS

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For VCERA, the current AVR is about 5.7. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 5.7% of one-year's payroll. Since VCERA amortizes actuarial gains and losses over a period of 15 years, there would be a 0.5% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions.

For VCERA, the current LVR is about 7.2. This is about 26% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

This chart shows how the asset and liability volatility ratios have varied over time.

CHART 19
Volatility Ratios for Years Ended June 30, 2009 – 2013

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2009	3.5	5.8
2010	3.9	5.9
2011	5.0	6.3
2012	5.1	6.9
2013	5.7	7.2

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	109	153	-28.8%
Average age	58.7	55.2	N/A
Average service	29.4	26.3	N/A
Projected total compensation ⁽¹⁾	\$11,347,554	\$15,488,166	-26.7%
Projected average compensation	\$104,106	\$101,230	2.8%
Account balances	\$18,445,454	\$23,388,135	-21.1%
Total active vested members	105	134	-21.6%
Vested terminated members⁽²⁾			
	62	63	-1.6%
Retired members:			
Number in pay status	1,539	1,558	-1.2%
Average age	74.2	73.8	N/A
Average monthly benefit ⁽³⁾	\$3,403	\$3,238	5.1%
Disabled members:			
Number in pay status	123	127	-3.1%
Average age	72.6	72.0	N/A
Average monthly benefit ⁽³⁾	\$2,244	\$2,173	3.3%
Beneficiaries:			
Number in pay status	367	366	0.3%
Average age	79.1	79.0	N/A
Average monthly benefit ⁽³⁾	\$1,451	\$1,386	4.7%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	6,201	6,376	-2.7%
Average age	46.6	46.2	N/A
Average service	10.7	10.1	N/A
Projected total compensation ⁽¹⁾	\$453,050,594	\$459,554,673	-1.4%
Projected average compensation	\$73,061	\$72,076	1.4%
Account balances	\$344,670,730	\$329,457,543	4.6%
Total active vested members	4,564	4,382	4.2%
Vested terminated members⁽²⁾			
	1,902	1,828	4.0%
Retired members:			
Number in pay status	2,062	1,883	9.5%
Average age	67.3	66.9	N/A
Average monthly benefit ⁽³⁾	\$1,510	\$1,425	6.0%
Disabled members:			
Number in pay status	327	323	1.2%
Average age	62.1	61.8	N/A
Average monthly benefit ⁽³⁾	\$1,416	\$1,390	1.9%
Beneficiaries:			
Number in pay status	228	211	8.1%
Average age	66.5	66.0	N/A
Average monthly benefit ⁽³⁾	\$799	\$751	6.4%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

iii. PEPR General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	18	0	N/A
Average age	26.3	N/A	N/A
Average service	0.2	N/A	N/A
Projected total compensation ⁽¹⁾	\$1,099,121	N/A	N/A
Projected average compensation	\$61,062	N/A	N/A
Account balances	\$4,521	N/A	N/A
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾			
	2	0	N/A
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and “across the board” salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

iv. PEPR General Tier 2

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	235	0	N/A
Average age	35.2	N/A	N/A
Average service	0.2	N/A	N/A
Projected total compensation ⁽¹⁾	\$11,009,761	N/A	N/A
Projected average compensation	\$46,850	N/A	N/A
Account balances	\$207,028	N/A	N/A
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾			
	12	0	N/A
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and “across the board” salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

v. Safety

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	1,502	1,490	0.8%
Average age	41.2	41.1	N/A
Average service	13.9	13.9	N/A
Projected total compensation ⁽¹⁾	\$162,085,238	\$158,804,521	2.1%
Projected average compensation	\$107,913	\$106,580	1.3%
Account balances	\$153,365,442	\$150,059,478	2.2%
Total active vested members	1,260	1,221	3.2%
Vested terminated members⁽²⁾			
	271	270	0.4%
Retired members:			
Number in pay status	658	615	7.0%
Average age	65.2	64.8	N/A
Average monthly benefit ⁽³⁾	\$6,981	\$6,798	2.7%
Disabled members:			
Number in pay status	378	378	0.0%
Average age	63.1	62.4	N/A
Average monthly benefit ⁽³⁾	\$4,967	\$4,824	3.0%
Beneficiaries:			
Number in pay status	206	197	4.6%
Average age	67.3	67.0	N/A
Average monthly benefit ⁽³⁾	\$2,801	\$2,751	1.8%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

vi. PEPRSA Safety

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation:			
Number	3	0	N/A
Average age	31.8	N/A	N/A
Average service	0.2	N/A	N/A
Projected total compensation ⁽¹⁾	\$170,918	N/A	N/A
Projected average compensation	\$56,973	N/A	N/A
Account balances	\$4,103	N/A	N/A
Total active vested members	0	0	N/A
Vested terminated members⁽²⁾			
	0	0	N/A
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit ⁽³⁾	N/A	N/A	N/A

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and “across the board” salary increases.

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

⁽³⁾ Excludes vested fixed supplemental and supplemental medical benefit amounts.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2013
By Age and Years of Service**

i. General Tier 1

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
25 - 29	2	2	--	--	--	--	--	--	--	--
	\$69,377	\$69,378	--	--	--	--	--	--	--	--
30 - 34	2	2	--	--	--	--	--	--	--	--
	73,003	73,004	--	--	--	--	--	--	--	--
35 - 39	--	--	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--	--
45 - 49	2	--	--	1	1	--	--	--	--	--
	193,790	--	--	\$175,454	\$212,126	--	--	--	--	--
50 - 54	11	--	1	1	--	4	1	3	1	--
	156,800	--	\$171,299	200,770	--	\$209,232	\$191,598	\$89,990	\$54,237	--
55 - 59	44	--	1	2	2	2	3	12	21	1
	104,923	--	217,277	158,497	128,558	150,215	164,450	97,608	84,389	\$87,960
60 - 64	37	--	1	2	3	4	4	9	10	4
	87,298	--	78,427	164,452	121,515	129,663	61,827	77,352	73,630	64,934
65 - 69	8	--	1	1	--	1	--	2	2	1
	107,145	--	110,639	98,535	--	130,614	--	129,538	104,828	48,640
70 & over	3	--	--	--	--	--	--	--	2	1
	82,203	--	--	--	--	--	--	--	100,124	46,360
Total	109	4	4	7	6	11	8	26	36	7
	\$104,106	\$71,191	\$144,410	\$160,094	\$138,965	\$162,421	\$116,532	\$92,174	\$82,573	\$63,242

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2013

By Age and Years of Service

ii. General Tier 2

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	52	51	1	--	--	--	--	--	--	--
	\$46,990	\$47,215	\$35,512	--	--	--	--	--	--	--
25 - 29	434	324	110	--	--	--	--	--	--	--
	57,346	58,768	53,159	--	--	--	--	--	--	--
30 - 34	687	324	289	74	--	--	--	--	--	--
	67,563	67,049	68,446	\$66,369	--	--	--	--	--	--
35 - 39	706	212	269	196	29	--	--	--	--	--
	68,882	63,270	72,317	70,022	\$70,330	--	--	--	--	--
40 - 44	831	202	256	231	100	41	1	--	--	--
	75,158	70,255	75,407	80,063	75,429	\$70,101	\$48,640	--	--	--
45 - 49	876	155	230	226	132	109	24	--	--	--
	76,133	68,602	74,305	75,963	89,900	75,029	73,183	--	--	--
50 - 54	1,005	149	237	213	137	147	86	35	1	--
	76,749	70,326	74,109	77,761	78,353	78,642	85,215	\$80,805	\$75,639	--
55 - 59	887	131	183	170	128	147	81	47	--	--
	78,642	72,249	72,066	76,632	79,480	83,257	93,606	86,829	--	--
60 - 64	520	72	113	126	65	76	45	23	--	--
	75,802	73,254	71,104	76,924	77,346	74,493	85,079	82,537	--	--
65 - 69	160	17	38	37	26	28	11	2	1	--
	76,701	73,566	75,072	79,346	73,601	73,416	92,654	75,102	94,337	--
70 & over	43	4	15	10	5	3	3	3	--	--
	68,530	95,985	60,104	71,395	63,766	76,438	58,217	74,857	--	--
Total	6,201	1,641	1,741	1,283	622	551	251	110	2	--
	\$73,061	\$65,974	\$71,254	\$75,784	\$79,770	\$77,673	\$86,606	\$83,475	\$84,988	--

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2013

By Age and Years of Service

iii. PEPR General Tier 1

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	7	7	--	--	--	--	--	--	--	--
	\$61,062	\$61,062	--	--	--	--	--	--	--	--
25 - 29	9	9	--	--	--	--	--	--	--	--
	61,062	61,062	--	--	--	--	--	--	--	--
30 - 34	1	1	--	--	--	--	--	--	--	--
	61,062	61,062	--	--	--	--	--	--	--	--
35 - 39	1	1	--	--	--	--	--	--	--	--
	61,062	61,062	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
45 - 49	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
50 - 54	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
55 - 59	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	18	18	--	--	--	--	--	--	--	--
	\$61,062	\$61,062	--	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2013

By Age and Years of Service

iv. PEPR General Tier 2

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	32	32	--	--	--	--	--	--	--	--
	\$32,713	\$32,713	--	--	--	--	--	--	--	--
25 - 29	64	64	--	--	--	--	--	--	--	--
	45,652	45,652	--	--	--	--	--	--	--	--
30 - 34	47	47	--	--	--	--	--	--	--	--
	47,887	47,887	--	--	--	--	--	--	--	--
35 - 39	30	30	--	--	--	--	--	--	--	--
	45,784	45,784	--	--	--	--	--	--	--	--
40 - 44	19	19	--	--	--	--	--	--	--	--
	45,650	45,650	--	--	--	--	--	--	--	--
45 - 49	16	16	--	--	--	--	--	--	--	--
	65,121	65,121	--	--	--	--	--	--	--	--
50 - 54	7	7	--	--	--	--	--	--	--	--
	50,319	50,319	--	--	--	--	--	--	--	--
55 - 59	14	14	--	--	--	--	--	--	--	--
	55,271	55,271	--	--	--	--	--	--	--	--
60 - 64	4	4	--	--	--	--	--	--	--	--
	50,736	50,736	--	--	--	--	--	--	--	--
65 - 69	2	2	--	--	--	--	--	--	--	--
	89,382	89,383	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	235	235	--	--	--	--	--	--	--	--
	\$46,850	\$46,850	--	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2013

By Age and Years of Service

v. Safety

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	35	35	--	--	--	--	--	--	--	--
	\$79,308	\$79,308	--	--	--	--	--	--	--	--
25 - 29	168	106	62	--	--	--	--	--	--	--
	81,214	74,736	\$92,289	--	--	--	--	--	--	--
30 - 34	234	50	146	38	--	--	--	--	--	--
	95,110	88,700	96,009	\$100,092	--	--	--	--	--	--
35 - 39	256	28	70	127	31	--	--	--	--	--
	105,563	93,250	100,644	107,831	\$118,499	--	--	--	--	--
40 - 44	282	11	21	104	117	29	--	--	--	--
	111,639	88,016	99,338	108,454	115,614	\$124,896	--	--	--	--
45 - 49	227	4	14	52	57	75	24	1	--	--
	115,665	90,485	102,075	104,600	117,266	121,781	\$128,811	\$116,530	--	--
50 - 54	189	4	4	9	18	53	61	40	--	--
	130,106	126,062	105,035	107,975	115,240	127,072	132,090	145,682	--	--
55 - 59	91	4	4	5	11	16	24	21	6	--
	128,268	141,226	126,762	97,606	102,700	114,390	131,790	142,129	\$167,463	--
60 - 64	20	--	3	3	2	5	6	--	1	--
	119,254	--	142,880	117,960	112,587	107,717	126,469	--	79,983	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	1,502	242	324	338	236	178	115	62	7	--
	\$107,913	\$83,236	\$97,701	\$106,598	\$115,736	\$122,805	\$131,050	\$144,008	\$154,966	--

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2013

By Age and Years of Service

vi. PEPR Safety

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
25 - 29	2	2	--	--	--	--	--	--	--	--
	\$41,796	\$41,796	--	--	--	--	--	--	--	--
30 - 34	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
35 - 39	1	1	--	--	--	--	--	--	--	--
	87,327	87,327	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
45 - 49	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
50 - 54	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
55 - 59	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	3	3	--	--	--	--	--	--	--	--
	\$56,973	\$56,973	--	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT C

Reconciliation of Member Data – June 30, 2012 to June 30, 2013

	Active Members	Vested Terminated Members⁽¹⁾	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2012	8,019	2,161	4,056	828	774	15,838
New members	565	50	0	0	65	680
Terminations – with vested rights	-213	213	0	0	0	0
Contributions refunds	-112	-58	0	0	0	-170
Retirements	-199	-81	280	0	0	0
New disabilities	-11	-5	-5	21	0	0
Return to work	29	-28	-1	0	0	0
Died with or without beneficiary	-10	-3	-83	-21	-28	-145
Data adjustments	0	0	12	0	-10	2
Number as of June 30, 2013	8,068	2,249	4,259	828	801	16,205

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

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2013	Year Ended June 30, 2012
Contribution income:		
Employer contributions	\$150,687,842	\$140,772,726
Member contributions	<u>44,463,983</u>	<u>44,486,749</u>
Contribution income	\$195,151,825	\$185,259,475
Investment income:		
Interest, dividends and other income	\$50,691,908	\$42,088,643
Adjustment toward market value ⁽¹⁾	200,561,615	155,520,370
Less investment and administrative fees	<u>(13,971,026)</u>	<u>(12,821,915)</u>
Net investment income	<u>\$237,282,497</u>	<u>\$184,787,098</u>
Total income available for benefits	\$432,434,322	\$370,046,573
Less benefit payments	\$(209,957,957)	\$(195,114,694)
Change in reserve for future benefits	\$222,476,365	\$174,931,879

⁽¹⁾ Equals the "non-cash" earnings on investments included in the Actuarial Value of Assets.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT E

Summary Statement of Net Assets

	Year Ended June 30, 2013	Year Ended June 30, 2012
Cash equivalents	\$63,940,819	\$118,800,271
Accounts receivable:		
Securities sold	\$4,487,879	\$29,531,517
Accrued interest and dividends	3,537,646	5,175,132
Member and employer contributions	24,075,489	3,754,115
Other	<u>14,078</u>	<u>21,686</u>
Total accounts receivable	\$32,115,092	\$38,482,450
Investments:		
Equities	\$2,299,255,552	\$1,998,047,913
Fixed income	884,109,813	840,596,038
Real estate	283,379,695	283,239,366
Pension software development cost	3,443,718	686,886
Investments received on securities lending	50,542,569	94,634,819
Others	<u>109,469,955</u>	<u>0</u>
Total investments at market value	<u>\$3,630,201,302</u>	<u>\$3,217,205,022</u>
Total assets	\$3,726,257,213	\$3,374,487,743
Liabilities:		
Securities lending	\$(50,542,569)	\$(94,634,819)
Security purchases	(45,685,949)	(68,472,851)
Accounts payable	(2,497,655)	(1,737,362)
Prepaid contributions	<u>(25,573)</u>	<u>(25,504)</u>
Total liabilities	\$(98,751,746)	\$(164,870,536)
Net assets at market value	<u>\$3,627,505,467</u>	<u>\$3,209,617,207</u>
Net assets at actuarial value	<u>\$3,633,625,534</u>	<u>\$3,411,149,169</u>
Net assets at valuation value	<u>\$3,621,708,536</u>	<u>\$3,397,359,919</u>

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT F

Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the "liability" of the Plan.

Second, we determine how this liability will be met. These actuarial "assets" include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet (\$ in 000s)

<u>Assets</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
1. Total valuation value of assets	\$3,621,709	\$3,397,359
2. Present value of future contributions by members	444,668	441,272
3. Present value of future employer contributions for:		
a. Entry age normal cost	524,833	524,608
b. Unfunded actuarial accrued liability	<u>953,354</u>	<u>975,867</u>
4. Total current and future assets	\$5,544,564	\$5,339,106
<u>Liabilities</u>		
5. Present value of benefits for retirees and beneficiaries	\$2,549,515	\$2,400,567
6. Present value of benefits for vested terminated members	131,431	125,886
7. Present value of benefits for active members	<u>2,863,618</u>	<u>2,812,653</u>
8. Total liabilities	\$5,544,564	\$5,339,106

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT G

Summary of Allocated Reserves

Reserves		
	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Member contributions reserve ⁽¹⁾	\$584,474,197	\$569,892,474
Employer advance reserve ⁽¹⁾	1,664,856,154	1,488,500,882
Offset: Interest crediting shortfall tracking account ⁽¹⁾	(824,240,436)	(721,502,957)
Retiree reserve ⁽¹⁾	2,051,529,206	1,919,116,136
Supplemental death benefit reserve ⁽¹⁾	13,408,521	12,782,317
Vested fixed supplemental (\$108.44) reserve ⁽¹⁾	131,680,894	128,571,067
Undistributed earnings ⁽¹⁾	0	0
Valuation reserves	<u>\$3,621,708,536</u>	<u>\$3,397,359,919</u>
Supplemental medical (\$27.50) reserve ⁽²⁾	11,916,998	13,789,250
Contingency reserve ⁽²⁾	0	0
Total reserves (actuarial value)	<u>\$3,633,625,534</u>	<u>\$3,411,149,169</u>
Market stabilization reserve ⁽²⁾	<u>(6,120,067)</u>	<u>(201,531,962)</u>
Net market value	\$3,627,505,467	\$3,209,617,207

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

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

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT H

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2013

1. Unfunded actuarial accrued liability at beginning of year		\$975,867,000
2. Total Normal Cost payable at middle of year		124,115,000
3. Expected employer and member contributions		(231,260,000)
4. Interest (whole year on (1) plus half year on (2) + (3))		<u>69,197,000</u>
5. Expected unfunded actuarial accrued liability at end of year		<u>\$937,919,000</u>
6. Actuarial (gain)/loss due to all changes:		
(a) Investment return	\$25,512,000	
(b) Actual contributions less than expected	36,109,000	
(c) Lower than expected individual salary increases	(49,186,000)	
(d) Other experience	<u>3,000,000</u>	
Total changes		<u>\$15,435,000</u>
7. Unfunded actuarial accrued liability at end of year		<u>\$953,354,000</u>

Note: Net gain from other experience of \$46.2 million (as shown on page 8) is equal to: 6(c) + 6(d).

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT I

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
General Tier 1	June 30, 2004	Restart of Amortization	\$63,394,000	\$42,714,000	6	\$8,084,000
	June 30, 2005	Actuarial (Gain)/Loss	22,085,000	16,381,000	7	2,703,000
	June 30, 2006	Actuarial (Gain)/Loss	7,048,000	5,637,000	8	828,000
	June 30, 2006	Assumption Change	41,538,000	33,187,000	8	4,873,000
	June 30, 2007	Actuarial (Gain)/Loss	(19,901,000)	(16,876,000)	9	(2,240,000)
	June 30, 2008	Actuarial (Gain)/Loss	(18,128,000)	(16,120,000)	10	(1,958,000)
	June 30, 2009	Actuarial (Gain)/Loss	55,190,000	50,912,000	11	5,717,000
	June 30, 2009	Assumption Change	18,574,000	17,125,000	11	1,923,000
	June 30, 2010	Actuarial (Gain)/Loss	50,018,000	47,485,000	12	4,969,000
	June 30, 2011	Actuarial (Gain)/Loss	36,225,000	35,163,000	13	3,453,000
	June 30, 2012	Actuarial (Gain)/Loss	29,865,000	29,467,000	14	2,731,000
	June 30, 2012	Demographic Assumption Change	38,104,000	38,239,000	19	2,829,000
	June 30, 2012	Economic Assumption Change	19,517,000	19,583,000	19	1,449,000
	June 30, 2013	Actuarial (Gain)/Loss	31,670,000	<u>31,670,000</u>	15	<u>2,784,000</u>
						\$334,567,000
						\$38,145,000
General Tier 2	June 30, 2004	Restart of Amortization	\$49,731,000	\$33,515,000	6	\$6,343,000
	June 30, 2005	Actuarial (Gain)/Loss	7,622,000	5,660,000	7	934,000
	June 30, 2006	Actuarial (Gain)/Loss	(9,108,000)	(7,281,000)	8	(1,069,000)
	June 30, 2006	Assumption Change	19,085,000	15,248,000	8	2,239,000
	June 30, 2006	Plan Provision Change	14,731,000	11,764,000	8	1,727,000
	June 30, 2007	Actuarial (Gain)/Loss	(39,508,000)	(33,509,000)	9	(4,448,000)
	June 30, 2008	Actuarial (Gain)/Loss	(34,794,000)	(30,922,000)	10	(3,757,000)
	June 30, 2009	Actuarial (Gain)/Loss	71,253,000	65,721,000	11	7,380,000
	June 30, 2009	Assumption Change	22,696,000	20,932,000	11	2,350,000
	June 30, 2010	Actuarial (Gain)/Loss	47,615,000	45,209,000	12	4,731,000
	June 30, 2011	Actuarial (Gain)/Loss	(6,949,000)	(6,757,000)	13	(664,000)
	June 30, 2012	Actuarial (Gain)/Loss	(18,106,000)	(17,864,000)	14	(1,656,000)
	June 30, 2012	Demographic Assumption Change	29,420,000	29,523,000	19	2,184,000
	June 30, 2012	Economic Assumption Change	32,874,000	32,995,000	19	2,441,000
June 30, 2013	Actuarial (Gain)/Loss	(23,823,000)	<u>(23,823,000)</u>	15	<u>(2,095,000)</u>	
						\$140,411,000
						\$16,640,000

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT I (continued)

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
Safety	June 30, 2004	Restart of Amortization	\$210,319,000	\$141,705,000	6	\$26,819,000
	June 30, 2005	Actuarial (Gain)/Loss	19,142,000	14,200,000	7	2,343,000
	June 30, 2006	Actuarial (Gain)/Loss	3,418,000	2,727,000	8	400,000
	June 30, 2006	Assumption Change	42,167,000	33,690,000	8	4,947,000
	June 30, 2007	Actuarial (Gain)/Loss	(37,489,000)	(31,785,000)	9	(4,219,000)
	June 30, 2008	Actuarial (Gain)/Loss	(22,443,000)	(19,938,000)	10	(2,422,000)
	June 30, 2009	Actuarial (Gain)/Loss	78,157,000	72,093,000	11	8,095,000
	June 30, 2009	Assumption Change	49,982,000	46,105,000	11	5,177,000
	June 30, 2010	Actuarial (Gain)/Loss	108,448,000	102,979,000	12	10,776,000
	June 30, 2011	Actuarial (Gain)/Loss	8,879,000	8,621,000	13	847,000
	June 30, 2012	Actuarial (Gain)/Loss	(7,501,000)	(7,395,000)	14	(685,000)
	June 30, 2012	Demographic Assumption Change	55,513,000	55,714,000	19	4,122,000
	June 30, 2012	Economic Assumption Change	51,887,000	52,072,000	19	3,852,000
	June 30, 2013	Actuarial (Gain)/Loss	7,588,000	<u>7,588,000</u>	15	<u>667,000</u>
				\$478,376,000		\$60,719,000
Total VCERA	June 30, 2004	Restart of Amortization	\$323,444,000	\$217,934,000	6	\$41,246,000
	June 30, 2005	Actuarial (Gain)/Loss	48,849,000	36,241,000	7	5,980,000
	June 30, 2006	Actuarial (Gain)/Loss	1,358,000	1,083,000	8	159,000
	June 30, 2006	Assumption Change	102,790,000	82,125,000	8	12,059,000
	June 30, 2006	Plan Provision Change	14,731,000	11,764,000	8	1,727,000
	June 30, 2007	Actuarial (Gain)/Loss	(96,898,000)	(82,170,000)	9	(10,907,000)
	June 30, 2008	Actuarial (Gain)/Loss	(75,365,000)	(66,980,000)	10	(8,137,000)
	June 30, 2009	Actuarial (Gain)/Loss	204,600,000	188,726,000	11	21,192,000
	June 30, 2009	Assumption Change	91,252,000	84,162,000	11	9,450,000
	June 30, 2010	Actuarial (Gain)/Loss	206,081,000	195,673,000	12	20,476,000
	June 30, 2011	Actuarial (Gain)/Loss	38,155,000	37,027,000	13	3,636,000
	June 30, 2012	Actuarial (Gain)/Loss	4,258,000	4,208,000	14	390,000
	June 30, 2012	Demographic Assumption Change	123,037,000	123,476,000	19	9,135,000
	June 30, 2012	Economic Assumption Change	104,278,000	104,650,000	19	7,742,000
	June 30, 2013	Actuarial (Gain)/Loss	15,435,000	<u>15,435,000</u>	15	<u>1,356,000</u>
				\$953,354,000		\$115,504,000

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT J

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$205,000 for 2013 and \$210,000 for 2014. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Limits are also affected by the "grandfather" election under Section 415(b)(10).

For Non-PEPRA members, benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

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

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

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

EXHIBIT K

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount of contributions required to fund the cost allocated to the current year of service.

Actuarial Accrued Liability for Actives:

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability for Pensioners:

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

SECTION 3: Supplemental Information for the Ventura County Employees' Retirement Association

**Unfunded/(Overfunded) Actuarial
Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan.

**Amortization of the Unfunded/
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.

Payroll or Compensation:

Compensation Earnable and Pensionable Compensation expected to be paid to active members during the twelve months following the valuation date. Only Compensation Earnable and Pensionable Compensation that would possibly go into the determination of retirement benefits are included.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1. Retired members as of the valuation date (including 801 beneficiaries in pay status)	5,888
2. Members inactive during year ended June 30, 2013 with vested rights ⁽¹⁾	2,249
3. Members active during the year ended June 30, 2013	8,068

The actuarial factors as of the valuation date are as follows (amounts in 000s):

1. Normal cost		\$124,741
2. Present value of future benefits		5,544,564
3. Present value of future normal costs		969,501
4. Actuarial accrued liability ⁽²⁾		4,575,063
	Retired members and beneficiaries	\$2,549,515
	Inactive members with vested rights ⁽¹⁾	131,431
	Active members	1,894,117
5. Valuation value of assets ⁽²⁾ (\$3,627,505 at market value as reported by Retirement Association)		3,621,709
6. Unfunded actuarial accrued liability		\$953,354

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

⁽²⁾ Excludes liabilities and assets held for supplemental medical benefit reserve and statutory contingency reserve.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended average employer contribution is as follows
(amounts in 000s):

	Dollar Amount	% of Payroll
1. Total normal cost	\$124,741	19.53%
2. Expected employee contributions	<u>-54,779</u>	<u>-8.58%</u>
3. Employer normal cost: (1) + (2)	\$69,962	10.95%
4. Amortization of unfunded actuarial accrued liability	<u>115,480</u>	<u>18.08%</u>
5. Total recommended average employer contribution: (3) + (4)	\$185,442	29.03%
8. Projected compensation	\$638,764	

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT II

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2008	\$104,429,000	\$104,429,000	100.0%
2009	105,278,000	105,278,000	100.0%
2010	97,324,000	97,324,000	100.0%
2011	111,585,000	111,585,000	100.0%
2012	132,386,000	132,386,000	100.0%
2013	142,370,000	142,370,000	100.0%

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT III

Supplementary Information Required by the GASB – Schedule of Funding Progress

Actuarial Valuation Date	Valuation Value of Assets⁽¹⁾ (a)	Actuarial Accrued Liability (AAL)⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
06/30/2008	\$3,055,756,000	\$3,345,804,000	\$290,048,000	91.33%	\$599,173,000	48.41%
06/30/2009	3,090,148,000	3,663,701,000	573,553,000	84.34%	634,777,000	90.36%
06/30/2010	3,115,984,000	3,877,443,000	761,459,000	80.36%	654,829,000	116.28%
06/30/2011	3,220,388,000	3,995,352,000	774,964,000	80.60%	637,037,000	121.65%
06/30/2012	3,397,360,000	4,373,227,000	975,867,000	77.69%	633,848,000	153.96%
06/30/2013	3,621,709,000	4,575,063,000	953,354,000	79.16%	638,764,000	149.25%

⁽¹⁾ Excludes assets for supplemental medical benefit reserve and statutory contingency reserve.

⁽²⁾ Excludes liabilities held for supplemental medical benefit reserve and statutory contingency reserve.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	June 30, 2013
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll (4.00% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 are separately amortized over a 15-year closed period effective with that valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
Asset valuation method	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
Actuarial assumptions:	
Investment rate of return	7.75% ⁽¹⁾
Projected salary increases	4.50% - 12.50% ⁽²⁾ varying by service
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are contingent upon CPI increases with a 3.00% maximum). For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Plan membership:	
Retired members and beneficiaries receiving benefits	5,888
Terminated members entitled to, but not yet receiving benefits ⁽³⁾	2,249
Active members	<u>8,068</u>
Total	16,205

⁽¹⁾ Includes inflation at 3.25%.

⁽²⁾ Includes inflation at 3.25%, "across the board" increases of 0.75%, plus merit and longevity increases. See Exhibit V for these increases.

⁽³⁾ Includes terminated members with member contributions on deposit.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

EXHIBIT V

Actuarial Assumptions and Methods

Actuarial Assumptions

Post – Retirement Mortality Rates:

- Healthy:* For all Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
- Disabled:* For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set forward five years for males and seven years for females.
For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
The RP-2000 mortality tables projected with Scale AA to 2010 and adjusted by the applicable set backs and set forwards shown above reasonably reflect the projected mortality experience as of the measurement date. The additional projection to 2025 is a provision for future mortality improvements.
- Beneficiaries:* Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who has taken a service (non-disability) retirement.
- Member Contribution Rates:* For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 35% male and 65% female.
For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 80% male and 20% female.

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Termination Rates Before Retirement:

Age	Rate (%) Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.03	0.01	0.03	0.01
30	0.04	0.02	0.04	0.02
35	0.06	0.03	0.06	0.03
40	0.09	0.04	0.09	0.04
45	0.10	0.07	0.10	0.07
50	0.13	0.10	0.13	0.10
55	0.19	0.19	0.19	0.19
60	0.40	0.39	0.40	0.39
65	0.79	0.76	0.79	0.76

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

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Termination Rates Before Retirement (continued):

Age	Rate (%)	
	Disability	
	General⁽¹⁾	Safety⁽²⁾
25	0.02	0.14
30	0.04	0.26
35	0.08	0.48
40	0.13	0.90
45	0.21	1.16
50	0.40	1.98
55	0.56	3.40
60	0.69	4.60
65	0.90	0.00
70	1.00	0.00

⁽¹⁾ 40% of General disabilities are assumed to be duty disabilities and the other 60% are assumed to be ordinary disabilities.

⁽²⁾ 90% of Safety disabilities are assumed to be duty disabilities and the other 10% are assumed to be ordinary disabilities.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Termination Rates Before Retirement (continued):

Rate (%)		
Withdrawal (Less than Five Years of Service)*		
Years of Service	General	Safety
0	15.00	12.00
1	10.00	6.00
2	8.00	5.50
3	7.00	5.00
4	6.00	4.00

Withdrawal (Five or More Years of Service)*		
Age	General	Safety
20	6.00	4.00
25	6.00	4.00
30	5.70	3.40
35	4.90	2.40
40	3.90	1.40
45	2.90	0.70
50	2.20	0.20
55	1.70	0.00
60	1.20	0.00
65	1.00	0.00
70	0.00	0.00

* The greater of a refund of member contributions and a deferred annuity is valued when a member withdraws.

No withdrawal is assumed after a member is first assumed to retire.

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Retirement Rates:

<u>Age</u>	<u>General Tier 1 and 2</u>	<u>PEPRA General Tier 1 and 2</u>	<u>Safety</u>	<u>PEPRA Safety</u>
40	0.00	0.00	1.00	0.00
41	0.00	0.00	1.00	0.00
42	0.00	0.00	1.00	0.00
43	0.00	0.00	1.00	0.00
44	0.00	0.00	1.00	0.00
45	0.00	0.00	1.00	0.00
46	0.00	0.00	1.00	0.00
47	0.00	0.00	1.00	0.00
48	0.00	0.00	1.00	0.00
49	0.00	0.00	1.00	0.00
50	3.00	0.00	2.00	4.00
51	3.00	0.00	2.00	2.00
52	4.00	2.00	4.00	5.00
53	4.00	2.00	6.00	8.00
54	6.00	3.00	18.00	18.00
55	6.00	5.00	25.00	20.00
56	7.00	5.00	20.00	20.00
57	8.00	6.00	20.00	18.00
58	10.00	7.00	18.00	18.00
59	10.00	8.00	25.00	30.00
60	14.00	10.00	25.00	30.00
61	18.00	12.50	30.00	30.00
62	22.00	20.00	40.00	50.00
63	20.00	20.00	50.00	50.00
64	25.00	20.00	50.00	50.00
65	35.00	25.00	100.00	100.00
66	35.00	30.00	100.00	100.00
67	35.00	30.00	100.00	100.00
68	25.00	30.00	100.00	100.00
69	20.00	30.00	100.00	100.00
70	20.00	50.00	100.00	100.00
71	20.00	50.00	100.00	100.00
72	20.00	50.00	100.00	100.00
73	20.00	50.00	100.00	100.00
74	40.00	50.00	100.00	100.00
75	100.00	100.00	100.00	100.00

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

**Retirement Age and Benefit for
Deferred Vested Members:**

For deferred vested members, we make the following retirement assumption:

General Age: 58
Safety Age: 54

We assume that 50% and 65% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 4.50% compensation increases per annum.

Future Benefit Accruals:

1.0 year of service per year.

Unknown Data for Members:

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Definition of Active Members:

All active members of VCERA as of the valuation date.

Percent Married:

70% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.

Age of Spouse:

Female (or male) spouses are 3 years younger (or older) than their spouses.

Net Investment Return:

7.75%, net of investment and administration expenses.

**Member Contribution
Crediting Rate:**

3.25% (Actual increase is based on projected long term ten-year Treasury rate).

Consumer Price Index:

Increase of 3.25% per year; retiree COLA increases due to CPI are subject to a 3.0% maximum change per year for General Tier 1 and Safety. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.

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In-Service Redemptions:

Non-PEPRA Formulas

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

General Tier 1	8.00%
General Tier 2	3.50%
Safety	7.50%

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

PEPRA Formulas

None

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.25% per year; plus “across the board” salary increases of 0.75% per year; plus the following promotional and merit increases:

<u>Years of Service</u>	<u>General</u>	<u>Safety</u>
Less than 1	5.00%	8.50%
1	3.75	6.25
2	3.00	4.75
3	2.50	4.00
4	2.00	3.00
5	1.50	2.50
6	1.00	2.00
7	1.00	1.50
8	0.75	1.25
9	0.50	1.00
10	0.50	0.75
11	0.50	0.75
12	0.50	0.75
13	0.50	0.75
14	0.50	0.75
15	0.50	0.75
16	0.50	0.50
17	0.50	0.50
18	0.50	0.50
19	0.50	0.50
20 and Over	0.50	0.50

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Increase in the Internal Revenue

Code Section 401(a)(17)

Compensation Limit: Increase of 3.25% per year from the valuation date.

Increase in Section 7522.10

Compensation Limit: Increase of 3.25% per year from the valuation date.

Actuarial Methods

Actuarial Cost Method: Entry Age Actuarial Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formulas have always been in effect (i.e., "replacement life").

Actuarial Value of Assets: Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.

Valuation Value of Assets: Actuarial Value of Assets reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve.

Amortization Policy: The UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of June 30, 2011 shall continue to be amortized over separate 15-year period amortization layers based on the valuations during which each separate layer was previously established.

Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 15 years.

Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 20 years.

Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

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- i) with the exception noted in ii., below, the increase in UAAL as a result of any plan amendments will be amortized over a period of 15 years;
- ii) the increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted in Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years.

The UAAL will be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

The UAAL will be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase.

If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an “open” amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL, will be amortized over 15 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of VCERA’s UAAL cost groups.

Changes in Actuarial Assumptions and Methods:

New assumptions have been included in this valuation for retirement rates and increases in the Section 7522.10 compensation limit for PEPRA members.

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EXHIBIT VI

Summary of Plan Provisions

This exhibit summarizes the major provisions of the VCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership Eligibility:	All regular employees of the County of Ventura or contracting district, scheduled to work 64 or more hours biweekly, are eligible to become a member of the Retirement Association subject to classification below:
<i>General Tier 1</i>	All General members with membership dates before June 30, 1979, plus Deputy Sheriff trainees and certain executive management with membership dates before January 1, 2013.
<i>General Tier 2</i>	All General members with membership dates on or after June 30, 1979 and before January 1, 2013, except as noted above for General Tier 1.
<i>Safety</i>	All Safety members with membership dates before January 1, 2013.
<i>PEPRA General Tier 1</i>	Deputy Sheriff trainees and certain executive management with membership dates on or after January 1, 2013.
<i>PEPRA General Tier 2</i>	All General members with membership dates on or after January 1, 2013, except as noted above for PEPRA General Tier 12.
<i>PEPRA Safety</i>	All Safety members with membership dates on or after January 1, 2013.

Final Compensation for Benefit Determination:	
<i>General Tier 1 and Safety</i>	Highest consecutive twelve months of compensation earnable (§31462.1)(FAC1).
<i>General Tier 2</i>	Highest consecutive thirty-six months of compensation earnable (§31462)(FAC3).
<i>PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety</i>	Highest consecutive thirty-six months of pensionable compensation (§7522.32) (FAS3).

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Compensation Limit:

General Tier 1, General Tier 2 and Safety

For members with membership dates on or after July 1, 1996, Compensation Earnable is limited to Internal Revenue Code Section 401(a)(17). The limit for the Plan Year beginning July 1, 2013 is \$255,000. The limit is indexed for inflation on an annual basis.

PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety

Pensionable Compensation is limited to \$113,700 for 2013 (\$136,440, if not enrolled in Social Security). The limit is indexed for inflation on an annual basis.

Service:

Years of service. (Yrs)

Service Retirement Eligibility:

General

Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672).

Safety

Age 50 with 10 years of service, or age 70 regardless of service, or after 20 years, regardless of age (§31663.25).

PEPRA General

Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service (§31672.3).

PEPRA Safety

Age 50 with 5 years of service (§7522.25(d)) or age 70 regardless of service (§31672.3).

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1</i> (§31676.11)	50	$(1.24\% \times \text{FAC1} - 1/3 \times 1.24\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.67\% \times \text{FAC1} - 1/3 \times 1.67\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.18\% \times \text{FAC1} - 1/3 \times 2.18\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.35\% \times \text{FAC1} - 1/3 \times 2.35\% \times \$350 \times 12) \times \text{Yrs}$
	65 or later	$(2.61\% \times \text{FAC1} - 1/3 \times 2.61\% \times \$350 \times 12) \times \text{Yrs}$

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	Retirement Age	Benefit Formula
<i>General Tier 2 (§31676.1)</i>	50	$(1.18\% \times \text{FAC3} - 1/3 \times 1.18\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.49\% \times \text{FAC3} - 1/3 \times 1.49\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(1.92\% \times \text{FAC3} - 1/3 \times 1.92\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.09\% \times \text{FAC3} - 1/3 \times 2.09\% \times \$350 \times 12) \times \text{Yrs}$
	65 or later	$(2.43\% \times \text{FAC3} - 1/3 \times 2.43\% \times \$350 \times 12) \times \text{Yrs}$
	Retirement Age	Benefit Formula
<i>PEPRA General Tier 1 and PEPRA General Tier 2 (§7522.20(a))</i>	52	$(1.00\% \times \text{FAS3} \times \text{Yrs})$
	55	$(1.30\% \times \text{FAS3} \times \text{Yrs})$
	60	$(1.80\% \times \text{FAS3} \times \text{Yrs})$
	62	$(2.00\% \times \text{FAS3} \times \text{Yrs})$
	65	$(2.30\% \times \text{FAS3} \times \text{Yrs})$
	67 or later	$(2.50\% \times \text{FAS3} \times \text{Yrs})$
	Retirement Age	Benefit Formula
<i>Safety (Non-Integrated) (§31664)</i>	50	$(2.00\% \times \text{FAC1} \times \text{Yrs})$
	55	$(2.62\% \times \text{FAC1} \times \text{Yrs})$
	60 or later	$(2.62\% \times \text{FAC1} \times \text{Yrs})$
	Retirement Age	Benefit Formula
<i>PEPRA Safety (§7522.25(d))</i>	50	$(2.00\% \times \text{FAS3} \times \text{Yrs})$
	55	$(2.50\% \times \text{FAS3} \times \text{Yrs})$
	57 or later	$(2.70\% \times \text{FAS3} \times \text{Yrs})$

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Maximum Benefit:

<i>General Tier 1, General Tier 2 and Safety</i>	100% of Highest Average Compensation (§31676.1, §31676.11, §31664)
<i>PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety</i>	None

Ordinary Disability:

<i>General Tier 1, General Tier 2, PEPRA General Tier 1 and PEPRA General Tier 2</i>	
<i>Eligibility</i>	Five years of service (§31720).
<i>Benefit Formula</i>	1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but total benefit cannot be more than one-third of Final Compensation (§31727).
<i>Safety and PEPRA Safety</i>	
<i>Eligibility</i>	Five years of service (§31720).
<i>Benefit Formula</i>	1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but total benefit cannot be more than one-third of Final Compensation (§31727.2).

Line-of-Duty Disability:

<i>All Members</i>	
<i>Eligibility</i>	No age or service requirements (§31720).
<i>Benefit Formula</i>	50% of the Final Compensation or 100% of Service Retirement benefit, if larger (§31727.4).

Pre-Retirement Death:

<i>All Members</i>	
<i>Less than Five Years of Service</i>	Refund of employee contributions with interest, plus one month's compensation for each year of service to a maximum of six month's compensation (§31781). 50% of Final Compensation or 100% of Service Retirement benefit, if larger, payable to spouse if Line-of-Duty death (§31787).

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Five or More Years of Service An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).
OR
60% of the greater of Service Retirement or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of above.
An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).

Death After Retirement:

All Members
Service Retirement or
Ordinary Disability Retirement 60% of member's unmodified allowance continued to eligible spouse (§31760.1). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2, §31785.1).
Line-of-Duty Disability 100% of member's allowance continued to eligible spouse (§31786). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31786.1).

Withdrawal Benefits:

Less than Five Years of Service Refund of accumulated employee contributions with interest (§31628) or entitled to earned benefits commencing at anytime after eligible to retire (§31629.5).
Five or More Years of Service If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

General Tier 1, Safety,
PEPRA General Tier 1
and PEPRA Safety Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked" (§31870.1).

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<i>General Tier 2 and PEPR General Tier 2</i>	SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March, 2003. This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled “Funding Policies and Procedures for General Tier II COLA Benefit”.
Supplemental Benefit:	A supplemental benefit in the amount of \$108.44 per month is paid to retirees and their survivors.
Member Contributions:	Please refer to Appendix A for the specific rates.
<i>General Tier 1</i>	
<i>Basic</i>	Provide for an average annuity at age 55 equal to 1/120 of FAC1 (§31621.1).
<i>Cost-of-Living</i>	Provide for one-half of future cost-of-living costs.
<i>General Tier 2</i>	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/120 of FAC3 (§31621).
<i>Cost-of-Living</i>	Provide for a fixed 2% cost-of-living increase for SEIU members that applies to service after March 2003 (§31627). The contribution rate is currently a negotiated 2.63% of compensation.
<i>Safety</i>	
<i>Basic</i>	Provide for an average annuity at age 50 equal to 1/100 of FAC1 (§31639.25).
<i>Cost-of-Living</i>	Provide for one-half of future cost-of-living costs.
<i>PEPRA General Tier 1</i>	Provide for 50% of total Normal Cost.
<i>PEPRA General Tier 2</i>	Provide for 50% of total Normal Cost. In addition, for General Tier 2 with COLA members, the current member COLA contribution rate of 2.63% of compensation has been reflected.
<i>PEPRA Safety</i>	Provide for 50% of total Normal Cost.
Other Information:	For Non-PEPRA members hired after November 1974, they will pay a contribution corresponding to a General and Safety member hired at entry age 36 and 27, respectively. Non-PEPRA Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for Non-PEPRA General members hired on or before March 7, 1973.

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Plan Changes: All members with membership dates on or after January 1, 2013 enter the new PEPRAs tiers.

Plan Provisions Not Valued: The Board of Retirement has approved a Supplemental Medical Benefit. This benefit is funded from Undistributed Excess Earnings, paid from a reserve that is not included in the Valuation Value of Assets and is subject at all times to the availability of funds.

The Supplemental Medical Benefit is \$27.50 per month and is payable to virtually all retirees and beneficiaries.

NOTE: *The summary of major plan provisions is designed to outline principle plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

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Appendix A

Member Contribution Rates for Non-PEPRA Members

**General Tier 1 Members' Contribution Rates from the June 30, 2013 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
16	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
17	3.38%	5.07%	1.20%	1.80%	4.58%	6.87%
18	3.44%	5.17%	1.23%	1.83%	4.67%	7.00%
19	3.51%	5.26%	1.24%	1.87%	4.75%	7.13%
20	3.57%	5.36%	1.27%	1.90%	4.84%	7.26%
21	3.64%	5.46%	1.29%	1.94%	4.93%	7.40%
22	3.71%	5.56%	1.31%	1.97%	5.02%	7.53%
23	3.77%	5.66%	1.34%	2.01%	5.11%	7.67%
24	3.84%	5.77%	1.37%	2.04%	5.21%	7.81%
25	3.91%	5.87%	1.39%	2.08%	5.30%	7.95%
26	3.99%	5.98%	1.41%	2.12%	5.40%	8.10%
27	4.06%	6.09%	1.44%	2.16%	5.50%	8.25%
28	4.13%	6.20%	1.47%	2.20%	5.60%	8.40%
29	4.21%	6.31%	1.49%	2.24%	5.70%	8.55%
30	4.28%	6.42%	1.52%	2.28%	5.80%	8.70%
31	4.36%	6.54%	1.55%	2.32%	5.91%	8.86%
32	4.44%	6.66%	1.57%	2.36%	6.01%	9.02%
33	4.52%	6.78%	1.60%	2.40%	6.12%	9.18%
34	4.60%	6.90%	1.63%	2.45%	6.23%	9.35%
35	4.68%	7.02%	1.67%	2.50%	6.35%	9.52%
36	4.77%	7.15%	1.69%	2.54%	6.46%	9.69%
37	4.85%	7.28%	1.73%	2.59%	6.58%	9.87%
38	4.94%	7.41%	1.75%	2.63%	6.69%	10.04%
39	5.03%	7.55%	1.79%	2.68%	6.82%	10.23%

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

**General Tier 1 Members' Contribution Rates from the June 30, 2013 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
40	5.13%	7.69%	1.82%	2.73%	6.95%	10.42%
41	5.22%	7.83%	1.85%	2.78%	7.07%	10.61%
42	5.32%	7.98%	1.89%	2.83%	7.21%	10.81%
43	5.42%	8.13%	1.93%	2.89%	7.35%	11.02%
44	5.53%	8.29%	1.96%	2.95%	7.49%	11.24%
45	5.64%	8.46%	2.01%	3.01%	7.65%	11.47%
46	5.75%	8.62%	2.04%	3.06%	7.79%	11.68%
47	5.85%	8.77%	2.07%	3.11%	7.92%	11.88%
48	5.95%	8.93%	2.12%	3.17%	8.07%	12.10%
49	6.04%	9.06%	2.15%	3.22%	8.19%	12.28%
50	6.11%	9.17%	2.18%	3.26%	8.29%	12.43%
51	6.17%	9.25%	2.19%	3.29%	8.36%	12.54%
52	6.21%	9.31%	2.20%	3.31%	8.41%	12.62%
53	6.22%	9.33%	2.21%	3.31%	8.43%	12.64%
54 & Over	6.18%	9.28%	2.20%	3.29%	8.38%	12.57%
Interest:	7.75%					
COLA:	3.00%					
COLA Loading:	35.49%					
Mortality:	RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.					
Salary Increase:	See Exhibit V.					

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

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

**General Tier 2 Members' Contribution Rates from the June 30, 2013 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)
Calculated Under Recommended Assumptions**

Entry Age	Basic Only		Entry Age	Basic Only	
	First \$350	Over \$350		First \$350	Over \$350
16	2.73%	4.09%	38	4.07%	6.11%
17	2.78%	4.17%	39	4.15%	6.22%
18	2.83%	4.24%	40	4.22%	6.33%
19	2.88%	4.32%	41	4.30%	6.45%
20	2.94%	4.41%	42	4.37%	6.56%
21	2.99%	4.49%	43	4.45%	6.68%
22	3.05%	4.57%	44	4.53%	6.80%
23	3.11%	4.66%	45	4.62%	6.93%
24	3.16%	4.74%	46	4.71%	7.06%
25	3.22%	4.83%	47	4.79%	7.19%
26	3.28%	4.92%	48	4.89%	7.33%
27	3.34%	5.01%	49	4.98%	7.47%
28	3.40%	5.10%	50	5.07%	7.60%
29	3.47%	5.20%	51	5.15%	7.73%
30	3.53%	5.29%	52	5.24%	7.86%
31	3.59%	5.39%	53	5.31%	7.96%
32	3.66%	5.49%	54	5.37%	8.05%
33	3.73%	5.59%	55	5.40%	8.10%
34	3.79%	5.69%	56	5.42%	8.13%
35	3.86%	5.79%	57	5.41%	8.12%
36	3.93%	5.89%	58	5.61%	8.42%
37	4.00%	6.00%	59 & over	5.82%	8.73%

Interest: 7.75%

COLA: SEIU members contribute a negotiated 2.63% for a fixed 2% COLA pursuant to Government Code 31627.

Mortality: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.

Salary Increase: See Exhibit V.

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

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

**Safety Members' Contribution Rates from the June 30, 2013 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	7.69%	4.28%	11.97%
16	7.69%	4.28%	11.97%
17	7.69%	4.28%	11.97%
18	7.69%	4.28%	11.97%
19	7.69%	4.28%	11.97%
20	7.69%	4.28%	11.97%
21	7.69%	4.28%	11.97%
22	7.83%	4.37%	12.20%
23	7.98%	4.45%	12.43%
24	8.13%	4.54%	12.67%
25	8.29%	4.62%	12.91%
26	8.44%	4.71%	13.15%
27	8.61%	4.79%	13.40%
28	8.77%	4.89%	13.66%
29	8.94%	4.98%	13.92%
30	9.11%	5.08%	14.19%
31	9.29%	5.18%	14.47%
32	9.48%	5.28%	14.76%
33	9.67%	5.39%	15.06%
34	9.84%	5.49%	15.33%
35	10.02%	5.59%	15.61%
36	10.21%	5.69%	15.90%
37	10.41%	5.80%	16.21%
38	10.62%	5.91%	16.53%
39	10.84%	6.04%	16.88%
40	11.05%	6.16%	17.21%
41	11.26%	6.27%	17.53%
42	11.45%	6.39%	17.84%

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

**Safety Members' Contribution Rates from the June 30, 2013 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
43	11.62%	6.48%	18.10%
44	11.76%	6.56%	18.32%
45	11.88%	6.62%	18.50%
46	11.93%	6.65%	18.58%
47	11.94%	6.65%	18.59%
48	11.84%	6.60%	18.44%
49 & Over	11.59%	6.46%	18.05%

Interest: 7.75%
 COLA: 3.00%
 COLA Loading: 55.72%
 Mortality: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 80% male and 20% female.
 Salary Increase: See Exhibit V.

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

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix B

Member Contribution Rates for PEPRA Members

	Basic	COLA	Total
General Tier 1	4.70%	1.80%	6.50%
General Tier 2 without COLA	6.83%	0.00%	6.83%
General Tier 2 with COLA	6.83%	2.63% ⁽¹⁾	9.46%
Safety	11.27%	4.87%	16.14%

The PEPRA member contribution rate is 50% of the Normal Cost.

⁽¹⁾ *General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.*

Note: It is our understanding that in the determination of pension benefits under the PEPRA tier formulas, the compensation that can be taken into account for 2013 is equal to the Social Security Taxable Wage Base or \$113,700. (For an employer that is not enrolled in Social Security, the maximum amount is \$136,440 or 120% of the Social Security Taxable Wage Base) (reference Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2013 (reference Section 7522.10(d)).

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix C

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	7.46%	\$847	2.42%	\$274	9.88%	\$1,121
UAAL ⁽³⁾	<u>10.20%</u>	<u>1,157</u>	<u>29.41%</u>	<u>3,337</u>	<u>39.61%</u>	<u>4,494</u>
Total Contribution	17.66%	\$2,004	31.83%	\$3,611	49.49%	\$5,615
General PEPRA Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>10.20%</u>	<u>112</u>	<u>29.41%</u>	<u>323</u>	<u>39.61%</u>	<u>435</u>
Total Contribution	14.90%	\$164	31.21%	\$342	46.11%	\$506
General Tier 2 Members w/o COLA						
Normal Cost	7.16%	\$15,196	0.00%	\$0	7.16%	\$15,196
UAAL ⁽³⁾	<u>10.20%</u>	<u>21,642</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>21,642</u>
Total Contribution	17.36%	\$36,838	0.00%	\$0	17.36%	\$36,838
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>10.20%</u>	<u>323</u>	<u>0.00%</u>	<u>0</u>	<u>10.20%</u>	<u>323</u>
Total Contribution	17.03%	\$539	0.00%	\$0	17.03%	\$539
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	7.16%	\$17,243	-0.04%	-\$96	7.12%	\$17,147
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>24,559</u>	<u>1.01%</u>	<u>2,432</u>	<u>11.21%</u>	<u>26,991</u>
Total Contribution	17.36%	\$41,802	0.97%	\$2,336	18.33%	\$44,138
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>10.20%</u>	<u>800</u>	<u>1.01%</u>	<u>79</u>	<u>11.21%</u>	<u>879</u>
Total Contribution	17.03%	\$1,336	0.88%	\$69	17.91%	\$1,405
All General Members⁽⁶⁾						
Normal Cost	7.15%	\$34,090	0.04%	\$187	7.19%	\$34,277
UAAL	<u>10.20%</u>	<u>48,593</u>	<u>1.29%</u>	<u>6,171</u>	<u>11.49%</u>	<u>54,764</u>
Total Contribution	17.35%	\$82,683	1.33%	\$6,358	18.68%	\$89,041

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix C (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	11.00%	\$17,829	4.37%	\$7,083	15.37%	\$24,912
UAAL	<u>42.87%</u>	<u>69,486</u>	<u>-5.45%</u>	<u>-8,834</u>	<u>37.42%</u>	<u>60,652</u>
Total Contribution	53.87%	\$87,315	-1.08%	-\$1,751	52.79%	\$85,564
Safety PEPRA Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.87%</u>	<u>73</u>	<u>-5.45%</u>	<u>-9</u>	<u>37.42%</u>	<u>64</u>
Total Contribution	54.14%	\$92	-0.58%	\$0	53.56%	\$92
All Safety Members⁽⁶⁾						
Normal Cost	11.00%	\$17,848	4.37%	\$7,092	15.37%	\$24,940
UAAL	<u>42.87%</u>	<u>69,559</u>	<u>-5.45%</u>	<u>-8,843</u>	<u>37.42%</u>	<u>60,716</u>
Total Contribution	53.87%	\$87,407	-1.08%	-\$1,751	52.79%	\$85,656
All Categories Combined⁽⁶⁾						
Normal Cost	8.13%	\$51,938	1.14%	\$7,279	9.27%	\$59,217
UAAL	<u>18.50%</u>	<u>118,152</u>	<u>-0.42%</u>	<u>-2,672</u>	<u>18.08%</u>	<u>115,480</u>
Total Contribution	26.63%	\$170,090	0.72%	\$4,607	27.35%	\$174,697

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	<u>171</u>
Total	\$638,764

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix D

Member Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers

	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
General Tier 1 ⁽¹⁾	5.25%	7.87%	1.70%	2.56%	6.95%	10.43%
General Tier 2 without COLA	4.87%	7.30%	0.00%	0.00%	4.87%	7.30%
General Tier 2 COLA	4.87%	7.30%	2.63% ⁽²⁾	2.63% ⁽²⁾	7.50%	9.93%
Safety ⁽³⁾	11.83%	11.83%	4.70%	4.70%	16.53%	16.53%

⁽¹⁾ The total member rate over \$350 has been adjusted by 0.42% (and by 0.28% for the first \$350) so that member contributions total 50% of the total dollar Normal Cost after accounting for the cessation of member contributions after 30 years of service.

⁽²⁾ General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.

⁽³⁾ The total member rate has been adjusted by 1.16% so that member contributions total 50% of the total dollar Normal Cost after accounting for the cessation of member contributions after 30 years of service.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix E

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation ⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	8.15%	\$925	2.44%	\$277	10.59%	\$1,202
UAAL ⁽³⁾	<u>277.05%</u>	<u>31,440</u>	<u>29.41%</u>	<u>3,337</u>	<u>306.46%</u>	<u>34,777</u>
Total Contribution	285.20%	\$32,365	31.85%	\$3,614	317.05%	\$35,979
General PEPRA Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>277.05%</u>	<u>3,045</u>	<u>29.41%</u>	<u>323</u>	<u>306.46%</u>	<u>3,368</u>
Total Contribution	281.75%	\$3,097	31.21%	\$342	312.96%	\$3,439
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	\$17,997	0.00%	\$0	8.48%	\$17,997
UAAL ⁽³⁾	<u>3.04%</u>	<u>6,452</u>	<u>0.00%</u>	<u>0</u>	<u>3.04%</u>	<u>6,452</u>
Total Contribution	11.52%	\$24,449	0.00%	\$0	11.52%	\$24,449
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>3.04%</u>	<u>96</u>	<u>0.00%</u>	<u>0</u>	<u>3.04%</u>	<u>96</u>
Total Contribution	9.87%	\$312	0.00%	\$0	9.87%	\$312
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.48%	\$20,422	-0.04%	-\$97	8.44%	\$20,325
UAAL ⁽³⁾⁽⁵⁾	<u>3.04%</u>	<u>7,321</u>	<u>1.01%</u>	<u>2,432</u>	<u>4.05%</u>	<u>9,753</u>
Total Contribution	11.52%	\$27,743	0.97%	\$2,335	12.49%	\$30,078
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>3.04%</u>	<u>239</u>	<u>1.01%</u>	<u>79</u>	<u>4.05%</u>	<u>318</u>
Total Contribution	9.87%	\$775	0.88%	\$69	10.75%	\$844
All General Members						
Normal Cost	8.43%	\$40,148	0.04%	\$189	8.47%	\$40,337
UAAL	<u>10.20%</u>	<u>48,593</u>	<u>1.29%</u>	<u>6,171</u>	<u>11.49%</u>	<u>54,764</u>
Total Contribution	18.63%	\$88,741	1.33%	\$6,360	19.96%	\$95,101

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.96%	\$22,627	4.30%	\$6,970	18.26%	\$29,597
UAAL	<u>42.87%</u>	<u>69,486</u>	<u>-5.45%</u>	<u>-8,834</u>	<u>37.42%</u>	<u>60,652</u>
Total Contribution	56.83%	\$92,113	-1.15%	-\$1,864	55.68%	\$90,249
Safety PEPRA Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.87%</u>	<u>73</u>	<u>-5.45%</u>	<u>-9</u>	<u>37.42%</u>	<u>64</u>
Total Contribution	54.14%	\$92	-0.58%	\$0	53.56%	\$92
All Safety Members						
Normal Cost	13.96%	\$22,646	4.30%	\$6,979	18.26%	\$29,625
UAAL	<u>42.87%</u>	<u>69,559</u>	<u>-5.45%</u>	<u>-8,843</u>	<u>37.42%</u>	<u>60,716</u>
Total Contribution	56.83%	\$92,205	-1.15%	-\$1,864	55.68%	\$90,341
All Categories Combined						
Normal Cost	9.83%	\$62,794	1.12%	\$7,168	10.95%	\$69,962
UAAL	<u>18.50%</u>	<u>118,152</u>	<u>-0.42%</u>	<u>-2,672</u>	<u>18.08%</u>	<u>115,480</u>
Total Contribution	28.33%	\$180,946	0.70%	\$4,496	29.03%	\$185,442

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	<u>171</u>
Total	\$638,764

⁽³⁾ Basic UAAL rates have not been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2012 Actuarial Valuation⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
General Tier 1 Members						
Normal Cost	7.90%	\$1,224	2.48%	\$384	10.38%	\$1,608
UAAL ⁽³⁾	<u>202.47%</u>	<u>31,359</u>	<u>17.05%</u>	<u>2,640</u>	<u>219.52%</u>	<u>33,999</u>
Total Contribution	210.37%	\$32,583	19.53%	\$3,024	229.90%	\$35,607
General PEPRA Tier 1 Members						
Normal Cost	3.95%	\$0	1.63%	\$0	5.58%	\$0
UAAL ⁽³⁾	<u>202.47%</u>	<u>0</u>	<u>17.05%</u>	<u>0</u>	<u>219.52%</u>	<u>0</u>
Total Contribution	206.42%	\$0	18.68%	\$0	225.10%	\$0
General Tier 2 Members w/o COLA						
Normal Cost	8.50%	\$18,128	0.00%	\$0	8.50%	\$18,128
UAAL ⁽³⁾	<u>3.43%</u>	<u>7,315</u>	<u>0.00%</u>	<u>0</u>	<u>3.43%</u>	<u>7,315</u>
Total Contribution	11.93%	\$25,443	0.00%	\$0	11.93%	\$25,443
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	7.47%	\$0	0.00%	\$0	7.47%	\$0
UAAL ⁽³⁾	<u>3.43%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>3.43%</u>	<u>0</u>
Total Contribution	10.90%	\$0	0.00%	\$0	10.90%	\$0
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	8.50%	\$20,934	-0.04%	-\$99	8.46%	\$20,835
UAAL ⁽³⁾⁽⁵⁾	<u>3.43%</u>	<u>8,447</u>	<u>0.91%</u>	<u>2,242</u>	<u>4.34%</u>	<u>10,689</u>
Total Contribution	11.93%	\$29,381	0.87%	\$2,143	12.80%	\$31,524
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	7.33%	\$0	-0.43%	\$0	6.90%	\$0
UAAL ⁽³⁾⁽⁵⁾	<u>3.43%</u>	<u>0</u>	<u>0.91%</u>	<u>0</u>	<u>4.34%</u>	<u>0</u>
Total Contribution	10.76%	\$0	0.48%	\$0	11.24%	\$0
All General Members						
Normal Cost	8.48%	\$40,286	0.06%	\$285	8.54%	\$40,571
UAAL	<u>9.92%</u>	<u>47,121</u>	<u>1.03%</u>	<u>4,882</u>	<u>10.95%</u>	<u>52,003</u>
Total Contribution	18.40%	\$87,407	1.09%	\$5,167	19.49%	\$92,574

SECTION 4: Reporting Information for the Ventura County Employees' Retirement Association

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2012 Actuarial Valuation⁽¹⁾					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾	Rate	Estimated Annual Amount ⁽²⁾
Safety Members						
Normal Cost	13.92%	\$22,106	4.29%	\$6,812	18.21%	\$28,918
UAAL	<u>39.72%</u>	<u>63,077</u>	<u>-3.36%</u>	<u>-5,336</u>	<u>36.36%</u>	<u>57,741</u>
Total Contribution	53.64%	\$85,183	0.93%	\$1,476	54.57%	\$86,659
Safety PEPRA Members						
Normal Cost	10.58%	\$0	4.32%	\$0	14.90%	\$0
UAAL	<u>39.72%</u>	<u>0</u>	<u>-3.36%</u>	<u>0</u>	<u>36.36%</u>	<u>0</u>
Total Contribution	50.30%	\$0	0.96%	\$0	51.26%	\$0
All Safety Members						
Normal Cost	13.92%	\$22,106	4.29%	\$6,812	18.21%	\$28,918
UAAL	<u>39.72%</u>	<u>63,077</u>	<u>-3.36%</u>	<u>-5,336</u>	<u>36.36%</u>	<u>57,741</u>
Total Contribution	53.64%	\$85,183	0.93%	\$1,476	54.57%	\$86,659
All Categories Combined						
Normal Cost	9.84%	\$62,392	1.12%	\$7,097	10.96%	\$69,489
UAAL	<u>17.39%</u>	<u>110,198</u>	<u>-0.08%</u>	<u>-455</u>	<u>17.31%</u>	<u>109,744</u>
Total Contribution	27.23%	\$172,590	1.04%	\$6,643	28.27%	\$179,233

⁽¹⁾ Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.

⁽²⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2012 annual payroll (also in thousands) shown below:

General Tier 1	\$15,488
General PEPRA Tier 1	0
General Tier 2	213,275
General PEPRA Tier 2	0
General Tier 2C	246,280
General PEPRA Tier 2C	0
Safety	158,805
Safety PEPRA	<u>0</u>
Total	\$633,848

⁽³⁾ Basic UAAL rates have not been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.51% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.