



Roberto L. Peña  
Retirement Administrator

General Tier I & II Noreh  
FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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11.I.

August 31, 2007

[REDACTED]

Dear [REDACTED],

At its December 6, 2006 meeting, the Board of Retirement (Board) determined that beginning July 1, 2003, member contributions to FCERA had improperly included certain costs that should have been charged only to the employer plan sponsors of FCERA. In particular, the Board determined that members should not have been charged for any portion of the unfunded actuarial accrued liability (UAAL) related to the Cost of Living Adjustment (COLA) benefit. This is referred to as the "COLA UAAL Overpayment." You may remember that your contribution rate was reduced in March 2007 to eliminate the COLA UAAL component.

On August 15, 2007, the Board further determined that it should make adjustments to prior General member contribution rates for (1) a separate error by the retirement system's prior actuary relating to General Tier I member's basic contribution rate from July 2003 to June 2004 and (2) the deferred normal cost resulting from the "phase-in" of increases of employee contributions from July 2004 to February 2007. Please note that when balanced against the COLA UAAL issue, these two other issues caused an underpayment of contributions from July 2003 to June 2005; while the COLA UAAL issue caused an overpayment of contributions from July 2005 to February 2007.

We have now determined that, after balancing out all appropriate adjustments that included your contributions as a General Tier I and II member, the individual calculation of your retirement contributions during this period resulted in a net underpayment of contributions.

Thank you for your patience and understanding throughout this process. Please note that FCERA has hired a new actuary and is taking further steps to prevent these types of discrepancies going forward. If you want to learn more about these corrections generally, or your individual refund calculation specifically, you may contact our office at 559-457-0681.

Sincerely,

*Roberto L. Peña*  
Roberto L. Peña  
Retirement Administrator