

FRESNO COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION

*Special Study to Provide Adopted Retirement Benefits for  
County General Tier 4 and County Safety Tier 4 Employees*

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The Segal Company  
100 Montgomery Street Suite 500 San Francisco, CA 94104  
T 415.263.8200 F 415.263.8290 www.segalco.com

April 10, 2012

Ms. Becky Van Wyk  
Assistant Retirement Administrator  
Fresno County Employees' Retirement Association  
1111 H Street  
Fresno, CA 93721

Dear Becky:

We are pleased to submit our study of the adopted benefit formulas under Section 31676.1 for new County General Tier 4 employees and under Section 31664 for new County Safety Tier 4 employees (the current formulas are under Sections 31676.15 and 31664.2, respectively). Benefits under these new tiers would be determined using the highest three-year average final compensation. As directed by the County, we have assumed that the Section 9 Ventura Settlement Benefit will no longer be provided to new County General employees but will continue to be provided for new County Safety employees. Also, there will be no cost-of-living increases for these new tiers. Other than these specific benefit changes, all the other benefit provisions are assumed to be the same as those currently offered to County General Tier 3 and Safety Tier 2 members. The new employer and employee rates in this report are determined so as to be applicable for contributions for the 2012/2013 fiscal year.

As these proposed formulas would only be offered to new employees, and since data for such employees is not yet available, we have assumed in this study that their demographic profiles (e.g., entry age, composition of male versus female, etc.) can be approximated by the data profiles of current active members with less than five years of service reported in the June 30, 2011 actuarial valuation. No current active, inactive vested members, retirees, or beneficiaries have been included in this study. With the exception of the service retirement assumptions under the proposed formulas, this study utilizes the actuarial assumptions and methodologies adopted by the FCERA Board of Retirement for use in the June 30, 2011 valuation for the current members of the County and other sponsoring employers.

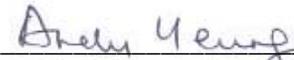
The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

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.

Sincerely,

THE SEGAL COMPANY

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

  
Andy Yeung, ASA, MAAA, FCA, EA  
Vice President and Associate Actuary

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## SECTION 1: Adopted Benefit Changes for New County General and County Safety Members Review Summary

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### CONTRIBUTION RECOMMENDATIONS

- Before the adoption of the new General Tier 4 and Safety Tier 4<sup>1</sup>, new County General and Safety employees would be enrolled in Section 31676.15 (2.00% at 55) (or Section 31676.16 as explained in footnote (2) below) and Section 31664.2 (3.00% at 55), respectively. It is our understanding that employees of the County hired on or after June 11, 2012 would be enrolled in the new tiers as described below. The Unfunded Actuarial Accrued Liability (UAAL), including Settlement UAAL, currently amortized and funded by FCERA will continue to be paid off as a level percent of total payroll (including payroll for future new hires who are in the new tiers), assuming payroll will grow at 4.00% per year.
- Under the adopted formula, County General members will receive benefits under Section 31676.1 (2.02% at 61¼), and will contribute a basic member rate that will fund a benefit equal to one one-hundred-twentieth of the final three-year average salary at age 60 (Section 31621).

For comparison purposes, under the current General Tier 3 2.00% at 55 formula (Section 31676.15)<sup>2</sup>, employees pay a basic rate that will fund a benefit equal to one two-hundredth of the final three-year average salary at age 55 (Section 31630).

Members would no longer contribute to provide a cost-of-living benefit because there will be no cost-of-living increases for the new tier.

- Under the adopted formula, County Safety members will receive benefits under Section 31664 (2.00% at 50), and will contribute a basic member rate that will fund a benefit equal to one one-hundredth of the final three-year average salary at age 50 (Section 31639.25).

For comparison purposes, under the current Safety Tier 2 3.00% at 55 formula (Section 31664.2), employees pay a basic rate that will fund a benefit equal to one two-hundredth of the final one-year average salary at age 50 (Section 31639.5).

Members would no longer contribute to provide a cost-of-living benefit because there will be no cost-of-living increases for the new tier.

- The adopted General and Safety service retirement benefit formulas included in this study can be found in Section 3. As directed by the County, we have assumed in this report that Section 9 of the Ventura Settlement Benefit would only be continued to the new Safety Tier 4 but not to the new General Tier 4. We understand that the Association would seek

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<sup>1</sup> Note that a Safety Tier 3 was previously adopted but that tier of benefit was never implemented by the employer.

<sup>2</sup> While some current County employees will enroll in General Tier 2 (Section 31676.16) because they do not belong to a bargaining unit that has previously negotiated with the County for the higher General Tier 3 formula, we have only provided the cost comparison under the Tier 3 formula as the majority of the bargaining units have bargained for the Tier 3 benefit.

## SECTION 1: Adopted Benefit Changes for New County General and County Safety Members Review Summary

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confirmation from its legal counsel that such plan design would be in compliance with the Ventura Settlement Agreement. It is assumed that with the exception of the provisions described in Section 3 of this report, all the other benefit provisions for these adopted tiers would be unchanged from those provided to County members in the current General Tier 3 and Safety Tier 2 plans.

- To estimate the potential cost impact, this study assumes that the demographic profiles of new County General and County Safety members would be comparable to current County General<sup>3</sup> and County Safety members with less than five years of service reported in the June 30, 2011 actuarial valuation. For comparison purposes only, we have calculated the employer and employee Normal Cost contribution rates for these groups of recently hired members under the adopted benefit formulas as of June 30, 2011 and compared these rates to the employer and employee Normal Cost contribution rates assuming that these employees would be enrolled in General Tier 3 or Safety Tier 2 in the absence of the new tiers. Note that the actual costs would be based on the actual demographics of the new members once actual membership enrollment data becomes available in a future valuation.
- As stated at the beginning of this section, in addition to the employer Normal Cost rates provided in Sections 2B and 2C, it is anticipated that the employer would have to continue to contribute for new hires the same UAAL rates of 24.62% for County General members and 37.87% for County Safety members that were determined in the June 30, 2011 valuation.
- In Sections 2B and 2C, we compare the employer rates for new County General and County Safety members based on the demographic profiles of the members with less than five years of service reported in the June 30, 2011 actuarial valuation. The tables in Sections 2B and 2C also summarize the average member contribution rates for the new members using the same estimated data that was used for calculating the employer contribution rates. The detailed entry age based member rates are provided in Section 3, Exhibit II.

In the tables provided in Sections 2B and 2C, we have recalculated the employer and employee Normal Cost rates for the current General Tier 3 and Safety Tier 2 benefit formulas based on the new entrant profile for all employees with less than five years of service. The re-calculated employer rates under the General Tier 3 and Safety Tier 2 formulas are different from the ones included in the June 30, 2011 actuarial valuation. This is because the members with less than five years of service have slightly different demographics compared to the actual General Tier 3 and Safety Tier 2 members used in the June 30, 2011 valuation. In particular, even though not all of the members with less than five years of service are enrolled in the General Tier 3 or Safety Tier 2 plan, all such members are included in our new entrant profile. This was done to provide as broad as possible a new entrant profile.

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<sup>3</sup> We have included all members reported with an employer code of “County” by FCERA in the June 30, 2011 valuation. We understand that employer code is also used to report employees hired by the Court. As a result, those Court members with less than five years of service are also reflected in the new employee profile used in this study.

**SECTION 1: Adopted Benefit Changes for New County General and County Safety Members  
Review Summary**

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Assuming that employees with demographic profiles closer to those of members with less than five years of service would be hired in the future and so would be covered under the adopted formulas, we have included the employer and employee rates calculated under the General Tier 3 and Safety Tier 2 formulas together with the new contribution rates under the adopted formulas so as to provide more of an “apples-to-apples” comparison of cost between General Tier 3 and Safety Tier 2 and the adopted formulas.

- With the exception of the service retirement assumptions, the actuarial assumptions used in this study are the same as those adopted by the Retirement Board for use in the June 30, 2011 valuation. The service retirement assumptions used in this study are shown in Section 3, Exhibit I of this report. These assumptions were developed for this report to estimate the anticipated impact of the changes in benefit formulas on future retirement age experience. For General Tier 4, the service retirement assumptions we recommend are comparable to those used by Segal for our other county retirement system clients that currently use the same formula. For Safety Tier 4, the service retirement assumptions we recommend are comparable to those used previously by FCERA before the County improved the current Safety Tier 1 formula. In both instances, we are assuming that new members would tend to retire somewhat later than is assumed by the County’s actuary in their cost analysis. Our assumption is based on the expectation that new members may retire later so that they can make up for some of the losses in retirement income under the new formulas.

The results shown in this study are for County General and County Safety only and exclude all other employers in FCERA.

**SECTION 2: Adopted Benefit Changes for New County General and County Safety Members  
Valuation Results**

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**A. Demographics as of June 30, 2011**

<b>Category</b>	<b>County General</b>	<b>County Safety</b>
<b>Active members in valuation*:</b>		
Average entry age	34.3	29.5
Projected average compensation	\$46,628	\$68,539

*\* The data used for this study for new members is based on current active members with less than five years of service reported in the June 30, 2011 actuarial valuation. Please note that not all of those members are currently enrolled in the General Tier 3 or Safety Tier 2 plan.*

**SECTION 2: Adopted Benefit Changes for New County General and County Safety Members  
Valuation Results**

**B. Comparison of Normal Cost Rates Using Adopted Benefit Formula for New County General Members:**

<u>Formula</u>	<u>Benefit</u>	<u>Employer Rate</u>		<u>Average Employee Rate<sup>(3)</sup></u>	
		<u>% of Payroll<sup>(1)</sup></u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>	<u>% of Payroll</u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>
Current General Tier 3 Formula (\$31676.15)	2.00% at 55	15.79%	\$7,400	6.88%	\$3,200
Adopted General Tier 4 Formula (\$31676.1)	2.02% at 61¼	7.25%	\$3,400	6.03%	\$2,800

<sup>(1)</sup> *These are the Normal Cost rates only. The total employer rate would be equal to the Normal Cost rates above plus the UAAL rate of 24.62% for County General members.*

<sup>(2)</sup> *These per member amounts are based on the June 30, 2011 projected average annual payroll for active County General members with less than five years of service of \$46,628.*

<sup>(3)</sup> *The detailed entry age based member rates can be found in Section 3.*

**SECTION 2: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

**C. Comparison of Normal Cost Rates Using Adopted Benefit Formula for New County Safety Members:**

<u>Formula</u>	<u>Benefit</u>	<u>Employer Rate</u>		<u>Average Employee Rate<sup>(3)</sup></u>	
		<u>% of Payroll<sup>(1)</sup></u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>	<u>% of Payroll</u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>
Current Safety Tier 2 Formula (§31664.2)	3.00% at 55	26.18%	\$17,900	9.58%	\$6,600
Adopted Safety Tier 4 Formula (§31664)	2.00% at 50	13.55% <sup>(4)</sup>	\$9,300	8.88%	\$6,100

<sup>(1)</sup> *These are the Normal Cost rates only. The total employer rate would be equal to the Normal Cost rates above plus the UAAL rate of 37.87% for County Safety members.*

<sup>(2)</sup> *These per member amounts are based on the June 30, 2011 projected average annual payroll for active County Safety members with less than five years of service of \$68,539.*

<sup>(3)</sup> *The detailed entry age based member rates can be found in Section 3.*

<sup>(4)</sup> *The Normal cost rate for the Regular-Basic benefit is 13.37% and the Section 9 benefit is 0.18%.*

**SECTION 2: Adopted Benefit Changes for New County General and County Safety Members  
Valuation Results**

**C. Comparison of Normal Cost Rates Using Adopted Benefit Formula for New County Safety Members:**

<u>Formula</u>	<u>Benefit</u>	<u>Employer Rate</u>		<u>Average Employee Rate<sup>(3)</sup></u>	
		<u>% of Payroll<sup>(1)</sup></u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>	<u>% of Payroll</u>	<u>Estimated Average Annual Amount<sup>(2)</sup></u>
Current Safety Tier 2 Formula (\$31664.2)	3.00% at 55	26.18%	\$17,900	9.58%	\$6,600
Adopted Safety Tier 4 Formula (\$31664)	2.00% at 50	13.55%	\$9,300	8.88%	\$6,100

- <sup>(1)</sup> *These are the Normal Cost rates only. The total employer rate would be equal to the Normal Cost rates above plus the UAAL rate of 37.87% for County Safety members.*
- <sup>(2)</sup> *These per member amounts are based on the June 30, 2011 projected average annual payroll for active County Safety members with less than five years of service of \$68,539.*
- <sup>(3)</sup> *The detailed entry age based member rates can be found in Section 3.*

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

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**EXHIBIT I  
Actuarial Assumptions and Plan Summary**

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**Actuarial Assumptions:** The service retirement assumptions (probability of retirement) that are used in determining results for the adopted formulas are shown on the next page. All the other actuarial assumptions are the same as those adopted by the Retirement Board for use in the June 30, 2011 actuarial valuation.

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

**Retirement Rates (probability of retirement):**

Age	Rates (%)			
	Current General Tier 3 Formula (\$31676.15)	Adopted General Tier 4 Formula (\$31676.1)	Current Safety Tier 2 Formula (\$31664.2)	Adopted Safety Tier 4 Formula (\$31664)
45	0.00	0.00	1.00	1.00
46	0.00	0.00	1.00	1.00
47	0.00	0.00	1.00	1.00
48	0.00	0.00	1.00	1.00
49	0.00	0.00	3.00	2.00
50	3.00	2.00	5.00	4.00
51	3.00	2.00	5.00	4.00
52	3.60	2.50	8.00	5.00
53	3.60	2.50	15.00	6.00
54	4.20	3.00	25.00	11.00
55	8.40	4.00	35.00	20.00
56	10.00	5.00	25.00	20.00
57	10.00	6.00	25.00	20.00
58	10.00	7.00	25.00	20.00
59	15.00	8.00	30.00	23.00
60	19.20	9.00	100.00	56.00
61	19.20	11.00	100.00	58.00
62	34.20	17.00	100.00	62.00
63	23.70	16.00	100.00	64.00
64	23.70	20.00	100.00	70.00
65	43.30	25.00	100.00	100.00
66	33.30	21.00	100.00	100.00
67	33.30	21.00	100.00	100.00
68	40.00	25.00	100.00	100.00
69	46.70	30.00	100.00	100.00
70	100.00	100.00	100.00	100.00

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

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**Plan Provisions:** Please note that with the exception of the plan provisions described below, all the other plan provisions are assumed to be the same as those used in the June 30, 2011 valuation for General Tier 3 and Safety Tier 2.

**Membership Eligibility:** All County General and County Safety members hired on or after June 11, 2012.

**Final Compensation for Benefit Determination:**  
*Current Safety Tier 2 Formula* Highest one-year average final compensation (§31462.1) (FAS1).

*Current General Tier 3 Formula and Adopted General Tier 4 and Safety Tier 4 Formulas* Highest three-year average final compensation (§31462) (FAS3).

**Retirement Benefit Formula:**

<b>County General</b>	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>Current Tier 3 Formula</i> (§31676.15)	50	(1.49% x FAS3 – 1/3 x 1.49% x \$350 x 12) x Yrs
	55	(2.00% x FAS3 – 1/3 x 2.00% x \$350 x 12) x Yrs
	60	(2.62% x FAS3 – 1/3 x 2.62% x \$350 x 12) x Yrs
	62	(2.82% x FAS3 – 1/3 x 2.82% x \$350 x 12) x Yrs
	65 or later	(3.13% x FAS3 – 1/3 x 3.13% x \$350 x 12) x Yrs
<i>Adopted Tier 4 Formula</i> (§31676.1)	50	(1.18% x FAS3 – 1/3 x 1.18% x \$350 x 12) x Yrs
	55	(1.49% x FAS3 – 1/3 x 1.49% x \$350 x 12) x Yrs
	60	(1.92% x FAS3 – 1/3 x 1.92% x \$350 x 12) x Yrs
	62	(2.09% x FAS3 – 1/3 x 2.09% x \$350 x 12) x Yrs
	65 or later	(2.43% x FAS3 – 1/3 x 2.43% x \$350 x 12) x Yrs

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

<b>County Safety</b>	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>Current Tier 2 Formula</i> (§31664.2)	50	$(2.29\% \times \text{FAS1} - 1/3 \times 2.29\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
	60 or later	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
<i>Adopted Tier 4 Formula</i> (§31664)	50	$(2.00\% \times \text{FAS3} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(2.62\% \times \text{FAS3} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
	60 or later	$(2.62\% \times \text{FAS3} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
<b>Maximum Benefit:</b>	100% of Final Compensation (§31676.15, §31676.1, §31664.2, §31664)	
<b>Post-retirement Cost-of-Living Benefits:</b>		
<i>Current General Tier 3 and Safety Tier 2 Formulas</i>	Future changes based on Consumer Price Index to a maximum of 3% per year; excess “banked” (§31870.1).	
<i>Adopted General Tier 4 and Safety Tier 4 Formulas</i>	None.	
<b>Ventura Settlement Benefits Section 9:</b>		
<i>Current General Tier 3 and Safety Tier 2 Formulas and Adopted Safety Tier 4 Formula</i>	All retired members are entitled to a \$3 per month year of service benefit. Future increase in this benefit will be tied to the amount of future undistributed earnings. For the purpose of this valuation, it is assumed that there will be no future increase in the amount of benefit.	
<i>Adopted General Tier 4 Formula</i>	None.	

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

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**Member Contributions:**

Please refer to Exhibit II for the specific rates.

**General Plans**

*Current Tier 3 Formula (§31676.15)*

*Basic*

Provide for an average annuity at age 55 equal to 1/200 of FAS3 (§31621.6 and §31630).

*Cost-of-Living*

Provide for one-half of future Cost-of-Living costs.

*Adopted Tier 4 Formula (§31676.1)*

*Basic*

Provide for an average annuity at age 60 equal to 1/120 of FAS3 (§31621).

*Cost-of-Living*

Not applicable.

**Safety Plans**

*Current Tier 2 Formula (§31664.2)*

*Basic*

Provide for an average annuity at age 50 equal to 1/200 of FAS1 (§31639.5).

*Cost-of-Living*

Provide for one-half of future Cost-of-Living costs.

*Adopted Tier 4 Formula (§31664)*

*Basic*

Provide for an average annuity at age 50 equal to 1/100 of FAS3 (§31639.25).

*Cost-of-Living*

Not applicable.

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

**EXHIBIT II**

**Individual Member Contribution Rates**

<b>County General Members' Contribution Rates (Expressed as a Percentage of Monthly Payroll)</b>								
<u>Entry Age</u>	<b>Current Tier 3 Formula (\$31676.15)</b>						<b>Adopted Tier 4 Formula (\$31676.1)</b>	
	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Combined	Combined	Basic Regular	Basic Regular
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	2.13%	3.19%	1.42%	2.13%	3.55%	5.32%	3.09%	4.63%
16	2.13%	3.19%	1.42%	2.13%	3.55%	5.32%	3.09%	4.63%
17	2.16%	3.24%	1.45%	2.17%	3.61%	5.41%	3.14%	4.70%
18	2.19%	3.29%	1.47%	2.20%	3.66%	5.49%	3.19%	4.78%
19	2.23%	3.34%	1.49%	2.24%	3.72%	5.58%	3.24%	4.85%
20	2.26%	3.39%	1.51%	2.27%	3.77%	5.66%	3.29%	4.93%
21	2.29%	3.44%	1.53%	2.30%	3.82%	5.74%	3.34%	5.01%
22	2.33%	3.50%	1.56%	2.34%	3.89%	5.84%	3.39%	5.08%
23	2.37%	3.55%	1.59%	2.38%	3.96%	5.93%	3.44%	5.16%
24	2.40%	3.60%	1.61%	2.41%	4.01%	6.01%	3.49%	5.24%
25	2.44%	3.66%	1.63%	2.45%	4.07%	6.11%	3.55%	5.32%
26	2.48%	3.72%	1.66%	2.49%	4.14%	6.21%	3.60%	5.41%
27	2.51%	3.77%	1.69%	2.53%	4.20%	6.30%	3.66%	5.49%
28	2.55%	3.83%	1.71%	2.56%	4.26%	6.39%	3.72%	5.57%
29	2.59%	3.89%	1.73%	2.60%	4.32%	6.49%	3.77%	5.66%
30	2.63%	3.95%	1.76%	2.64%	4.39%	6.59%	3.83%	5.75%
31	2.67%	4.01%	1.79%	2.68%	4.46%	6.69%	3.89%	5.83%
32	2.71%	4.07%	1.82%	2.73%	4.53%	6.80%	3.95%	5.92%
33	2.76%	4.13%	1.85%	2.77%	4.61%	6.90%	4.01%	6.01%
34	2.80%	4.20%	1.87%	2.81%	4.67%	7.01%	4.07%	6.11%
35	2.84%	4.26%	1.91%	2.86%	4.75%	7.12%	4.13%	6.20%
36	2.89%	4.33%	1.93%	2.90%	4.82%	7.23%	4.20%	6.30%
37	2.93%	4.40%	1.97%	2.95%	4.90%	7.35%	4.26%	6.39%
38	2.98%	4.47%	1.99%	2.99%	4.97%	7.46%	4.33%	6.49%

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

<b>County General Members' Contribution Rates (Expressed as a Percentage of Monthly Payroll)</b>								
<b>Entry Age</b>	<b>Current Tier 3 Formula (\$31676.15)</b>						<b>Adopted Tier 4 Formula (\$31676.1)</b>	
	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Combined	Combined	Basic Regular	Basic Regular
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
39	3.03%	4.54%	2.03%	3.04%	5.06%	7.58%	4.40%	6.59%
40	3.08%	4.62%	2.06%	3.09%	5.14%	7.71%	4.46%	6.70%
41	3.13%	4.70%	2.09%	3.14%	5.22%	7.84%	4.53%	6.80%
42	3.19%	4.78%	2.13%	3.20%	5.32%	7.98%	4.61%	6.91%
43	3.24%	4.86%	2.17%	3.26%	5.41%	8.12%	4.68%	7.02%
44	3.30%	4.95%	2.21%	3.32%	5.51%	8.27%	4.76%	7.14%
45	3.36%	5.05%	2.25%	3.38%	5.61%	8.43%	4.84%	7.25%
46	3.43%	5.14%	2.29%	3.44%	5.72%	8.58%	4.92%	7.38%
47	3.49%	5.23%	2.33%	3.50%	5.82%	8.73%	5.00%	7.50%
48	3.52%	5.28%	2.36%	3.54%	5.88%	8.82%	5.09%	7.64%
49	3.53%	5.30%	2.37%	3.55%	5.90%	8.85%	5.19%	7.78%
50	3.52%	5.28%	2.35%	3.53%	5.87%	8.81%	5.28%	7.92%
51	3.49%	5.24%	2.34%	3.51%	5.83%	8.75%	5.38%	8.07%
52	3.45%	5.18%	2.31%	3.47%	5.76%	8.65%	5.47%	8.21%
53	3.58%	5.36%	2.39%	3.59%	5.97%	8.95%	5.53%	8.30%
54	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.55%	8.32%
55	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.52%	8.29%
56	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.48%	8.22%
57	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.42%	8.13%
58	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.61%	8.42%
59 & Over	3.71%	5.56%	2.48%	3.72%	6.19%	9.28%	5.82%	8.73%

*COLA Loading:* 66.95% for Current Tier 3 Formula  
*Interest:* 7.75% per annum  
*COLA:* 3.00% for Current Tier 3 Formula, 0.00% for Adopted Tier 4 Formula  
*Salary Increases:* See Exhibit IV of the June 30, 2011 valuation report  
*Mortality:* See Exhibit IV of the June 30, 2011 valuation report

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

<b>County Safety Members' Contribution Rates (Expressed as a Percentage of Monthly Payroll)</b>								
<b>Entry Age</b>	<b>Current Tier 2 Formula (\$31664.2)</b>						<b>Adopted Tier 4 Formula (\$31664)</b>	
	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Combined	Combined	Basic Regular	Basic Regular
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
15	2.72%	4.08%	2.85%	4.27%	5.57%	8.35%	5.16%	7.74%
16	2.72%	4.08%	2.85%	4.27%	5.57%	8.35%	5.16%	7.74%
17	2.75%	4.13%	2.88%	4.32%	5.63%	8.45%	5.23%	7.84%
18	2.79%	4.18%	2.92%	4.38%	5.71%	8.56%	5.29%	7.94%
19	2.82%	4.24%	2.95%	4.43%	5.77%	8.67%	5.36%	8.04%
20	2.86%	4.29%	2.99%	4.49%	5.85%	8.78%	5.43%	8.14%
21	2.90%	4.34%	3.03%	4.55%	5.93%	8.89%	5.49%	8.24%
22	2.93%	4.40%	3.07%	4.60%	6.00%	9.00%	5.56%	8.35%
23	2.97%	4.45%	3.11%	4.66%	6.08%	9.11%	5.64%	8.45%
24	3.01%	4.51%	3.15%	4.72%	6.16%	9.23%	5.71%	8.56%
25	3.05%	4.57%	3.19%	4.78%	6.24%	9.35%	5.78%	8.67%
26	3.09%	4.63%	3.23%	4.85%	6.32%	9.48%	5.86%	8.78%
27	3.13%	4.69%	3.27%	4.91%	6.40%	9.60%	5.93%	8.90%
28	3.17%	4.75%	3.31%	4.97%	6.48%	9.72%	6.01%	9.02%
29	3.21%	4.81%	3.36%	5.04%	6.57%	9.85%	6.09%	9.14%
30	3.25%	4.88%	3.41%	5.11%	6.66%	9.99%	6.17%	9.26%
31	3.30%	4.95%	3.45%	5.18%	6.75%	10.13%	6.26%	9.38%
32	3.34%	5.01%	3.50%	5.25%	6.84%	10.26%	6.34%	9.52%
33	3.39%	5.09%	3.55%	5.32%	6.94%	10.41%	6.43%	9.65%
34	3.44%	5.16%	3.60%	5.40%	7.04%	10.56%	6.53%	9.79%
35	3.49%	5.24%	3.65%	5.48%	7.14%	10.72%	6.62%	9.93%
36	3.54%	5.32%	3.71%	5.56%	7.25%	10.88%	6.73%	10.09%
37	3.60%	5.40%	3.77%	5.65%	7.37%	11.05%	6.83%	10.25%
38	3.66%	5.49%	3.83%	5.75%	7.49%	11.24%	6.95%	10.42%

**SECTION 3: Adopted Benefit Changes for New County General and County Safety Members  
Supporting Exhibits**

<b>County Safety Members' Contribution Rates (Expressed as a Percentage of Monthly Payroll)</b>								
<b>Entry Age</b>	<b>Current Tier 2 Formula (\$31664.2)</b>						<b>Adopted Tier 4 Formula (\$31664)</b>	
	Basic Regular	Basic Regular	COLA Regular	COLA Regular	Combined	Combined	Basic Regular	Basic Regular
	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month	First \$350 per month	Over \$350 per month
39	3.73%	5.59%	3.90%	5.85%	7.63%	11.44%	7.07%	10.61%
40	3.80%	5.70%	3.98%	5.97%	7.78%	11.67%	7.17%	10.75%
41	3.88%	5.82%	4.06%	6.09%	7.94%	11.91%	7.23%	10.84%
42	3.90%	5.85%	4.08%	6.12%	7.98%	11.97%	7.25%	10.88%
43	3.91%	5.87%	4.10%	6.15%	8.01%	12.02%	7.27%	10.90%
44	3.93%	5.90%	4.12%	6.18%	8.05%	12.08%	7.26%	10.89%
45	3.94%	5.91%	4.13%	6.19%	8.07%	12.10%	7.22%	10.83%
46	3.92%	5.88%	4.11%	6.16%	8.03%	12.04%	7.16%	10.74%
47	3.89%	5.84%	4.07%	6.11%	7.96%	11.95%	7.08%	10.62%
48	3.86%	5.79%	4.04%	6.06%	7.90%	11.85%	7.33%	11.00%
49 & Over	3.80%	5.70%	3.98%	5.97%	7.78%	11.67%	7.60%	11.40%

COLA Loading: 104.67% for Current Tier 2 Formula  
 Interest: 7.75% per annum  
 COLA: 3.00% for Current Tier 2 Formula, 0.00% for Adopted Tier 4 Formula  
 Salary Increases: See Exhibit IV of the June 30, 2011 valuation report  
 Mortality: See Exhibit IV of the June 30, 2011 valuation report

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