



THE SEGAL COMPANY

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VIA E-MAIL AND USPS

January 22, 2013

Board of Retirement
Fresno County Employees' Retirement Association
1111 "H" Street
Fresno, CA 93721

**Re: Fresno County Employees' Retirement Association
Contribution Rates for CalPEPRA Formulas for the 2013/2014 Fiscal Year**

Dear Board Members:

This letter provides the contribution rates for the 2013/2014 Fiscal Year for FCERA members who are covered under the new CalPEPRA formulas.

Background

In our CalPEPRA new tier study report dated January 11, 2013, we provided the recommended contribution rates for the six-month period from January 1, 2013 to June 30, 2013. Since no demographic information is currently available for actual members who will be covered under the new CalPEPRA formulas, in that study we used the demographic profiles of General and Safety members with less than one year of service hired in the one year prior to the June 30, 2012 valuation date to estimate the Normal Cost contribution rates for members who may become covered under the CalPEPRA formulas. In that study, the Unfunded Actuarial Accrued Liability (UAAL) contribution rates for the six-month period from January 1, 2013 to June 30, 2013 are the same as those calculated in the June 30, 2011 actuarial valuation report and payable by the employer for the 2012/2013 Fiscal Year.

In this letter, we have provided the recommended contribution rates for the 2013/2014 Fiscal Year for the CalPEPRA formulas. In preparing these Normal Cost rates, we are continuing to recommend the same Normal Cost rates calculated above for the period January 1, 2013 through June 30, 2013. The UAAL contribution rates have been updated to reflect the UAAL rates that were calculated in the June 30, 2012 actuarial valuation and will be payable by the employer for the 2013/2014 Fiscal Year.

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The contribution rates for new members as defined by FCERA's implementation of CalPEPRA¹ for **the six-month period from January 1, 2013 to June 30, 2013** are as follows:

	<u>Employer Rate</u>	<u>Member Rate</u>
<u>General</u>		
Normal Cost	6.15%	6.25%
UAAL	<u>24.62%</u>	<u>0.00%</u>
Total	30.77%	6.25%
<u>Safety</u>		
Normal Cost	11.05%	11.25%
UAAL	<u>37.87%</u>	<u>0.00%</u>
Total	48.92%	11.25%

The contribution rates for new members as defined by FCERA's implementation of CalPEPRA¹ for **the period from July 1, 2013 to June 30, 2014** are as follows:

	<u>Employer Rate</u>	<u>Member Rate</u>
<u>General</u>		
Normal Cost	6.15%	6.25%
UAAL	<u>26.55%</u>	<u>0.00%</u>
Total	32.70%	6.25%
<u>Safety</u>		
Normal Cost	11.05%	11.25%
UAAL	<u>40.71%</u>	<u>0.00%</u>
Total	51.76%	11.25%

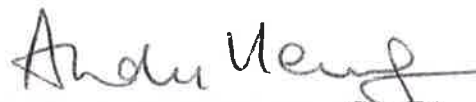
The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We look forward to discussing this information with you.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary



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

MYM/kek

¹ Please see definition of "new member" as posted by FCERA on their website.