

COATES, HERFURTH & ENGLAND

CONSULTING ACTUARIES

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July 1, 1975

Mr. Aston Brock, Retirement Supervisor  
County of Fresno  
Employees' Retirement Association  
Post Office Box 747  
Room 105, Hall of Records  
Fresno, California 93712

Dear Mr. Brock:

At your request we have assembled a small supplement to the regular Actuarial Report of the Employees' Retirement Association of the County of Fresno made to the Board of Retirement as of October 31, 1974.

The contribution rates provided in this letter assume the Safety Member Provisions under Section 31639.5 as well as the Miscellaneous Members under Section 31621.5. The final average salary basis has been assumed to be one year.

It should be noted that the Members' cost of living contributions are equivalent to 37.98% of the total revised employee normal contributions as indicated in this letter. This percentage applied to the revised employee normal rates results in the same amount of employee cost of living contributions as shown in our report since we were informed that the County intends to make the same cost of living payments as indicated in that report.

The County Cost of Living Contribution Rate is at a level such that it will exactly match the cost of living contributions made by the Members. This assumes a maximum change in the cost of living benefit of 3% per year.

For the County's basic contribution rate we recommend the following:

The funding is to be provided under Section 31453.5 (better known as AB777).

	<u>Percentage of Monthly Salaries</u>			
	<u>Safety Members</u>		<u>Miscellaneous Members (31676.12)</u>	
	<u>Not Over \$350</u>	<u>Excess Salary</u>	<u>Not Over \$350</u>	<u>Excess Salary</u>
Current service	16.48%	24.72%	8.34%	12.51%
Death	.01	.02	.06	.09
Prior service	-	-	-	-
Total rate	16.49%	24.74%	8.40%	12.60%

The above rates applied to the annual salaries used in the valuation as of October 31, 1974, produce the following results:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>Total</u>
Payroll	\$ 4,684,542	\$ 44,845,904	\$ 49,530,446
County Contribution	1,047,900	4,910,600	5,958,500

Based on the County's present contribution rates, the corresponding figures would be \$1,143,155 and \$4,015,354 for the Safety and Miscellaneous members respectively, producing a total County annual contribution of \$5,158,509.

In our opinion, with the adoption by the County of recommendations made above, the System will continue to be maintained on a sound actuarial basis, in accordance with the provisions of the 1937 County Law.

Respectfully submitted,

COATES, HERFURTH & ENGLAND  
Consulting Actuaries

By Robert D. Drisko  
Robert D. Drisko

RDD/djd

Enclosures

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Miscellaneous Members' Contribution Rates

Section 31621.5

One Year Final Average Salary

Male Members

Female Members

Contribution Rate Applicable to:

Contribution Rate Applicable to:

<u>Entry Age</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>
16	1.65%	2.48%	1.88%	2.82%
17	1.67	2.50	1.91	2.87
18	1.68	2.52	1.94	2.91
19	1.70	2.55	1.97	2.95
20	1.72	2.58	2.00	3.00
21	1.73	2.60	2.03	3.04
22	1.75	2.63	2.05	3.08
23	1.77	2.66	2.09	3.14
24	1.80	2.70	2.12	3.18
25	1.83	2.74	2.16	3.24
26	1.85	2.78	2.20	3.30
27	1.88	2.82	2.24	3.36
28	1.92	2.88	2.28	3.42
29	1.96	2.94	2.32	3.48
30	2.00	3.00	2.36	3.54
31	2.04	3.06	2.40	3.60
32	2.08	3.12	2.45	3.67
33	2.13	3.19	2.49	3.74
34	2.17	3.26	2.54	3.81
35	2.23	3.34	2.59	3.88
36	2.28	3.42	2.64	3.96
37	2.33	3.49	2.69	4.04
38	2.38	3.57	2.75	4.12
39	2.44	3.66	2.80	4.20

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Miscellaneous Members' Contribution Rates

Section 31621.5

One Year Final Average Salary

(Continued)

Male Members

Female Members

Contribution Rate Applicable to:

Contribution Rate Applicable to:

<u>Entry Age</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>
40	2.48%	3.73%	2.85%	4.28%
41	2.55	3.82	2.91	4.36
42	2.60	3.90	2.96	4.44
43	2.65	3.98	3.03	4.54
44	2.72	4.08	3.08	4.62
45	2.77	4.16	3.15	4.72
46	2.83	4.25	3.21	4.81
47	2.89	4.34	3.27	4.91
48	2.96	4.44	3.33	5.00
49	3.01	4.52	3.40	5.10
50	3.08	4.62	3.47	5.21
51	3.15	4.72	3.55	5.32
52	3.21	4.81	3.61	5.42
53	3.28	4.92	3.68	5.52
54	3.35	5.02	3.76	5.64
55	3.41	5.12	3.84	5.76
56	3.48	5.22	3.91	5.87
57	3.55	5.32	3.99	5.99
58	3.62	5.43	4.07	6.11
59 & Over	3.69	5.54	4.15	6.23

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Safety Members' Rate of Contribution

Section 31639.5

One Year Final Average Salary

Contribution Rate Applicable to:

<u>Age</u>	<u>First \$350 of Monthly Compensation</u>	<u>Compensation Over \$350</u>
21	2.61%	3.91%
22	2.65	3.98
23	2.71	4.06
24	2.76	4.14
25	2.81	4.22
26	2.87	4.30
27	2.92	4.38
28	2.98	4.47
29	3.04	4.56
30	3.10	4.65
31	3.16	4.74
32	3.23	4.84
33	3.29	4.94
34	3.36	5.04
35 & Over	3.43	5.14

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Safety Members Cost of Living Contribution Rates

Section 31664

One Year Final Average Salary

Contribution Rate Applicable to:

<u>Age</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>
21	.99%	1.48%
22	1.01	1.51
23	1.03	1.54
24	1.05	1.57
25	1.07	1.60
26	1.09	1.63
27	1.11	1.66
28	1.13	1.70
29	1.15	1.73
30	1.18	1.77
31	1.20	1.80
32	1.23	1.84
33	1.25	1.88
34	1.27	1.91
35 & Over	1.30	1.95

Three percent maximum increase per annum.

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Miscellaneous Members' Cost of Living Contribution Rates  
Section 31676.12

One Year Final Average Salary

<u>Entry Age</u>	<u>MALE</u>		<u>FEMALE</u>	
	<u>Contribution Rate Applicable to:</u>	<u>Contribution Rate Applicable to:</u>	<u>Contribution Rate Applicable to:</u>	<u>Contribution Rate Applicable to:</u>
	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>	<u>First \$350 of Monthly Compensation</u>	<u>Excess of Monthly Compensation Over \$350</u>
16	.63%	.94%	.71%	1.07%
17	.63	.95	.73	1.09
18	.64	.96	.73	1.10
19	.65	.97	.75	1.12
20	.65	.98	.76	1.14
21	.66	.99	.77	1.15
22	.67	1.00	.78	1.17
23	.67	1.01	.79	1.19
24	.68	1.02	.81	1.21
25	.69	1.04	.82	1.23
26	.71	1.06	.83	1.25
27	.71	1.07	.85	1.27
28	.73	1.09	.87	1.30
29	.75	1.12	.88	1.32
30	.76	1.14	.89	1.34
31	.77	1.16	.91	1.37
32	.79	1.18	.93	1.39
33	.81	1.21	.95	1.42
34	.83	1.24	.97	1.45
35	.85	1.27	.98	1.47
36	.87	1.30	1.00	1.50
37	.89	1.33	1.02	1.53
38	.91	1.36	1.04	1.56
39	.93	1.39	1.06	1.59

Three percent maximum increase per annum.

EMPLOYEES' RETIREMENT ASSOCIATION

OF THE

COUNTY OF FRESNO

Miscellaneous Members Cost of Living Contribution Rates  
Section 31676.12

One Year Final Average Salary  
(Continued)

MALE

FEMALE

Contribution Rate Applicable to:

Contribution Rate Applicable to:

Entry Age	MALE		FEMALE	
	First \$350 of Monthly Compensation	Excess of Monthly Compensation Over \$350	First \$350 of Monthly Compensation	Excess of Monthly Compensation Over \$350
40	.95%	1.42%	1.09%	1.63%
41	.97	1.45	1.11	1.66
42	.99	1.48	1.13	1.69
43	1.01	1.51	1.15	1.72
44	1.03	1.55	1.17	1.76
45	1.05	1.58	1.19	1.79
46	1.07	1.61	1.22	1.83
47	1.10	1.65	1.24	1.86
48	1.12	1.68	1.27	1.90
49	1.15	1.72	1.29	1.94
50	1.17	1.76	1.32	1.98
51	1.19	1.79	1.35	2.02
52	1.22	1.83	1.37	2.06
53	1.25	1.87	1.40	2.10
54	1.27	1.90	1.43	2.14
55	1.29	1.94	1.46	2.19
56	1.32	1.98	1.49	2.23
57	1.35	2.02	1.52	2.28
58	1.37	2.06	1.55	2.32
59 & Over	1.40	2.10	1.58	2.37

Three percent maximum increase per annum.