

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # \*B-1

Urgent

Routine

AGENDA DATE June 9, 2015

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Accept the Actuarial Valuation as of June 30, 2014 and Adopt Retirement Contribution Rates for Budget Year 2015-2016

STAFF RECOMMENDATIONS:

1. Accept the Actuarial Valuation as of June 30, 2014 and adopt the retirement contribution rates for Budget Year 2015-2016 as recommended by the Stanislaus County Employees' Retirement Association Board of Retirement.
2. Direct the Auditor-Controller to change the employer and Tier 6 employee retirement contribution rates for Budget Year 2015-2016 in accordance with the actuarial valuation of June 30, 2014 on the payroll check date of August 5, 2015.

FISCAL IMPACT:

The 2015-2016 Budget Year net employer contribution rate is 23.35%, an increase over last year's rate of 22.94%. This represents composite rates inclusive of safety and general members which were included to develop the 2015-2016 Budget. The fiscal impact of the StanCERA rate increase of .41% is approximately \$905,000 for Stanislaus County, of which \$371,608 is General Fund. Rates are reflective of a total projected contribution from the County.

Continued on Page 2

BOARD ACTION AS FOLLOWS:

No. 2015-252

On motion of Supervisor Monteith, Seconded by Supervisor De Martini  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, De Martini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Assistant Clerk

File No.

**FISCAL IMPACT: (Continued)**

The overall cost of the retirement contribution rates for Stanislaus County is estimated to be \$54,691,017. Of this amount, \$22,457,066 is reflective of General Fund costs. Actual contribution will vary based on a number of factors (number of employees, salaries, etc.). These amounts are based on the employer contribution rates received in the March 11, 2015 Actuarial Review and Analysis as of June 30, 2014.

**DISCUSSION:**

On March 17, 2015 Stanislaus County received a Budget Year 2015-2016 Retirement Contribution Transmittal Letter from the Stanislaus County Employees' Retirement Association (StanCERA). This letter was to notify Stanislaus County of the Employer Contribution Rates that go into effect the first full pay period of the 2015-2016 Budget Year. (Letter Attached)

StanCERA administers retirement benefits for multiple employers, Stanislaus County being the largest contributor to the fund. Each year an actuarial valuation is conducted of the Stanislaus County Employees' Retirement Association. The report contains information on the Plan's Assets and Liabilities. It also discloses employer contribution levels and exhibits required for the Plan's Comprehensive Annual Financial Report. On March 11, 2015 the Actuarial Valuation as of June 30, 2014 was presented by Cheiron to the StanCERA Retirement Board. The Actuarial Valuation determines the employer contributions required for the employers' budget year beginning July 1, 2015. The funding policy is to collect contributions from the employers and employees. These costs are the sum of:

- The Normal Cost under the Entry Age Normal Cost Method
- Amortization of the Unfunded Actuarial Liability and
- The expected administrative expenses.

The Unfunded Actuarial Liability payment is determined as the amount needed to fund the outstanding Unfunded Actuarial Liability as of June 30, 2014 over a period of 22 years as a level percentage of pay.

The change in the 2015-2016 Budget Year rates are mainly due to:

- The actuarial liabilities of the Plan increased slightly more than expected due to demographic losses and new employees. These and other unexpected changes resulted in a liability of \$6.1 million.
- The addition of the assets and liabilities associated with the lump sum, post-retirement, death benefit to the valuation led to an increase in the Unfunded Actuarial Liability of \$.04 million.

Approval to Accept the Actuarial Valuation as of June 30, 2014 and Adopt Retirement Contribution Rates for Budget Year 2015-2016  
Page 3

- Changes in funding methodology due to Government Accounting Standard's Board (GASB) requirements. In Fiscal Year 2014-2015 StanCERA Board of Retirement decided to phase in the 2.1% increase over 2 years instead of increasing the entire amount in one year. Budget Year 2015-2016 employer rates now fully reflect the increase in the contribution rate.
- The Unfunded Actuarial Liability decreased by \$12.8 million, from \$395.1 million to \$382.3 million due to investment gains.

The Plan's funded ratio, the ratio of Actuarial Assets over Actuarial Liability, increased from 79.4% last year to 81.1% as of June 30, 2014. The funded ratio measured using the market value of assets increased from 79.4% last year to 87.5% as of June 30, 2014. The Actuarial Value of Assets is lower than the market value of assets due to the impact of deferred investment losses.

Fiscal Year 2014-2015 Employer Contribution Rates for Stanislaus County Members

2014-2015 Employer Rate	General Member Contribution						Safety Member Contribution			
Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 2	Tier 4	Tier 5	Tier 6
Normal Cost	13.56%	7.45%	3.08%	14.43%	9.69%	7.63%	14.07%	29.47%	18.89%	12.82%
Unfunded Liability	10.93%	10.93%	10.93%	10.93%	10.93%	10.93%	15.71%	15.71%	15.71%	15.71%
Administrative Expense	1.00%	0.75%	0.57%	1.04%	0.84%	0.76%	1.22%	1.84%	1.41%	1.17%
Phase-in of Actuarial Cost Method Change	-0.83%	-0.83%	-0.83%	-0.83%	-0.83%	-0.83%	-2.06%	-2.06%	-2.06%	-2.06%
Contribution Rate	24.66%	18.30%	13.75%	25.57%	20.63%	18.49%	28.94%	44.96%	33.95%	27.64%

Budget Year 2015-2016 Employer Contribution Rates for Stanislaus County Members

2015-2016 Employer Rate	General Member Contribution						Safety Member Contribution			
Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 2	Tier 4	Tier 5	Tier 6
Normal Cost	14.62%	7.79%	3.13%	14.64%	9.98%	7.28%	13.90%	26.10%	18.10%	11.84%
Unfunded Liability	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%	15.55%	15.55%	15.55%	15.55%
Administrative Expense	0.99%	0.72%	0.54%	1.00%	0.81%	0.70%	1.17%	1.66%	1.34%	1.09%
Contribution Rate	26.01%	18.91%	14.07%	26.04%	21.19%	18.38%	30.62%	43.31%	34.99%	28.48%

Comparison from Fiscal Year 2014-2015 to Budget Year 2015-2016 and current number of employees in each tier.

	General Member Contribution						Safety Member Contribution			
Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 2	Tier 4	Tier 5	Tier 6
Difference in Contribution Rate	1.35%	0.61%	0.32%	0.47%	0.56%	-0.11%	1.68%	-1.65%	1.04%	0.84%
Number of Current Employees	1	247	17	35	2,053	694	49	2	433	158

**Budget Year 2015-2016 Employee Contribution Rates**

On September 12, 2012 the Governor of California signed into law the Public Employee Pension Reform Act (PEPRA). This change was effective for new County members hired on or after January 1, 2013. As the number of new hires goes up, the overall retirement cost will be less per member as the rate is applied to a lower amount of compensation than the other tiers. For the new PEPRA Tier 6, Government Code Section 7522.30 requires new employees to pay 50% of the total normal cost. Each year, the actuary recalculates and adjusts the total normal cost for the plan and in general, that cost does not change by much. Consequently, employee contribution rates for PEPRA tier most likely will change slightly each year. Tier 6 employee contribution rates for 2015-2016 are displayed in the table below with 2014-2015 rates show for comparison. For all tiers other than the PEPRA Tier 6, employee contributions rates will not change for Budget Year 2015-2016.

<b>Classification</b>	<b>2014-2015 Rates</b>	<b>2015-2016 Rates</b>
General	7.63%	7.28%
Safety	12.82%	11.83%

Future changes to employer contribution rates may be a result of a required experience study. Actuarial experience studies are performed every three years, of which the last experience study was performed in 2012 and approved by the Retirement Board on January 22, 2013. The experience study impacts how the employer rates are calculated. The next experience study will be performed in the 2015-2016 Budget Year. As with every experience study, there is a potential exposure to employer rates. One such example is the recommendation by the Society of Actuaries to use mortality tables that incorporate improvement in life expectancy over time. This change in rates could potentially increase rates up to an additional 5%.

**POLICY ISSUES:**

Effective July 1, 1948, the Stanislaus County Board of Supervisors began offering retirement benefits to County employees pursuant to the County Employees Retirement Law of 1937 (Government Code Section 31450 et seq). Retirement benefits are funded on an actuarially sound basis according to the 1937 Act.

Specifically, Pursuant to Government Code Section 31454:

"The Board of Supervisors shall .... adjust the rate of interest, the rates of contributions of members, and county and district appropriations in accordance with the recommendation of the Board [of Retirement], but shall not fix them in such amounts as to reduce the individual benefits provided in this chapter [CERL]."

Government Code Section 31584 further states that:

"The Board of Supervisors shall make the appropriations and if it fails or neglects to make appropriations, the County Auditor shall transfer from any money available in any fund in the County Treasury the sums specified by this chapter [CERL], and this transfer shall have the same force and effect as it would have had if the required appropriations had been made by the Board of Supervisors."

Approval of this Agenda Item adopting the new Retirement Contribution Rates for Budget Year 2015-2016 will address the Board of Supervisor's priorities of Efficient Delivery of Public Services and Effective Partnerships.

**STAFFING IMPACT:**

While the production and implementation of annual retirement contribution rates does not require additional staff, the increases or decreases in required contribution rates may have some impact on staffing service levels.

**CONTACT INFORMATION:**

Jody Hayes, Assistant Executive Officer, (209) 525-6333



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
832 12<sup>th</sup> Street, Suite 600  
P O Box 3150  
Modesto, CA 95353-3150

Phone (209) 525-6393  
Fax (209) 558-4976  
www.stancera.org  
e-mail: retirement@stancera.org

March 13, 2015

To: Stanislaus County, Board of Supervisors  
Terry Withrow, Chairman  
1010<sup>th</sup> Street, Suite 6700  
Modesto, CA 95354

Stanislaus County Superior Court  
Rebecca Flemming, Court Executive Officer  
800 11<sup>th</sup> Street  
Modesto, CA 95354

City of Ceres  
Chris Vierra, Mayor  
2720 Second Street  
Ceres, CA 95307

East Side Mosquito Abatement District  
Kandy Schmidt, Chairman  
2000 Santa Fe Ave.  
Modesto, CA 95357

Stanislaus Council of Governments  
Vito Chiesa, Chairman  
1111 I Street, Suite 308  
Modesto, CA 95354

Keyes Community Services District  
Johnathon Parker, Board Chair  
PO Box 699  
Keyes, CA 95328

Salida Sanitary District  
Gary Horton, President  
PO Box 445  
Salida, CA 95368

Hills Ferry Cemetery District  
Ken Moeller, District Manager  
PO Box 657  
Newman, CA 95360

Re: Fiscal Year 2015-2016 Retirement Contribution Rates and Funded Status

On March 11, 2015, the Board of Retirement of the Stanislaus County Employees' Retirement Association (StanCERA) accepted the attached June 30, 2014 Actuarial Valuation.

The June 30, 2014 funded status for StanCERA is 87.7 percent. This compares with 79.4 percent for the previous fiscal year. The actuarially determined net employer contribution rate increased from 22.94 percent of payroll to 23.35 percent of payroll from the previous year. The specific contribution rates per employer, plan, and tier are presented on pages 29 and 30. Employee contribution rates are presented on pages 73-80.

The Board of Retirement is pleased to submit the 2014 valuation report to the employer agencies of StanCERA. Please don't hesitate to contact Kathy Herman or Rick Santos if you have any questions.

Respectfully,

Maria De Anda  
Chair, Board of Retirement

Attachment

cc Rick Santos, Executive Director  
Kathy Herman, Fiscal Services Manager

BOARD OF SUPERVISORS  
2015 MAR 18 A 8:27



**Stanislaus County  
Employees' Retirement  
Association**

**Actuarial Valuation  
as of  
June 30, 2014**

**Produced by *Cheiron***

**March 11, 2015**

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**LETTER OF TRANSMITTAL**

March 11, 2015

Board of Retirement  
Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95353

Dear Members of the Board:

At your request, we have conducted an actuarial valuation of the Stanislaus County Employees' Retirement Association (StanCERA, the Fund, the Plan) as of June 30, 2014. This report contains information on the Plan's assets and liabilities. This report also discloses employer contribution levels and exhibits required for the Plan's Comprehensive Annual Financial Report (CAFR). Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of StanCERA. This report is for the use of StanCERA and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

Cheiron's report was prepared solely for StanCERA for the purposes described herein, except that the Plan auditor may rely on this report solely for the purpose of completing an audit related to the matters herein. It is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Sincerely,  
Cheiron

Robert T. McCrory, FSA, FCA, EA, MAAA  
Principal Consulting Actuary

Graham A. Schmidt, ASA, MAAA  
Consulting Actuary



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**FOREWORD**

Cheiron has performed the actuarial valuation of the Stanislaus County Employees' Retirement Association as of June 30, 2014. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation and disclose important trends.
- The **Main Body** of the report presents details on the Plan's
  - Section II - Assets
  - Section III - Liabilities
  - Section IV - Contributions
  - Section V - Required CAFR Exhibits
- In the **Appendices** we conclude our report with detailed information describing Plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent Plan provisions (Appendix C), a glossary of key actuarial terms (Appendix D), and tables containing member contribution rates (Appendix E).

The results of this report rely on future Plan experience conforming to the underlying assumptions. To the extent that actual Plan experience deviates from the underlying assumptions, the results would vary accordingly.

In preparing our report, we relied on information supplied by the StanCERA staff. This information includes, but is not limited to, Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

SECTION I  
EXECUTIVE SUMMARY

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The funded status of the Plan;
- Past and expected trends in the funding progress of the Plan;
- Employer and employee contribution rates for Plan Year 2015-2016; and
- Information required for the Comprehensive Annual Financial Report (CAFR).

In the balance of this Executive Summary we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key results, (C) an examination of the historical trends, and (D) the projected outlook for the Plan.

**A. Valuation Basis**

This valuation determines the employer contributions required for the employers' fiscal years beginning July 1, 2015. The employers include the County of Stanislaus and related employers, the City of Ceres and other participating Special Districts.

The Plan's funding policy is to collect contributions from the employers and employees equal to the sum of:

- The Normal Cost under the Entry Age Normal Cost Method;
- Amortization of the Unfunded Actuarial Liability (UAL); and
- The Fund's expected administrative expenses.

The UAL payment is determined as the amount needed to fund the outstanding UAL as of June 30, 2014 over a period of 22 years as a level percentage of pay.

This valuation was prepared based on the Plan provisions shown in Appendix C, which are unchanged since the prior valuation.

There was a change in the actuarial methods since the prior valuation: the inclusion of the liabilities and assets associated with the \$5,000 lump-sum, post-retirement, death benefit, which were previously treated as non-valuation liabilities and reserves.

Actuarial experience studies are performed every three years. This valuation was performed on the basis of the economic and demographic assumptions and methods that were determined in the Actuarial Experience Study performed by EFI/Cheiron as of June 30, 2012 and adopted by the Board on January 22, 2013. A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

SECTION I  
EXECUTIVE SUMMARY

**B. Key Findings of this Valuation**

The key results of the June 30, 2014 actuarial valuation are as follows:

- The actuarially determined employer contribution rate decreased from 24.00% of payroll to 23.35% of payroll for the current valuation. Last year the contribution rate was reduced from the actuarially determined amount (to 22.94% of payroll), reflecting a 2-year phase-in of the impact of changes to the Actuarial Cost Method. The changes to the Cost Method are now fully reflected in the required contribution rate.
- The Plan's funded ratio, the ratio of Actuarial Assets over Actuarial Liability, increased slightly from 79.4% last year to 81.1% as of June 30, 2014. The funded ratio measured using the market value of assets increased from 79.4% last year to 87.5% as of June 30, 2014.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan's Actuarial Liability over the Actuarial Value of Assets. The Plan experienced a decrease in the UAL from \$395.1 million to \$382.3 million as of June 30, 2014. This decrease in UAL was primarily due to investment gains.
- During the year ended June 30, 2014, the return on Plan assets was 17.96% on a market value basis net of investment (but not administrative) expenses, as compared to the 7.75% assumption. The Actuarial Value of Assets recognizes 20% of the difference between the expected and actual return on the market value of assets (MVA). This method of smoothing the asset gains and losses returned 9.41% on the smoothed value of assets, an actuarial asset gain of \$27.1 million.
- During the 2013-14 Plan Year, the actuarial liabilities of the Plan increased slightly more than expected due to demographic losses and new entrants. These and other unexpected changes resulted in a small liability loss of \$6.1 million.
- The addition of the assets and liabilities associated with the lump sum, post-retirement, death benefit to this valuation led to an increase in the UAL of \$0.4 million.
- Overall participant membership increased compared to last year. There were 435 new hires and rehires during 2013-2014 and the total active population increased from 3,924 to 3,992. Total projected payroll increased from \$222,897,794 to \$235,092,377.

On the next page we present Tables I-1 and I-2 which summarize the key results of the valuation with respect to assets and liabilities, contributions and membership. The results are presented and compared for both the current and prior Plan year.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION I  
EXECUTIVE SUMMARY**

<b>Table I-1</b>			
<b>Stanislaus County Employees' Retirement Association</b>			
<b>Summary of Key Valuation Results</b>			
(in millions)			
<b>Valuation Date</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	
<b>Fiscal Year End</b>	<b>2015</b>	<b>2016</b>	
Actuarial Liability	\$ 1,919.2	\$ 2,026.4	
Actuarial Value of Assets*	<u>\$ 1,524.1</u>	<u>\$ 1,644.1</u>	
Unfunded Actuarial Liability (actuarial value)	\$ 395.2	\$ 382.3	
Funding Ratio (actuarial value)	79.4%	81.1%	
Net Employer Contribution Rate**	24.00%	23.35%	

\* Net of non-valuation reserves.

\*\* Prior to phase in of the actuarial cost method change.

<b>Table I-2</b>				
<b>Membership Total</b>				
<b>Item</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>% Change</b>	
Actives	3,924	3,992	1.7%	
Current Inactives	925	962	4.0%	
Retired Members	<u>3,249</u>	<u>3,385</u>	<u>4.2%</u>	
Total Members	8,098	8,339	3.0%	
Ratio of Retired Members to Active Members	82.8%	84.8%		
Active Member Payroll (FYE 2014/2015)	\$ 222,897,794	\$ 235,092,377	5.5%	
Average Pay per Active	\$ 56,804	\$ 58,891	3.7%	

We note in Table I-2 that the ratio of retired members to active members continues to increase, indicating the ongoing maturation of the Plan.



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION I  
EXECUTIVE SUMMARY**

**Assets and Liabilities**

Table I-3 presents a comparison between the June 30, 2013 and June 30, 2014 StanCERA assets, liabilities, Unfunded Actuarial Liability, and funding ratios, both on a market and smoothed basis.

Table I-3 indicates that the Actuarial Liability increased by 5.6% and the Actuarial Value of Assets increased by 7.9%, resulting in an increase in the funding ratio from 79.4% as of June 30, 2013 to 81.1% as of June 30, 2014. StanCERA employs a commonly used actuarial smoothing method on the market value that dampens market volatility, so the Actuarial Value of Assets increased by less than the market value, because of the impact of deferred investment losses from 2011-12 and deferred investment gains from the current and prior year. The funding ratio measured on a market value of assets basis was 87.5% as of June 30, 2014.

Section II provides additional information explaining the development of the Actuarial Value of Assets.

<b>Table I-3</b>				
<b>Assets &amp; Liabilities</b>				
(in millions)				
<b>Item</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>% Change</b>	
<b>Actuarial Liability</b>				
Actives	\$ 776.2	\$ 795.4	2.5%	
Current Inactives	77.2	86.2	11.7%	
Retired Members	1,065.8	1,144.7	7.4%	
Total Actuarial Liability	\$ 1,919.2	\$ 2,026.4	5.6%	
Market Value of Assets (MVA)	\$ 1,523.0	\$ 1,773.6	16.5%	
Actuarial Value of Assets (AVA)	\$ 1,524.1	\$ 1,644.1	7.9%	
Unfunded Actuarial Liability - MVA	\$ 396.2	\$ 252.8	-36.2%	
Unfunded Actuarial Liability - AVA	\$ 395.1	\$ 382.3	-3.2%	
Funding Ratio - MVA	79.4%	87.5%	8.1%	
Funding Ratio - AVA	79.4%	81.1%	1.7%	

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

SECTION 1  
EXECUTIVE SUMMARY

Changes in UAL

The Unfunded Actuarial Liability (UAL) for StanCERA decreased by \$12.8 million, from \$395.1 million to \$382.3 million. Table I-4 below presents the specific components of the change in the UAL.

As noted above, the return on the actuarial assets used to compute the UAL and the employer contribution rate was 9.4% during the 2013-14 Plan year. Investment returns higher than the assumed rate of 7.75% on a smoothed basis decreased the UAL by \$27.1 million.

This smoothed investment gain was partially offset by the fact that the Plan received a smaller contribution than the actuarially determined amount. This is partly a result of the 12-month delay in the implementation of the contribution rates and partly a result of the 2-year phase-in of the impact of the Actuarial Cost Method changes. The net impact was an increase in the UAL by \$4.5 million.

There were also small liability losses that increased the UAL by \$6.1 million, partly due to retirements and new entrants. The inclusion of the assets and liabilities associated with the \$5,000 lump sum death benefit increased the UAL by an additional \$0.4 million.

The expected change in the UAL due to the yearly amortization of the UAL balance - an increase of \$3.3 million, as a result of the amortization schedule for the current year - combined with the above UAL changes to produce an overall reduction of \$12.8 million in the UAL last year.

<b>Experience</b>	<b>in millions</b>
1. Unfunded actuarial liability, 6/30/2013	\$ 395.1
2. Expected change in unfunded actuarial liability	\$ 3.3
3. Unfunded decrease due to investment gain	(27.1)
4. Unfunded increase due to contribution shortfall	4.5
5. Unfunded increase due to liability loss	6.1
6. Unfunded increase due to change in actuarial cost method	0.4
7. Total change in unfunded actuarial liability	\$ (12.8)
8. Unfunded actuarial liability, 6/30/2014	\$ 382.3

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION I  
EXECUTIVE SUMMARY**

**Changes in Employer Contributions**

Thus far the experience of the 2013-14 Plan year has been presented in terms of the UAL and funded ratio. Table I-5 below summarizes the impact of actuarial experience and changes in assumptions on the employer contribution rate.

<b>Table I-5 Employer Contribution Reconciliation</b>				
<b>Item</b>	<b>Total</b>	<b>Normal Cost</b>	<b>Amortization</b>	<b>Admin Expense</b>
<b>FYE 2015 Net Employer Contribution Rate</b>	<b>22.94%</b>	<b>8.42%</b>	<b>13.58%</b>	<b>0.94%</b>
Change Due to Asset Gain	-0.81%	0.00%	-0.81%	0.00%
Change Due to Contribution Shortfall / Phase-In	0.13%	0.00%	0.13%	0.00%
Change Due to Demographic Changes	0.08%	-0.17%	0.25%	0.00%
Change Due to Effect of Payroll on Amortization	-0.09%	0.00%	-0.04%	-0.05%
Change Due to Methods / Assumptions				
Phase-In of Prior Liability Cost Method	1.06%	2.85%	-1.79%	0.00%
Incorporation of Burial Allowance	<u>0.04%</u>	<u>0.03%</u>	<u>0.01%</u>	<u>0.00%</u>
<b>FYE 2016 Net Employer Contribution Rate</b>	<b>23.35%</b>	<b>11.13%</b>	<b>11.33%</b>	<b>0.89%</b>

A review of the changes in the employer contribution rate from the prior valuation reveals that Plan experience during the year – including demographic and salary changes, as well as asset experience – resulted in a net decrease in the employer contribution rate of 0.68% of pay before changes in the actuarial methods are taken into account:

- Asset experience produced an investment gain on a market basis and a smoothed basis, as described earlier. The smoothed gain reduced the contribution rate by 0.81% of pay.

The ratio of actuarial to market value of assets is 92.8%. There are now \$130 million in net deferred gains as of June 30, 2014, as well as over \$15 million in a non-valuation Contingency Reserve.

- The positive asset experience was partially offset by the fact that the Plan received a smaller contribution than the actuarially determined amount, as described earlier. The net impact of the shortfall was an increase in the cost by 0.13% of pay.
- The demographic experience of the Plan caused a small (0.01% of pay) decrease in cost.

The demographic experience of the Plan – rates of retirement, death, disability, and termination, as well as salary and COLA changes – caused a small increase in the accrued



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liabilities. However, the increase in overall payroll was higher than expected, which resulted in a reduction in the amortization and expense payments as a percentage of payroll. The average employer normal cost rate also declined, due to the replacement of legacy employees with PEPRA new hires.

Continued recognition of the changes to the Plan's Actuarial Cost Method, and the addition of a lump sum, post-retirement, death benefit provision to the liability valuation, resulted in an increase in the contribution rate of 1.10% of pay.

- The Experience Study (and the outside Actuarial Audit performed by Segal in 2013) recommended a change in the Actuarial Cost Method: from the Aggregate Entry Age-to-Decrement Method to the Individual Entry Age-to-Final-Decrement. This change brought the Plan's funding calculations in line with those now used for disclosure purposes for the new Government Account Standards Board pension accounting standards (GASB 67/68). The change in Cost Method reduced the Actuarial Liability and amortization payment, but increased the Normal Cost, for a net increase of 2.13% in the contribution rate last year. A 1.06% increase in the contribution rate this year is present due to the second year of the phase-in of this cost increase.
- The inclusion of the assets, liabilities, and normal costs associated with the lump sum death benefit (or Burial Allowance) increased the contribution rate by 0.04% of pay.

**Plan Risk**

Table I-6 below shows the ratio of assets to active member payroll for StanCERA.

Active Member Payroll	235,092,377
Assets (Market Value)	1,773,637,108
Ratio of Assets to Payroll	7.54
Ratio with 100% Funding	8.62

One of the most important measures of a plan's risk is the ratio of plan assets to payroll. The table above shows StanCERA's assets as a percentage of active member payroll. This ratio indicates the sensitivity of the Plan to the returns earned on Plan assets.

We note in the table that Plan assets currently are 7.5 times covered payroll for the Plan; as a point of reference, the average asset-to-payroll ratio for the '37 Act systems as a whole is also currently around 7.5. As funding improves and the Plan reaches 100% funding, the ratio of asset

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to payroll will approach 9 times payroll, perhaps higher depending on the Plan's future demographic makeup.

To appreciate the impact of the ratio of assets to payroll on plan cost, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the plan cost is nil, because the assets are so small.

On the other hand, consider the situation for StanCERA. Suppose StanCERA's assets lose 10% of their value in a year. Since they were assumed to earn 7.75%, there is an actuarial loss of 17.75% of Plan assets. Based on the current ratio of assets to payroll (754%), that means the loss in assets is about 134% of active payroll (754% of the 17.75% loss). There is only one source of funding to make up for this loss: contributions. Consequently, barring future offsetting investment gains, the employer has to make up the asset loss in future contributions. In this example of a one year loss of 10%, this shortfall will eventually require an additional annual amortization payment in the vicinity of 9% of payroll if amortized over 22 years.

As the Plan matures and becomes better funded, the ratio of assets to payroll will increase. When assets are 862% of pay, the 10% loss discussed above will translate to a loss of over 153% of payroll, which when amortized over 22 years will increase the employer contribution by almost 11% of member pay. Therefore, the Plan is likely to become more sensitive to market variation in the future than it is day.

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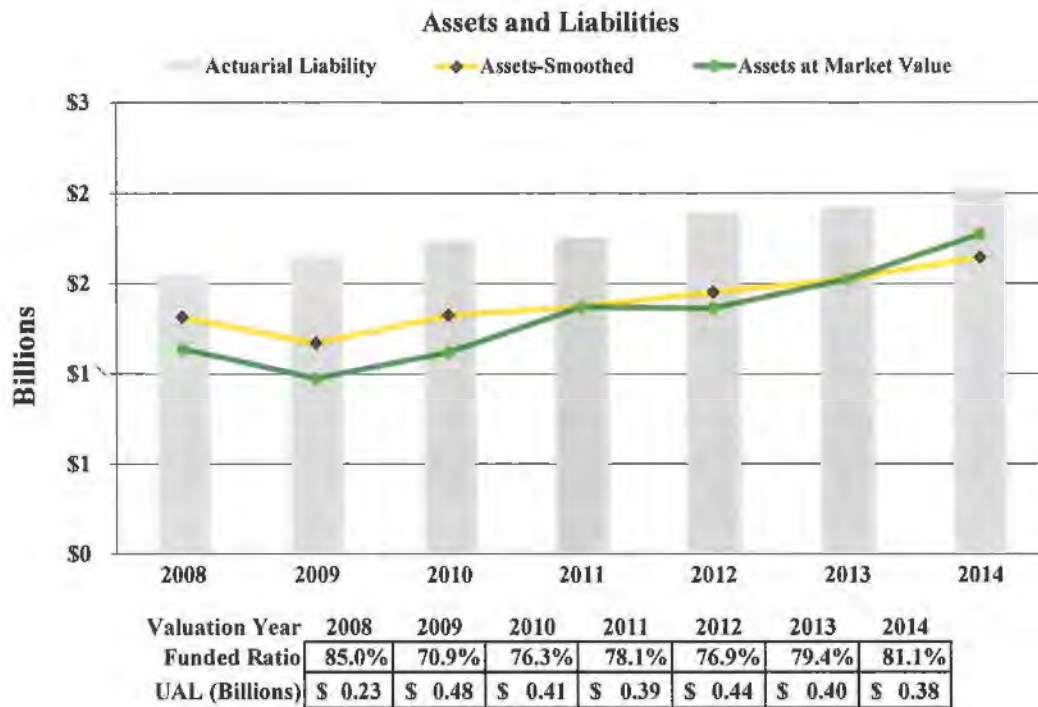
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**C. Historical Trends**

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results and in particular the size of the current Unfunded Actuarial Liability and the employer contribution, it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is more important to judge a current year's valuation result relative to historical trends, as well as trends expected into the future.

**Assets and Liabilities**

The chart below compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown in the table below the graph is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio declined from 85.0% in 2008 to 76.3% in 2010. It has increased to 81.1% as of June 30, 2014, as a result of the recovery in the asset markets over the last few years.

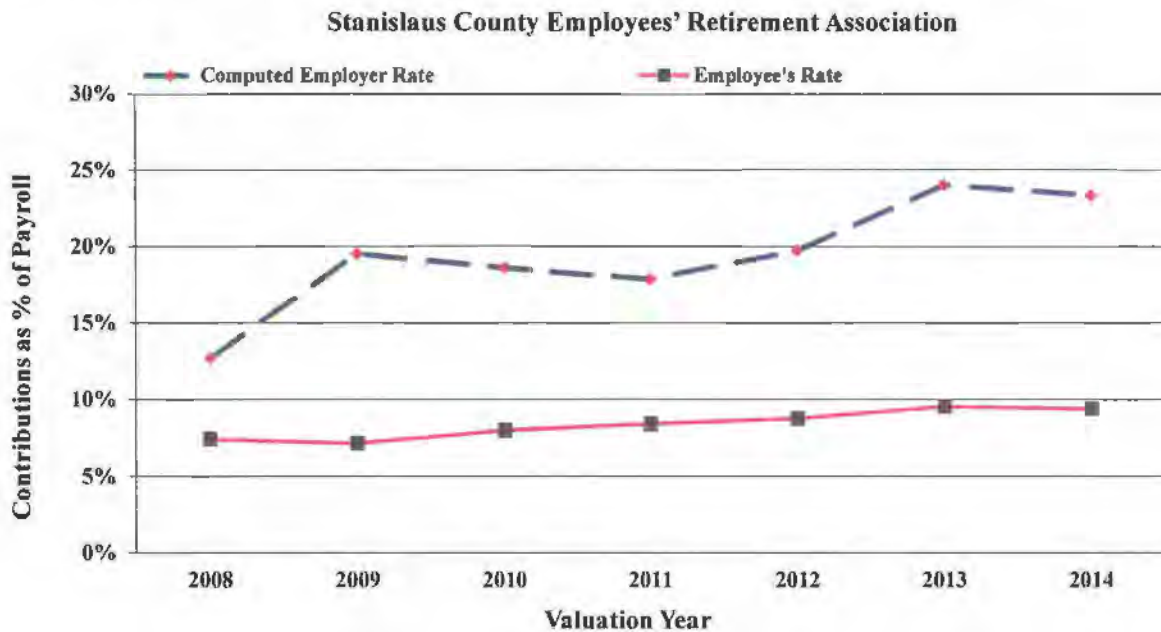


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**Contribution Trends**

In the chart below, we present the historical trends for the StanCERA contribution rates. The employer contribution rates have risen since 2008 as result of the investment losses from 2008-2009, compounded by demographic losses and changes to the actuarial assumptions and methods. The impact of these changes was offset to some extent by an extension to the amortization period and additional infusions from the non-valuation reserves. The average employee contribution rates have also increased as the Plan's economic and demographic assumptions have changed.



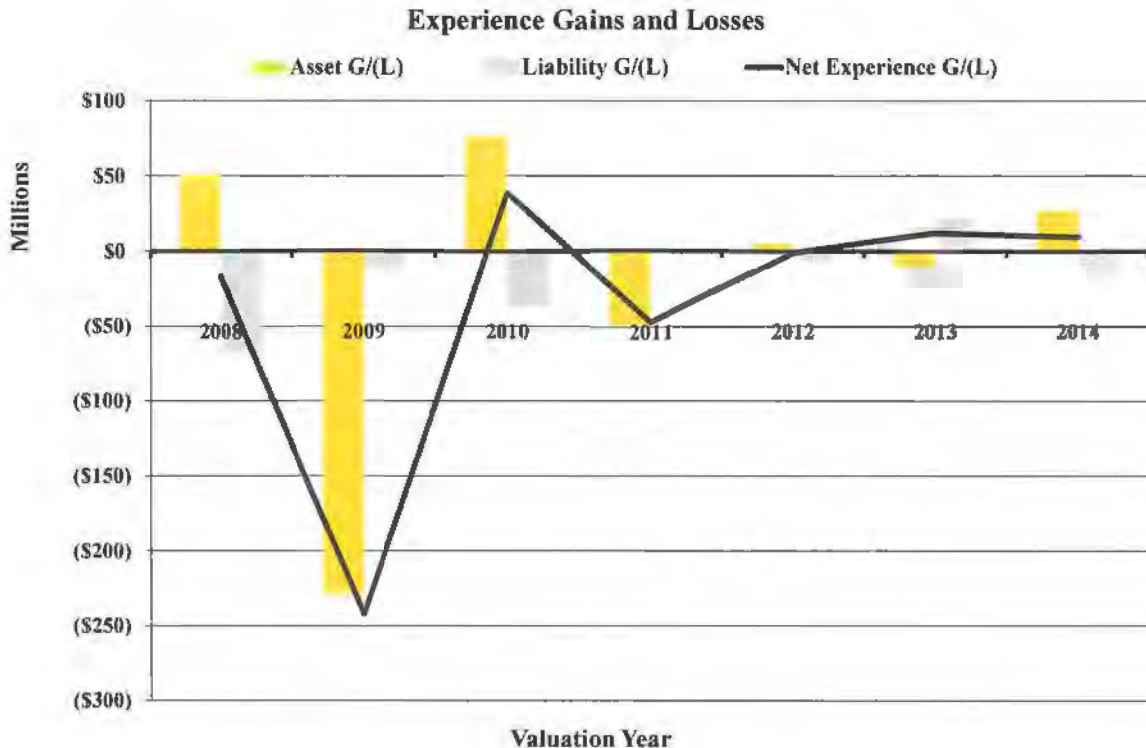
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Gains and Losses

The following chart for StanCERA presents the pattern of annual gains and losses, broken into the investment and liability components. The investment gains and losses represent the changes on a smoothed basis (i.e. based on the Actuarial Value of Assets). The chart does not include any changes in StanCERA's assets and liabilities attributable to changes to actuarial methods, procedures or assumptions or Plan benefit changes.

The investment loss in 2008-2009 was by far the most significant gain or loss during the last seven years. Even though the Plan was using actuarial smoothing of the assets, there was a significant loss reflected in the June 30, 2009 valuation, because the amount of smoothing was limited by the 80/120% corridor around the market value of assets (the return on the smoothed value of assets for 2008-2009 was -9.6%). The Plan also experienced substantial liability losses in 2008 and 2010. The Plan did experience an asset gain for this year, the first such substantial gain since the 2010 plan year.





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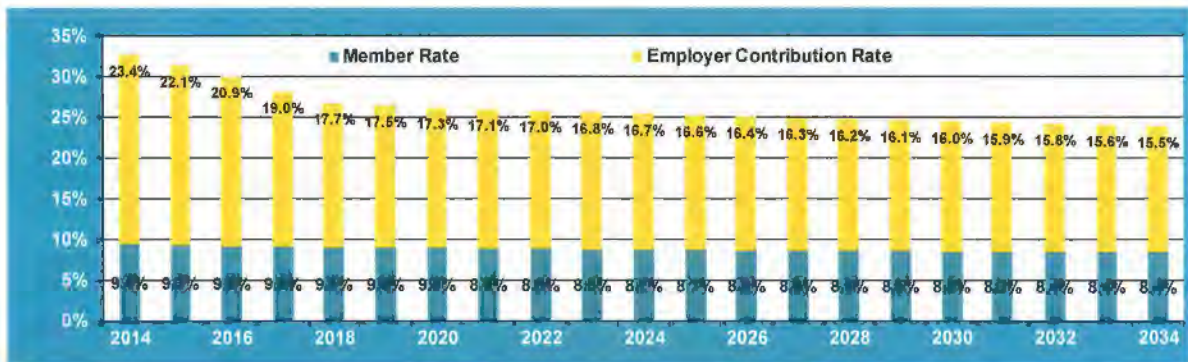
**D. Future Expected Financial Trends**

The analysis of projected financial trends is an important component of this valuation. In this Section, we present our assessment of the implications of the June 30, 2014 valuation results in terms of benefit security (assets over liabilities). All the projections in this section are based on the current investment return assumption of 7.75%. We have assumed future total payroll increases of 3.50% per year

The following graph shows the expected employer contribution rate based on achieving the 7.75% assumption **each year** for the next 20 years. This scenario is highly unlikely: even if the Plan does achieve an **average** return of 7.75% over this time period, the returns in each given year will certainly vary.

The contribution rate graph shows that employer contribution rates are expected to decline over the next few years, as the currently deferred asset gains are recognized, and then stay relatively stable over the next 20 years, as the current unfunded liability amortization period extends past the end of the projection period (22 years).

**Projection of Contributions, 7.75% Return Each Year**



The total contribution rate (employer plus employee) is approximately 33% of member payroll for the June 30, 2014 valuation; it is expected to decrease gradually to 24% if all actuarial assumptions are met over the next 22 years. After 22 years, the employer contribution rate is expected to drop due to the end of the current unfunded liability amortization period, to a level around 9% of pay, representing the expected employer Normal Cost plus administrative expenses.

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**Asset and Liability Projections:**

The following graph shows the projection of assets and liabilities assuming that assets will earn the 7.75% assumption each year during the projection period.

**Projection of Assets and Liabilities, 7.75% Return Each Year**  
(\$ millions)



The graph above shows that the projected funded status increases over the next 20 years to gradually approach 100%, as can be expected based on the amortization policy, assuming the actuarial assumptions are achieved. However, as above, it is the **actual** return on Plan assets that will determine the future funding status and contribution rate to the Fund.

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Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2013 and June 30, 2014;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- An assessment of historical **investment performance versus inflation**; and
- An allocation of the unfunded liability between the **valuation subgroups**.

**Disclosure**

There are two types of asset values disclosed in the valuation, the market value of assets, and the Actuarial Value of Assets. The market value represents "snap-shot" or "cash-out" values which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not as suitable for long-range planning as are the Actuarial Value of Assets which reflect smoothing of annual investment returns.

Table II-1 on the next page discloses and compares each asset class as of June 30, 2013 and June 30, 2014.



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<b>Table II-1</b>		
<b>Statement of Assets at Market Value</b>		
	<b>Fiscal Year ending</b>	<b>Fiscal Year ending</b>
	<b>June 30, 2013</b>	<b>June 30, 2014</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 44,461,336	\$ 44,078,286
Total Cash and Cash Equivalents	\$ 44,461,336	\$ 44,078,286
<b>Receivables:</b>		
Interest and Dividends	\$ 6,090,300	5,829,241
Contributions	2,380,496	3,051,590
Securities Transactions	24,536,517	18,263,280
Total Receivables	\$ 33,007,313	27,144,111
<b>Fixed Assets</b>		
Capitalized Software	\$ 473,903	\$ 348,278
Real Estate Occupied	1,745,853	1,726,876
Real Estate Leased	1,164,133	1,151,479
Other	433,193	442,380
Total Fixed Assets	\$ 3,817,082	\$ 3,669,013
<b>Investments at Market Value:</b>		
Fixed Income	\$ 505,014,355	\$ 493,747,037
Equities	986,464,083	1,189,389,840
Collateral on Loaned Securities	113,001,370	190,943,489
Other	29,098,868	74,084,729
Total Investments	\$ 1,633,578,676	\$ 1,948,165,095
<b>Liabilities</b>		
Accounts Payable	\$ (9,708,506)	\$ (10,031,091)
Security Transactions Payable	(43,986,634)	(30,566,509)
Collateral Held for Loaned Securities	(115,636,154)	(190,507,537)
Other	(720,118)	(642,089)
Total Liabilities	\$ (170,051,412)	\$ (231,747,226)
<b>Market Value of Assets</b>	<b>\$ 1,544,812,995</b>	<b>\$ 1,791,309,279</b>

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**Changes in Market Value**

The components of asset change are:

- Contributions (employers and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table II-2 on the next page shows the components of change in the market value of assets during the fiscal years ending June 30, 2013 and June 30, 2014.

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**Table II-2  
Changes in Market Values**

<u>Additions</u>	Fiscal Year ending <u>June 30, 2013</u>	Fiscal Year ending <u>June 30, 2014</u>
<b>Contributions</b>		
Employer's Contribution	\$ 39,077,480	\$ 46,763,996
Members' Contributions	20,285,888	21,867,911
<b>Total Contributions</b>	<b>\$ 59,363,368</b>	<b>\$ 68,631,907</b>
<b>Net Investment Income</b>		
Net Appreciation/(Depreciation) in		
Fair Value of Investments	\$ 159,601,338	\$ 239,719,981
Interest and Dividends	38,144,730	44,870,019
Commission Recapture	28,794	31,360
Other Investment Income	114,770	123,840
<b>Total Investment Income</b>	<b>\$ 197,889,632</b>	<b>\$ 284,745,200</b>
Investment Expense	(8,845,829)	(8,757,302)
<b>Net Investment Income</b>	<b>\$ 189,043,803</b>	<b>\$ 275,987,898</b>
<b>Securities Lending Activities</b>		
Securities Lending Income	\$ 546,343	\$ 479,545
Appreciation (Depreciation) in Collateral	561,097	(1,439,418)
Expenses from Securities Lending Activities	(162,956)	(131,917)
<b>Net Securities Lending Income</b>	<b>944,484</b>	<b>(1,091,790)</b>
<b>Total Net Investment Income</b>	<b>\$ 189,988,287</b>	<b>\$ 274,896,108</b>
<b>Total Additions</b>	<b>\$ 249,351,655</b>	<b>\$ 343,528,015</b>
<b>Deductions</b>		
Benefits	\$ 87,102,798	\$ 93,116,413
Other Benefits (Ventura)	0	0
Refunds	1,545,763	1,666,058
Administrative Costs	2,065,345	2,249,260
Other Administrative Costs (Ventura)	0	0
<b>Total Deductions</b>	<b>\$ 90,713,906</b>	<b>\$ 97,031,731</b>
<b>Net Increase/(Decrease)</b>	<b>\$ 158,637,749</b>	<b>\$ 246,496,284</b>
Net Assets Beginning of Year	\$ 1,386,175,246	\$ 1,544,812,995
Net Assets End of Year	\$ 1,544,812,995	\$ 1,791,309,279
Approximate Return	13.86%	17.96%

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**Actuarial Value of Assets (AVA)**

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce the volatile results which could develop due to short-term fluctuations in the market value of assets. For this Plan, the Actuarial Value of Assets is calculated on a modified market-related value. The market value of assets is adjusted to recognize, over a five year period, investment earnings which are greater than (or less than) the assumed investment return. However, in no event will the Actuarial Value of Assets be less than 80% or more than 120% of market value on the valuation date.

The Valuation Assets are the portion of the Actuarial Assets dedicated to funding the basic pension benefits. The Valuation Assets exclude the value of any non-valuation reserves, such as reserves established for legal contingencies. The Valuation Assets also exclude the value of any non-valuation contingency reserves, which have been established according to the Board’s funding policy. In prior valuations reserve associated with the Burial Allowance was excluded from the valuation assets; as of June 30, 2014 both the assets and liabilities associated with this benefit are included in the valuation.

The following table shows the development of the Actuarial Asset and Valuation Assets values. Note, the Actuarial Value of Assets was reset to equal the market value as of June 30, 2011. This was done by eliminating the prior gain/loss bases (i.e. by setting the expected returns equal to the actual returns); at that time the sum of the gains and losses was close to zero.



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<b>Table II-3 Development of Actuarial Value of Assets for 6/30/2014</b>	
<b>Item</b>	<b>Total</b>
1. Market Value as of 6/30/2013	\$ 1,544,812,995
2. Non-Investment Cash Flow for 2013-2014	(28,399,824)
3. Expected Return in 2013-2014	118,643,048
4. Expected Market Value as of 6/30/2014: (1 + 2 + 3)	\$ 1,635,056,219
5. Actual Return in 2013-2014	274,896,108
6. Actual Return Above Expected in 2013-2014: (5 - 3)	156,253,060
7. Market Value as of 6/30/2014	\$ 1,791,309,279
8. Deferred Recognition of Returns Above Expected	
a. 2013-2014 (80% of \$156,253,060)	125,002,448
b. 2012-2013 (60% of \$81,607,988)	48,964,793
c. 2011-2012 (40% of -\$110,579,921)	(44,231,968)
d. 2010-2011 (20% of \$0)	0
e. Total	\$ 129,735,273
9. Preliminary Actuarial Value of Assets: (7 - 8e)	\$ 1,661,574,006
10. Corridor Limit	
a. 80% of Net Market Value	1,235,850,396
b. 120% of Net Market Value	1,853,775,594
11. Actuarial Value after Corridor as of 6/30/2014	\$ 1,661,574,006
12. Rate of Return on Actuarial Value of Assets	9.41%
13. Ratio of Actuarial Value to Market Value: (11 ÷ 7)	92.8%
14. Special (Non Valuation) Reserves:	
a. Health Insurance Reserves	117
b. Special COL Reserve	0
c. Legal Contingency Reserve	2,417,378
d. Tier 3 Disability Reserve	4,377
e. Contingency Reserve	15,250,299
f. Total Special Reserves (Market Value)	\$ 17,672,171
15. Adjusted Total Special Reserves (92.8% of Market, Except Contingency)	\$ 17,496,767
16. Pension Reserves at Actuarial Value (Valuation Assets): (11 - 14)	\$ 1,644,077,239

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**SECTION II  
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**Historical Investment Performance**

The following table shows the historical annual asset returns on a market value, Actuarial Value, and valuation asset basis, as well in the increase in the Consumer Price Index (CPI) since 1996. Note that the returns prior to 2013 are expressed net of investment and administrative expenses; the returns for 2013 (and future years) are expressed net of investment expenses only.

<b>Table II-4 Net Return on Assets vs. Increase in Consumer Price Index</b>				
<b>Year Ended June 30</b>	<b>Net Return at Market Value</b>	<b>Net Return at Actuarial Value</b>	<b>Net Return at Valuation Assets</b>	<b>Increase in Consumer Price Index*</b>
1996				2.8%
1997	20.4%			2.3%
1998	13.4%			1.7%
1999	10.6%			2.0%
2000	6.3%			3.7%
2001	7.0%			3.2%
2002	-4.5%			1.1%
2003	5.2%		4.9%	2.1%
2004	6.1%		6.3%	3.3%
2005	8.2%		5.5%	2.5%
2006	9.9%		10.8%	4.3%
2007	16.0%	10.8%	0.6%	2.7%
2008	-8.5%	8.0%	16.7%	5.0%
2009	-17.2%	-9.6%	-9.4%	-1.4%
2010	15.6%	13.0%	14.7%	1.1%
2011	22.1%	3.5%	4.2%	3.6%
2012	0.1%	6.4%	6.5%	1.7%
2013	13.9%	7.0%	7.2%	1.8%
2014	18.0%	9.4%	9.5%	2.1%
<b>15-Year Compound Average</b>	<b>6.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>2.4%</b>
<b>10-Year Compound Average</b>	<b>7.1%</b>	<b>N/A</b>	<b>6.4%</b>	<b>2.3%</b>
<b>5-Year Compound Average</b>	<b>13.7%</b>	<b>7.8%</b>	<b>8.4%</b>	<b>2.0%</b>

\* Based on All Urban Consumers - U.S. City Average, June indices.

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**SECTION II  
ASSETS**

**Allocation of Valuation Assets and Unfunded Actuarial Liability by Valuation Subgroup**

The following table shows the allocation of the Valuation Assets and Unfunded Actuarial Liability between the two valuation subgroups (County Members and City of Ceres / Special District Members). The Valuation Assets are reduced by the liability associated with the inactive members and the refundable contribution balances for active members, and the remaining assets are allocated to each subgroup based on their share of the active liability. These UAL balances are used to calculate each subgroup's amortization payment.

<b>Table II-5</b>				
<b>Allocation of 6/30/2014 Unfunded Liability</b>				
(in thousands)				
	<b>County</b>	<b>CERES</b>	<b>Total</b>	
1. Actuarial Value of Assets			\$	1,644,077
2. Accumulated Employee Contributions	181,026	12,275		193,301
3. Inactive Actuarial Liability			\$	1,230,965
4. <b>Net Assets for Distribution [1 - 2 - 3]</b>			<b>\$</b>	<b>219,811</b>
5. Active Actuarial Liability	744,945	50,460		795,406
6. Allocation of Remaining Assets	93.66%	6.34%		100.00%
7. Remaining Assets	205,866	13,945		219,811
8. Total Assets [2 + 7]	386,892	26,220		413,112
9. Active Funded Ratio [8 ÷ 5]	51.94%	51.96%		51.94%
10. Unfunded Actuarial Liability [5 - 8]	\$ 358,053	\$ 24,241	\$	382,294

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**SECTION III  
LIABILITIES**

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2013 and June 30, 2014;
- Statement of **changes** in these liabilities during the year.

**Disclosure**

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully pay off all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current Plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated by taking the Present Value of Future Benefits and subtracting the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. The method used for this Plan is called the **Entry Age Normal (EAN)** funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Valuation Assets.

Table III-1 on the following page discloses each of these liabilities for the current and prior valuations. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus**, or an **Unfunded Actuarial Liability**.



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**SECTION III  
LIABILITIES**

<b>Table III-1</b>				
<b>Present Value of Future Benefits and Actuarial Liability</b>				
(in thousands)				
Item	General	Safety	June 30, 2014 Total	June 30, 2013 Total
<b>Present Value of Future Benefits</b>				
Actives	\$ 851,307	\$ 302,550	\$ 1,153,857	\$ 1,129,680
Terminated Vested	61,546	24,684	86,231	77,201
Retirees	756,760	211,104	967,865	894,613
Disabled	42,150	61,795	103,945	100,810
Beneficiaries	47,697	25,228	72,925	70,370
<b>Total StanCERA</b>	<b>\$ 1,759,460</b>	<b>\$ 625,362</b>	<b>\$ 2,384,822</b>	<b>\$ 2,272,673</b>
<b>Actuarial Liability</b>				
Total Present Value of Benefits	\$ 1,759,460	\$ 625,362	\$ 2,384,822	\$ 2,272,673
Present Value of Future Normal Costs				
Employer Portion	147,512	68,817	216,329	201,581
Employee Portion	101,732	40,391	142,123	151,866
<b>Actuarial Liability</b>	<b>\$ 1,510,217</b>	<b>\$ 516,154</b>	<b>\$ 2,026,371</b>	<b>\$ 1,919,227</b>
Actuarial Value of Assets*	\$ 1,227,105	\$ 416,972	\$ 1,644,077	\$ 1,524,076
Funded Ratio	81.3%	80.8%	81.1%	79.4%
<b>Unfunded Actuarial Liability/(Surplus)</b>	<b>\$ 283,111</b>	<b>\$ 99,182</b>	<b>\$ 382,294</b>	<b>\$ 395,151</b>

\* The Actuarial Value of Assets are allocated between the General and Safety groups based on their share of the Actuarial Liability.

STANISLAU'S COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION III  
LIABILITIES**

The following table shows the Actuarial Liabilities for each of the valuation subgroups (General and Safety), split by members' status.

<b>Table III-2</b>			
<b>Liabilities by Group as of June 30, 2014</b>			
(in thousands)			
<b>Actuarial Liability</b>	<b>General</b>	<b>Safety</b>	<b>Total</b>
<b>Actuarial Liability</b>			
Actives	\$ 602,063	\$ 193,342	\$ 795,406
Terminated Vested	61,546	24,684	86,231
Retirees	756,760	211,104	967,865
Disabled	42,150	61,795	103,945
Beneficiaries	47,697	25,228	72,925
<b>Total</b>	<b>\$ 1,510,217</b>	<b>\$ 516,154</b>	<b>\$ 2,026,371</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION III  
LIABILITIES**

**Changes in Liabilities**

Each of the Liabilities disclosed in the prior tables are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- Employer contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure Plan assets

<b>Table III-3</b>	
<b>Development of 2014 Experience Gain/(Loss)</b>	
(in millions)	
<b>Item</b>	<b>Cost</b>
1. Unfunded Actuarial Liability at June 30, 2013	\$ 395.2
2. Middle of year actuarial liability payment	(26.3)
3. Interest to end of year on 1 and 2	29.6
4. Expected Unfunded Actuarial Liability at June 30, 2014 (1+2+3)	\$ 398.5
5. Actual Unfunded Liability at June 30, 2014	382.3
6. Difference: (4 - 5)	\$ 16.2
7. Portion of difference due to:	
a. Investment experience	\$ 27.1
b. Contribution shortfall	(4.5)
c. Change in Actuarial Cost Method (Lump Sum Death Benefit)	(0.4)
d. New entrant loss	1.5
e. Other demographic experience	(7.5)
f. Total	16.2

#### SECTION IV CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the Normal Cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN)** cost method. There are three components to the total contribution: the **Normal Cost rate** (employee and employer), the **Unfunded Actuarial Liability rate** (UAL rate), and the **administrative expense** contribution.

The Normal Cost rate is determined in the following steps. First, an individual Normal Cost rate is determined by taking the value, as of entry age into the Plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary producing a Normal Cost rate that should remain relatively constant over a member's career (Entry-Age-to-Final-Decrement). In prior years, the Normal Cost rate was determined separately for each benefit, and at each possible age (Entry-Age-to-Decrement).

Beginning with the 2013 valuation, the total Normal Cost is computed by adding the expected dollar amount of each active member's Normal Cost for the current year – known as the Individual Entry Age Method. In prior years, the total Normal Cost was computed in aggregate by dividing the future Normal Costs for all members by the present value of future salaries for all members, a method sometimes referred to as the Aggregate Entry Age Method.

The total Normal Cost is adjusted with interest to the middle of the year, to reflect the fact that the Normal Cost contributions are paid throughout the year as member payroll payments are made. Finally, the total Normal Cost rate is reduced by the member contribution rate to produce the employer Normal Cost rate. For the current valuation, the member contribution rate for each subgroup is determined by adding the expected contributions for each member and dividing by the projected pay for each subgroup. In prior years the member contribution rate was determined by dividing the present value of future member contributions by the present value of future salaries.

The Unfunded Actuarial Liability (UAL) is the difference between the EAN Actuarial Liability and the Actuarial Value of Assets. The UAL payment is determined as the amount needed to fund the UAL over a closed 22-year period as a level percentage of payroll.

Beginning with the June 30, 2012 actuarial valuation, the Board adopted a policy of adding an amount equal to the expected annual administrative expense to the employer's required contribution. Prior to the June 30, 2012 actuarial valuation, the administrative expenses were included as an offset to the assumed earnings rate, and were shared between the employees and employers. For the June 30, 2014 valuation, this amount is estimated to be \$2.1 million.

For last year's valuation, the Board adopted a two-year phase-in of the impact of the Actuarial Cost Method change on the employer contribution rate.



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION IV  
CONTRIBUTIONS**

The table below presents the calculation of the contribution rates for the Plan for this valuation and compares the total contribution rate with the prior year rate. The tables on the following pages contain more details on the calculation of the UAL amortization payments, as well as details on the calculation of the contribution rates for each group and tier.

<b>Table IV-1 Development of the Net Employer Contribution Rate as of June 30, 2014 for FYE 2016</b>						
	<b>June 30, 2014</b>				<b>COMPOSITE</b>	<b>June 30, 2013</b>
	<b>General</b>		<b>Safety</b>			<b>COMPOSITE</b>
	<b>County</b>	<b>Ceres</b>	<b>County</b>	<b>Ceres</b>		
1. Total Normal Cost Rate	18.18%	18.94%	29.94%	30.64%	<b>20.52%</b>	<b>20.79%</b>
2. Member Contribution Rate	<u>8.58%</u>	<u>8.44%</u>	<u>12.78%</u>	<u>12.79%</u>	<u>9.39%</u>	<u>9.52%</u>
3. Employer Normal Cost Rate (1-2)	9.60%	10.50%	17.16%	17.85%	<b>11.13%</b>	<b>11.27%</b>
4. UAL Amortization	10.40%	11.28%	15.55%	12.14%	<b>11.33%</b>	<b>11.79%</b>
5. Administrative Expense Rate	<u>0.80%</u>	<u>0.87%</u>	<u>1.30%</u>	<u>1.19%</u>	<u>0.89%</u>	<u>0.94%</u>
6. Net Employer Contribution Rate (3+4+5)	20.80%	22.65%	34.01%	31.18%	<b>23.35%</b>	<b>24.00%</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

SECTION IV  
 CONTRIBUTIONS

Table IV-2 contains the details of the calculations of the UAL rates for the Plan.

<b>Table IV-2</b>					
<b>Development of UAL Amortization Rates</b>					
	<b>General</b>		<b>Safety</b>		<b>TOTAL</b>
	<b>County</b>	<b>Ceres</b>	<b>County</b>	<b>Ceres</b>	
Salary Scale:					
2014+	3.50%	3.50%	3.50%	3.50%	3.50%
Amortization Factor	14.3473	14.3473	14.3473	14.3473	14.3473
Payroll	\$ 181,635,566	\$ 7,453,767	\$ 39,009,139	\$ 6,993,905	\$ 235,092,377
Unfunded Actuarial Liability (actuarial value)	\$ 271,049,813	\$ 12,061,327	\$ 87,003,223	\$ 12,179,255	\$ 382,293,618
UAL Amortization	\$ 18,892,100	\$ 840,671	\$ 6,064,102	\$ 848,891	\$ 26,645,764
UAL Amortization Rate	10.40%	11.28%	15.55%	12.14%	11.33%

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION IV  
CONTRIBUTIONS**

Tables IV-3 and IV-4 contain the calculations of the employer contribution rates for each group and tier.

<b>Table IV-3</b>							
<b>Development of the General Member Contribution Rate as of June 30, 2014 for FYE 2016</b>							
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	PEPRA	TOTAL
<b><u>County</u></b>							
A. Total Normal Cost Rate	21.96%	15.27%	3.13%	15.60%	19.04%	14.56%	<b>18.18%</b>
B. Member Contribution Rate	<u>7.34%</u>	<u>7.48%</u>	<u>0.00%</u>	<u>0.96%</u>	<u>9.06%</u>	<u>7.28%</u>	<b>8.58%</b>
C. Employer Normal Cost Rate (A-B)	14.62%	7.79%	3.13%	14.64%	9.98%	7.28%	<b>9.60%</b>
D. UAL Amortization Rate	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%	<b>10.40%</b>
E. Administrative Expense Rate	<u>0.99%</u>	<u>0.72%</u>	<u>0.54%</u>	<u>1.00%</u>	<u>0.81%</u>	<u>0.70%</u>	<b>0.80%</b>
<b>F. Net June 30, 2014 Contribution Rate (C+D+E)</b>	<b>26.01%</b>	<b>18.91%</b>	<b>14.07%</b>	<b>26.04%</b>	<b>21.19%</b>	<b>18.38%</b>	<b>20.80%</b>
<b><u>Ceres and Other Districts</u></b>							
A. Total Normal Cost Rate		15.73%		12.37%	19.49%	16.10%	<b>18.94%</b>
B. Member Contribution Rate		<u>7.70%</u>		<u>0.00%</u>	<u>8.68%</u>	<u>8.05%</u>	<b>8.44%</b>
C. Employer Normal Cost Rate (A-B)		8.03%		12.37%	10.81%	8.05%	<b>10.50%</b>
D. UAL Amortization Rate		11.28%		11.28%	11.28%	11.28%	<b>11.28%</b>
E. Administrative Expense Rate		<u>0.77%</u>		<u>0.94%</u>	<u>0.88%</u>	<u>0.77%</u>	<b>0.87%</b>
<b>F. Net June 30, 2014 Contribution Rate (C+D+E)</b>		<b>20.08%</b>		<b>24.59%</b>	<b>22.97%</b>	<b>20.10%</b>	<b>22.65%</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION IV  
CONTRIBUTIONS**

<b>Table IV-4</b>					
<b>Development of the Safety Member Contribution Rate as of June 30, 2014 for FYE 2016</b>					
	<b>Tier 2</b>	<b>Tier 4</b>	<b>Tier 5</b>	<b>PEPRA</b>	<b>TOTAL</b>
<b><u>County</u></b>					
A. Total Normal Cost Rate	26.12%	26.10%	31.07%	23.67%	<b>29.94%</b>
B. Member Contribution Rate	<u>12.22%</u>	<u>0.00%</u>	<u>12.97%</u>	<u>11.83%</u>	<b><u>12.78%</u></b>
C. Employer Normal Cost Rate (A-B)	13.90%	26.10%	18.10%	11.84%	<b>17.16%</b>
D. UAL Amortization Rate	15.55%	15.55%	15.55%	15.55%	<b>15.55%</b>
E. Administrative Expense Rate	<u>1.17%</u>	<u>1.66%</u>	<u>1.34%</u>	<u>1.09%</u>	<b><u>1.30%</u></b>
F. Net June 30, 2014 Contribution Rate (C+D+E)	<b>30.62%</b>	<b>43.31%</b>	<b>34.99%</b>	<b>28.48%</b>	<b>34.01%</b>
<b><u>Ceres and Other Districts</u></b>					
A. Total Normal Cost Rate			30.83%	24.63%	<b>30.64%</b>
B. Member Contribution Rate			<u>12.81%</u>	<u>12.31%</u>	<b><u>12.79%</u></b>
C. Employer Normal Cost Rate (A-B)			18.02%	12.32%	<b>17.85%</b>
D. UAL Amortization Rate			12.14%	12.14%	<b>12.14%</b>
E. Administrative Expense Rate			<u>1.20%</u>	<u>0.97%</u>	<b><u>1.19%</u></b>
F. Net June 30, 2014 Contribution Rate (C+D+E)			<b>31.36%</b>	<b>25.43%</b>	<b>31.18%</b>



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

SECTION V  
COMPREHENSIVE ANNUAL FINANCIAL REPORTING INFORMATION

The GASB adopted Statement Nos. 67 and 68 which replaced GASB Statement Nos. 25 and 27. GASB 67 is effective for periods beginning after June 15, 2013 (first effective June 30, 2014 for the Plan) and GASB 68 is effective for fiscal years beginning after June 15, 2014 (first effective for the fiscal year July 1, 2014 to June 30, 2015 for the Employers). The disclosures needed to satisfy the new GASB requirements can be found in the StanCERA GASB 67/68 Report as of June 30, 2014.

In accordance with Government Finance Officers Association (GFOA) and their recommended checklist for Comprehensive Annual Financial Reports (CAFRs), we continue to prepare the Solvency Test disclosure:

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**SECTION V**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORTING INFORMATION**

Valuation Date June 30,	(1)	(2)	(3)	Actuarial Accrued Liabilities	Valuation Assets	Portion of Actuarial Liabilities Covered by Reported Assets		
	Active Member Contributions	Retirees And Beneficiaries	Active And Terminated Members			(1)	(2)	(3)
2003	\$ 176,622	\$ 455,784	\$ 325,689	\$ 958,095	\$ 928,022	100%	100%	91%
2004	166,806	518,922	349,617	1,035,345	993,180	100%	100%	88%
2005	205,556	551,810	358,994	1,116,310	1,049,691	100%	100%	81%
2006 <sup>1</sup>	219,907	619,109	355,888	1,194,904	1,154,048	100%	100%	89%
2008 <sup>2</sup>	272,657	739,838	536,329	1,548,824	1,317,167	100%	100%	57%
2009	298,342	781,082	574,292	1,653,716	1,171,767	100%	100%	16%
2010	323,940	829,323	584,561	1,737,824	1,325,801	100%	100%	30%
2011	337,201	897,384	523,133	1,757,718	1,372,046	100%	100%	26%
2012	351,569	987,546	549,598	1,888,713	1,451,764	100%	100%	20%
2013 <sup>3</sup>	191,968	1,065,792	661,466	1,919,227	1,524,076	100%	100%	40%
2014	193,301	1,144,734	688,335	2,026,371	1,644,077	100%	100%	44%

<sup>1</sup> Results recalculated, reflecting Level 1 assumption changes (new retirement, termination and withdrawal decrements) & new EFI EAN methodology.

<sup>2</sup> Reflects transfer as of June 30, 2008 of \$50 million from Non-Valuation to Valuation Reserves.

<sup>3</sup> Reflects change to include only refundable contribution balance.

The solvency test shows the portion of actuarial liabilities for active member contributions, inactive members, and the employer financed portion of the active members that are covered by the actuarial value of assets. Liabilities are discounted at the assumed valuation interest of 7.75%.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

The data for this valuation was provided by the StanCERA staff as of June 30, 2014. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

	<u>General Members</u>		<u>Safety Members</u>		<u>Total</u>	
	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014
<b>Active Participants</b>						
Number	3,230	3,303	694	689	3,924	3,992
Average Age	46.44	45.99	38.84	38.76	45.09	44.74
Average Service	11.75	11.47	10.66	10.87	11.56	11.37
Average Pay (does not reflect impact of furloughs)	\$ 54,625	\$ 54,377	\$ 61,370	\$ 63,022	\$ 55,818	\$ 55,869
<b>Service Retired</b>						
Number	2,236	2,351	317	328	2,553	2,679
Average Age	69.19	69.33	64.15	64.57	68.56	68.74
Average Annual Total Benefit	\$ 26,721	\$ 27,500	\$ 48,989	\$ 50,096	\$ 29,486	\$ 30,266
<b>Beneficiaries</b>						
Number	312	314	85	85	397	399
Average Age	73.38	73.25	66.41	66.95	71.88	71.91
Average Annual Total Benefit	\$ 15,529	\$ 16,164	\$ 25,838	\$ 26,590	\$ 17,736	\$ 18,385
<b>Duty Disabled</b>						
Number	107	107	113	117	220	224
Average Age	65.57	66.22	57.14	57.55	61.24	61.69
Average Annual Total Benefit	\$ 22,723	\$ 23,358	\$ 35,097	\$ 35,924	\$ 29,079	\$ 29,921
<b>Ordinary Disabled</b>						
Number	73	77	6	6	79	83
Average Age	64.56	64.10	57.15	58.17	64.00	63.67
Average Annual Total Benefit	\$ 15,651	\$ 15,125	\$ 19,424	\$ 19,909	\$ 15,938	\$ 15,471
<b>Total In Pay</b>						
Number	2,728	2,849	521	536	3,249	3,385
Average Age	69.40	69.50	62.92	63.34	68.36	68.53
Average Annual Total Benefit	\$ 24,988	\$ 25,760	\$ 41,859	\$ 42,937	\$ 27,693	\$ 28,480
<b>Terminated Vested</b>						
Number	556	533	103	106	659	639
Average Age	49.80	49.82	43.91	44.11	48.88	48.88
Average Service	7.64	8.01	6.67	7.55	7.49	7.93
<b>Transfers</b>						
Number	193	226	73	97	266	323
Average Age	45.45	44.89	37.33	38.05	43.22	42.83
Average Service	5.61	7.51	5.94	8.00	5.70	7.66
<b>Total Inactives</b>						
Number	749	759	176	203	925	962
Average Age	48.68	48.35	41.18	41.22	47.25	46.85
Average Service	7.12	7.86	6.36	7.76	6.98	7.84



**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014**

**APPENDIX A  
MEMBERSHIP INFORMATION**

Plan Year Ending	Added During Year	Allowance Added	Removed During Year	Allowance Removed	At End of Year	Annual Allowance	% Increase in Retiree Allowance	Average Annual Allowance
2008	369	\$ 9,084,777	(148)	\$ (1,731,738)	2,666	\$ 63,296,000	19.18%	\$ 23,742
2009	156	\$ 2,168,425	(71)	\$ (647,870)	2,751	\$ 66,720,003	5.41%	\$ 24,253
2010	159	\$ 3,349,900	(80)	\$ (751,427)	2,830	\$ 71,464,735	7.11%	\$ 25,334
2011	263	\$ 4,724,416	(78)	\$ (1,194,042)	3,015	\$ 74,826,404	4.70%	\$ 25,732
2012	226	\$ 3,565,634	(99)	\$ (978,729)	3,142	\$ 80,157,222	7.12%	\$ 26,737
2013	198	\$ 6,036,138	(91)	\$ (1,144,584)	3,249	\$ 89,975,736	12.25%	\$ 27,694
2014	222	\$ 6,703,273	(86)	\$ (1,725,066)	3,385	\$ 96,405,454	7.15%	\$ 28,480

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**APPENDIX A  
MEMBERSHIP INFORMATION**

**Active and Vested Participant Data as of July 1, 2014**

	County						Ceres and Other Districts						Total County, Ceres and Other Districts	
	General Members		Safety Members		Total		General Members		Safety Members		Total		7/1/2013	7/1/2014
	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014		
<b>Active Participants</b>														
Number	3,114	3,184	606	602	3,720	3,786	116	119	88	87	204	206	3,924	3,992
Average Age	46.47	46.00	39.06	38.94	45.26	44.88	45.64	45.56	37.34	37.56	42.06	42.18	45.09	44.74
Average Service	11.75	11.45	10.70	10.91	11.58	11.37	11.94	11.81	10.41	10.61	11.28	11.30	11.56	11.37
Average Pay*	\$ 54,384	\$ 54,186	\$ 58,724	\$ 61,146	\$ 55,091	\$ 55,293	\$ 61,077	\$ 59,466	\$ 79,587	\$ 76,005	\$ 69,062	\$ 66,451	\$ 55,818	\$ 55,869
<b>Terminated Vested</b>														
Number	537	519	91	93	628	612	19	14	12	13	31	27	659	639
Average Age	49.92	49.76	44.10	44.17	49.08	48.91	46.39	52.07	42.42	43.69	44.85	48.04	48.88	48.88
Average Service	7.70	7.97	6.78	7.67	7.57	7.93	6.07	9.33	5.80	6.66	5.97	8.04	7.49	7.93
<b>Transfers</b>														
Number	177	206	65	88	242	294	16	20	8	9	24	29	266	323
Average Age	45.39	45.12	36.81	37.72	43.09	42.90	46.10	42.50	41.60	41.33	44.60	42.14	43.22	42.83
Average Service	5.50	7.36	5.88	7.90	5.60	7.52	6.86	9.12	6.43	8.96	6.72	9.07	5.70	7.66
<b>Total Inactives</b>														
Number	714	725	156	181	870	906	35	34	20	22	55	56	925	962
Average Age	48.80	48.44	41.06	41.03	47.41	46.96	46.26	46.44	42.09	42.73	44.74	44.98	47.25	46.85
Average Service	7.15	7.80	6.41	7.78	7.02	7.80	6.43	9.20	6.05	7.60	6.29	8.57	6.98	7.84



**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**APPENDIX A  
MEMBERSHIP INFORMATION**

**County Members**

	General Members												Safety Members					
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		PEPRA		Tiers 1 & 4		Tiers 2 & 5		PEPRA	
	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014
<b>Active Participants</b>																		
Number	1	1	294	267	17	17	63	48	2,596	2,410	143	441	2	2	563	517	41	83
Average Age	54.25	55.00	36.07	37.34	51.27	52.24	59.45	60.15	47.79	48.41	37.48	36.27	57.37	58.50	39.71	40.71	29.15	27.40
Average Service	12.86	13.20	1.61	2.93	15.84	16.82	32.68	33.94	12.99	13.88	0.28	0.72	24.57	25.57	11.41	12.49	0.22	0.75
Average Pay*	\$ 35,161	\$ 35,788	\$ 42,170	\$ 46,257	\$ 46,667	\$ 47,749	\$ 69,948	\$ 71,398	\$ 56,439	\$ 57,522	\$ 36,395	\$ 39,175	\$ 72,745	\$ 76,307	\$ 59,977	\$ 63,520	\$ 40,833	\$ 45,992
<b>Terminated Vested</b>																		
Number	32	22	176	167	30	28	1	1	298	301	0	0	1	1	90	92	0	0
Average Age	60.93	61.64	52.39	53.14	53.32	53.64	63.65	65.00	46.89	46.61	0.00	0.00	64.76	66.00	43.87	43.93	0.00	0.00
Average Service	9.93	10.51	4.58	5.14	10.60	10.65	5.55	5.55	9.01	9.12	0.00	0.00	6.08	6.08	6.79	7.69	0.00	0.00
<b>Transfers</b>																		
Number	9	6	20	30	9	10	2	2	137	154	0	4	0	0	65	85	0	3
Average Age	59.67	61.67	48.76	42.00	47.81	50.00	56.11	57.00	43.65	44.64	0.00	43.75	0.00	0.00	36.81	37.69	0.00	38.33
Average Service	5.52	8.04	3.28	3.06	10.95	19.42	14.33	14.33	5.33	7.47	0.00	0.45	0.00	0.00	5.88	8.15	0.00	0.82
<b>Total Inactives</b>																		
Number	41	28	196	197	39	38	3	3	435	455	0	4	1	1	155	177	0	3
Average Age	60.66	61.64	52.02	51.44	52.05	52.68	58.62	59.67	45.87	45.95	0.00	43.75	64.76	66.00	40.91	40.94	0.00	38
Average Service	8.96	9.98	4.45	4.82	10.68	12.96	11.41	11.41	7.85	8.56	0.00	0.45	6.08	6.08	6.41	7.91	0.00	1

\* All payroll figures shown are annual.

**CERES and Other District Members**

	General Members												Safety Members					
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		PEPRA		Tiers 1 & 4		Tiers 2 & 5		PEPRA	
	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014	7/1/2013	7/1/2014
<b>Active Participants</b>																		
Number	0	0	5	5	0	0	3	2	101	95	7	17	1	0	87	83	0	4
Average Age	0.00	0.00	46.12	47.20	0.00	0.00	58.45	60.00	45.83	46.78	36.99	36.59	56.59	0.00	37.12	38.02	0.00	28.00
Average Service	0.00	0.00	9.15	9.77	0.00	0.00	37.98	40.09	12.12	13.29	0.17	0.76	33.20	0.00	10.15	11.09	0.00	0.66
Average Pay*	\$ 0	\$ 0	\$ 41,390	\$ 45,197	\$ 0	\$ 0	\$ 65,346	\$ 62,973	\$ 63,763	\$ 63,961	\$ 34,559	\$ 38,135	\$ 139,458	\$ 0	\$ 78,898	\$ 77,336	\$ 0	\$ 48,382
<b>Terminated Vested</b>																		
Number	1	1	9	7	0	0	0	0	9	6	0	0	0	0	12	13	0	0
Average Age	59.13	60.00	51.00	52.43	0.00	0.00	0.00	0.00	40.36	50.33	0.00	0.00	0.00	0.00	42.42	43.69	0.00	0.00
Average Service	5.32	5.32	5.46	5.93	0.00	0.00	0.00	0.00	6.76	13.96	0.00	0.00	0.00	0.00	5.80	6.66	0.00	0.00
<b>Transfers</b>																		
Number	0	0	3	3	0	0	0	0	13	17	0	0	0	0	8	9	0	0
Average Age	0.00	0.00	48.98	50.00	0.00	0.00	0.00	0.00	45.43	41.18	0.00	0.00	0.00	0.00	41.60	41.33	0.00	0.00
Average Service	0.00	0.00	3.32	2.85	0.00	0.00	0.00	0.00	7.68	10.22	0.00	0.00	0.00	0.00	6.43	8.96	0.00	0.00
<b>Inactives</b>																		
Number	1	1	12	10	0	0	0	0	22	23	0	0	0	0	20	22	0	0
Average Age	59.13	60.00	50.50	51.70	0.00	0.00	0.00	0.00	43.36	43.57	0.00	0.00	0.00	0.00	42.09	42.73	0.00	0.00
Average Service	5.32	5.32	4.93	5.00	0.00	0.00	0.00	0.00	7.31	11.20	0.00	0.00	0.00	0.00	6.05	7.60	0.00	0.00

\* All payroll figures shown are annual.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
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Valuation Date	Plan Type	Number	Annual Payroll	Average Annual Salary	Increase in Average Pay
<b>June 30, 2003</b>	General	3,626	\$163,505,000	\$45,092	6.76%
	Safety	637	\$34,159,000	\$53,625	3.98%
	Total	4,263	\$197,664,000	\$46,367	5.23%
<b>June 30, 2004</b>	General	3,618	\$164,462,000	\$45,457	0.81%
	Safety	630	\$35,501,000	\$56,351	5.08%
	Total	4,248	\$199,963,000	\$47,072	1.52%
<b>June 30, 2005</b>	General	3,651	\$173,399,000	\$47,494	4.48%
	Safety	687	\$38,282,000	\$55,723	-1.11%
	Total	4,338	\$211,681,000	\$48,797	3.66%
<b>June 30, 2006</b>	General	3,702	\$179,767,000	\$48,559	2.24%
	Safety	689	\$40,001,000	\$58,057	4.19%
	Total	4,391	\$219,768,000	\$50,050	2.57%
<b>June 30, 2008</b>	General	3,719	\$230,942,000	\$62,098	27.88%
	Safety	731	\$44,638,000	\$61,064	5.18%
	Total	4,450	\$275,580,000	\$61,928	23.73%
<b>June 30, 2009</b>	General	3,627	\$201,144,000	\$55,457	-10.69%
	Safety	739	\$47,172,000	\$63,832	4.53%
	Total	4,366	\$248,316,000	\$56,875	-8.16%
<b>June 30, 2010</b>	General	3,464	\$202,200,198	\$58,372	5.26%
	Safety	685	\$46,630,275	\$68,073	6.64%
	Total	4,149	\$248,830,473	\$59,974	5.45%
<b>June 30, 2011</b>	General	3,232	\$184,906,498	\$57,211	-1.99%
	Safety	637	\$41,800,298	\$65,621	-3.60%
	Total	3,869	\$226,706,796	\$58,596	-2.30%
<b>June 30, 2012</b>	General	3,233	\$179,260,736	\$55,447	-3.08%
	Safety	661	\$41,657,273	\$63,022	-3.96%
	Total	3,894	\$220,918,009	\$56,733	-3.18%
<b>June 30, 2013</b>	General	3,230	\$176,437,755	\$54,625	-1.48%
	Safety	694	\$42,590,563	\$61,370	-2.62%
	Total	3,924	\$219,028,318	\$55,818	-1.61%
<b>June 30, 2014</b>	General	3,303	\$179,606,090	\$54,377	-0.45%
	Safety	689	\$43,422,198	\$63,022	2.69%
	Total	3,992	\$223,028,288	\$55,869	0.09%

\*Actuarial valuation was not performed for fiscal year ending June 30, 2007.



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**StanCERA Membership – Retired Members as of June 30, 2014**

Age	County				Ceres and Other Districts				Total	
	General Members		Safety Members		General Members		Safety Members		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
40-44	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
45-49	0	\$ 0	6	\$ 57,348	0	\$ 0	0	\$ 0	6	\$ 57,348
50-54	57	\$ 20,435	34	\$ 40,019	0	\$ 0	3	\$ 39,115	94	\$ 28,115
55-59	216	\$ 27,095	56	\$ 50,560	5	\$ 26,719	3	\$ 118,515	280	\$ 32,761
60-64	460	\$ 31,500	70	\$ 48,513	12	\$ 26,077	4	\$ 89,616	546	\$ 33,987
65-69	599	\$ 31,062	66	\$ 55,116	16	\$ 30,610	0	\$ 0	681	\$ 33,383
70-74	396	\$ 27,253	40	\$ 49,979	9	\$ 29,923	0	\$ 0	445	\$ 29,349
75-79	230	\$ 21,256	25	\$ 52,752	6	\$ 40,754	0	\$ 0	261	\$ 24,721
80-84	166	\$ 22,425	9	\$ 39,778	1	\$ 7,870	0	\$ 0	176	\$ 23,230
85-89	105	\$ 21,325	8	\$ 30,943	0	\$ 0	0	\$ 0	113	\$ 22,006
90-94	52	\$ 22,596	4	\$ 26,720	0	\$ 0	0	\$ 0	56	\$ 22,891
95+	21	\$ 12,537	0	\$ 0	0	\$ 0	0	\$ 0	21	\$ 12,537
All Ages	2,302	\$ 27,452	318	\$ 49,057	49	\$ 29,755	10	\$ 83,136	2,679	\$ 30,266

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**StanCERA Membership – Service-Connected Disabled Members as of June 30, 2014**

Age	County				Ceres and Other Districts				Total	
	General Members		Safety Members		General Members		Safety Members		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
25-29	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
30-34	0	\$ 0	1	\$ 31,604	0	\$ 0	0	\$ 0	1	\$ 31,604
35-39	1	\$ 14,215	3	\$ 34,374	0	\$ 0	0	\$ 0	4	\$ 29,334
40-44	1	\$ 19,317	13	\$ 32,891	0	\$ 0	0	\$ 0	14	\$ 31,922
45-49	2	\$ 25,821	10	\$ 38,137	0	\$ 0	1	\$ 28,148	13	\$ 35,474
50-54	4	\$ 26,533	17	\$ 30,200	1	\$ 27,836	0	\$ 0	22	\$ 29,426
55-59	12	\$ 20,604	19	\$ 36,425	0	\$ 0	0	\$ 0	31	\$ 30,301
60-64	23	\$ 21,970	20	\$ 34,142	1	\$ 21,806	3	\$ 37,328	47	\$ 28,126
65-69	27	\$ 24,019	16	\$ 42,655	3	\$ 21,843	1	\$ 75,372	47	\$ 31,317
70-74	10	\$ 25,804	6	\$ 35,877	1	\$ 20,597	0	\$ 0	17	\$ 29,053
75-79	11	\$ 25,597	3	\$ 33,705	0	\$ 0	0	\$ 0	14	\$ 27,334
80-84	7	\$ 24,394	4	\$ 39,172	0	\$ 0	0	\$ 0	11	\$ 29,768
85-89	3	\$ 20,258	0	\$ 0	0	\$ 0	0	\$ 0	3	\$ 20,258
90-94	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
95+	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
All Ages	101	\$ 23,401	112	\$ 35,603	6	\$ 22,628	5	\$ 43,101	224	\$ 29,921

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**StanCERA Membership – Nonservice-Connected Disabled Members as of June 30, 2014**

Age	County				Ceres and Other Districts				Total	
	<u>General Members</u>		<u>Safety Members</u>		<u>General Members</u>		<u>Safety Members</u>		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	1	\$ 15,015	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 15,015
40-44	1	\$ 14,961	1	\$ 21,081	0	\$ 0	0	\$ 0	2	\$ 18,021
45-49	6	\$ 14,953	0	\$ 0	0	\$ 0	0	\$ 0	6	\$ 14,953
50-54	7	\$ 16,343	0	\$ 0	0	\$ 0	0	\$ 0	7	\$ 16,343
55-59	9	\$ 16,680	3	\$ 21,958	0	\$ 0	0	\$ 0	12	\$ 18,000
60-64	14	\$ 15,737	1	\$ 13,462	0	\$ 0	0	\$ 0	15	\$ 15,585
65-69	16	\$ 18,078	0	\$ 0	0	\$ 0	0	\$ 0	16	\$ 18,078
70-74	13	\$ 12,286	1	\$ 19,038	0	\$ 0	0	\$ 0	14	\$ 12,769
75-79	4	\$ 12,785	0	\$ 0	0	\$ 0	0	\$ 0	4	\$ 12,785
80-84	2	\$ 15,134	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 15,134
85-89	2	\$ 8,722	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 8,722
90-94	2	\$ 6,126	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 6,126
95+	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
All Ages	77	\$ 15,125	6	\$ 19,909	0	\$ 0	0	\$ 0	83	\$ 15,471



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**StanCERA Membership – Beneficiaries as of June 30, 2014**

Age	County				Ceres and Other Districts				Total	
	General Members		Safety Members		General Members		Safety Members		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
0-24	0	\$ 0	2	\$ 16,845	0	\$ 0	0	\$ 0	2	\$ 16,845
25-29	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
30-34	1	\$ 34,628	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 34,628
35-39	2	\$ 8,003	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 8,003
40-44	3	\$ 5,653	1	\$ 36,698	0	\$ 0	0	\$ 0	4	\$ 13,414
45-49	8	\$ 13,176	2	\$ 20,696	0	\$ 0	0	\$ 0	10	\$ 14,680
50-54	8	\$ 9,183	6	\$ 28,080	0	\$ 0	0	\$ 0	14	\$ 17,281
55-59	19	\$ 12,666	9	\$ 19,766	0	\$ 0	1	\$ 33,192	29	\$ 15,577
60-64	30	\$ 17,423	16	\$ 21,310	1	\$ 10,590	0	\$ 0	47	\$ 18,601
65-69	57	\$ 15,889	12	\$ 36,885	0	\$ 0	0	\$ 0	69	\$ 19,540
70-74	38	\$ 17,141	10	\$ 30,609	0	\$ 0	0	\$ 0	48	\$ 19,947
75-79	39	\$ 19,115	11	\$ 29,009	0	\$ 0	0	\$ 0	50	\$ 21,292
80-84	36	\$ 21,313	9	\$ 28,147	0	\$ 0	0	\$ 0	45	\$ 22,680
85-89	39	\$ 14,143	3	\$ 16,309	0	\$ 0	0	\$ 0	42	\$ 14,298
90-94	21	\$ 15,090	2	\$ 17,912	0	\$ 0	0	\$ 0	23	\$ 15,335
95+	12	\$ 9,737	1	\$ 21,935	0	\$ 0	0	\$ 0	13	\$ 10,675
All Ages	313	\$ 16,182	84	\$ 26,511	1	\$ 10,590	1	\$ 33,192	399	\$ 18,385

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**StanCERA Membership – Benefit Form Elections as of June 30, 2014**

	County		Ceres and Other Districts		Total
	General	Safety	General	Safety	
<b>Service Retired</b>					
Option #0 (Unmodified 60% to Spouse)	1,903	280	38	8	2,229
Option #1 (Cash Refund)	180	7	4	0	191
Option #2 (100% Continuance)	191	30	7	2	230
Option #3 (50% Continuance)	28	1	0	0	29
<b>Total Service Retired</b>	<b>2,302</b>	<b>318</b>	<b>49</b>	<b>10</b>	<b>2,679</b>
<b>Ordinary Disability</b>					
Option #0 (Unmodified 60% to Spouse)	69	4	0	0	73
Option #1 (Cash Refund)	3	2	0	0	5
Option #2 (100% Continuance)	5	0	0	0	5
Option #3 (50% Continuance)	0	0	0	0	0
<b>Total Ordinary Disability</b>	<b>77</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>83</b>
<b>Duty Disability</b>					
Option #0 (Unmodified 60% to Spouse)	90	101	5	4	200
Option #1 (Cash Refund)	1	1	1	0	3
Option #2 (100% Continuance)	6	9	0	1	16
Option #3 (50% Continuance)	4	1	0	0	5
<b>Total Duty Disability</b>	<b>101</b>	<b>112</b>	<b>6</b>	<b>5</b>	<b>224</b>
<b>Total</b>	<b>2,480</b>	<b>436</b>	<b>55</b>	<b>15</b>	<b>2,986</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2014  
General Members (County)**

**Count**

Age	Years of Service												Total Count	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	22	2	1	0	0	0	0	0	0	0	0	0	0	25
25-29	80	42	36	3	2	25	0	0	0	0	0	0	0	188
30-34	83	51	53	4	3	136	24	0	0	0	0	0	0	354
35-39	52	35	32	5	0	153	118	23	0	0	0	0	0	418
40-44	41	19	21	8	0	138	139	76	9	0	0	0	0	451
45-49	15	14	15	5	2	107	105	104	50	7	1	0	0	425
50-54	23	12	9	3	4	98	115	119	70	49	11	0	0	513
55-59	10	11	8	1	3	84	110	80	63	40	21	5	0	436
60-64	9	4	8	1	2	56	68	54	42	25	14	14	0	297
65-69	0	1	0	0	0	14	24	10	10	4	2	1	0	66
70 & Over	0	0	0	0	0	1	4	4	1	0	0	1	0	11
<b>Total Count</b>	<b>335</b>	<b>191</b>	<b>183</b>	<b>30</b>	<b>16</b>	<b>812</b>	<b>707</b>	<b>470</b>	<b>245</b>	<b>125</b>	<b>49</b>	<b>21</b>	<b>0</b>	<b>3,184</b>

**Compensation**

Age	Years of Service												Avg. Comp.	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$35,629	\$38,197	\$33,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,746
25-29	\$35,753	\$40,728	\$40,117	\$39,319	\$43,270	\$43,441	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,859
30-34	\$38,500	\$39,124	\$43,076	\$47,774	\$48,890	\$49,544	\$51,718	\$0	\$0	\$0	\$0	\$0	\$0	\$44,607
35-39	\$38,147	\$39,399	\$45,555	\$44,173	\$0	\$51,495	\$52,994	\$51,200	\$0	\$0	\$0	\$0	\$0	\$48,687
40-44	\$41,480	\$48,663	\$54,339	\$51,111	\$0	\$52,293	\$56,363	\$65,188	\$64,613	\$0	\$0	\$0	\$0	\$54,905
45-49	\$34,616	\$43,509	\$42,194	\$46,237	\$59,545	\$59,625	\$55,481	\$64,034	\$64,774	\$59,177	\$45,033	\$0	\$0	\$58,057
50-54	\$46,280	\$47,542	\$54,845	\$50,048	\$74,837	\$54,275	\$55,735	\$58,505	\$64,710	\$66,922	\$54,676	\$0	\$0	\$57,854
55-59	\$71,727	\$46,373	\$49,459	\$35,178	\$46,689	\$54,436	\$57,686	\$62,969	\$64,076	\$73,571	\$71,721	\$102,615	\$0	\$61,359
60-64	\$58,498	\$44,723	\$48,288	\$59,403	\$50,423	\$49,250	\$57,899	\$62,025	\$59,054	\$60,743	\$61,699	\$56,812	\$0	\$57,086
65-69	\$0	\$74,430	\$0	\$0	\$0	\$75,300	\$64,068	\$61,173	\$65,458	\$76,508	\$46,858	\$46,790	\$0	\$66,350
70 & Over	\$0	\$0	\$0	\$0	\$0	\$256,408	\$96,321	\$53,019	\$56,735	\$0	\$0	\$76,474	\$0	\$89,725
<b>Average</b>	<b>\$39,855</b>	<b>\$42,036</b>	<b>\$45,180</b>	<b>\$47,157</b>	<b>\$55,785</b>	<b>\$53,275</b>	<b>\$56,251</b>	<b>\$61,626</b>	<b>\$63,585</b>	<b>\$67,687</b>	<b>\$63,472</b>	<b>\$68,176</b>	<b>\$0</b>	<b>\$54,186</b>



**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014**

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2014  
General Members (Ceres and Other Districts)**

**Count**

Age	Years of Service												Total Count	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	3	1	0	0	0	0	0	0	0	0	0	0	0	4
25-29	3	1	3	0	0	0	0	0	0	0	0	0	0	7
30-34	1	4	2	1	1	4	4	0	0	0	0	0	0	17
35-39	1	1	1	0	0	3	5	2	0	0	0	0	0	13
40-44	0	0	1	0	0	5	3	1	0	0	0	0	0	10
45-49	0	1	0	0	2	4	8	2	0	2	0	0	0	19
50-54	0	0	0	2	0	3	4	3	3	1	1	0	0	17
55-59	1	1	0	0	0	4	5	1	3	1	1	0	0	17
60-64	2	0	0	0	0	2	2	0	2	2	0	0	0	10
65-69	0	0	0	0	0	2	1	0	0	0	0	1	0	4
70 & Over	0	0	0	0	1	0	0	0	0	0	0	0	0	1
<b>Total Count</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>27</b>	<b>32</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>119</b>

**Compensation**

Age	Years of Service												Avg. Comp.	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$35,372	\$33,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,854
25-29	\$32,694	43,782	46,097	0	0	0	0	0	0	0	0	0	0	40,022
30-34	\$35,136	43,687	54,051	52,800	57,137	59,778	58,345	0	0	0	0	0	0	52,965
35-39	\$33,202	34,998	47,159	0	0	53,709	62,343	56,611	0	0	0	0	0	53,955
40-44	\$0	0	121,529	0	0	51,304	67,772	64,297	0	0	0	0	0	64,566
45-49	\$0	34,919	0	0	92,218	57,588	63,420	81,110	0	71,894	0	0	0	66,477
50-54	\$0	0	0	51,167	0	63,712	64,553	60,040	66,857	58,341	69,339	0	0	62,356
55-59	\$33,311	32,690	0	0	0	53,578	62,471	49,732	75,067	59,664	50,157	0	0	57,496
60-64	\$69,117	0	0	0	0	49,523	52,560	0	75,110	62,254	0	0	0	61,713
65-69	\$0	0	0	0	0	114,884	80,162	0	0	0	0	56,607	0	91,634
70 & Over	\$0	0	0	0	125,214	0	0	0	0	0	0	0	0	125,214
<b>Average</b>	<b>\$40,371</b>	<b>\$39,382</b>	<b>\$59,297</b>	<b>\$51,711</b>	<b>\$91,697</b>	<b>\$60,051</b>	<b>\$62,863</b>	<b>\$63,288</b>	<b>\$71,999</b>	<b>\$64,384</b>	<b>\$59,748</b>	<b>\$56,607</b>	<b>\$0</b>	<b>\$59,466</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2014  
Safety Members (County)**

**Count**

Age	Years of Service												Total Count	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	19	9	1	0	0	0	0	0	0	0	0	0	0	29
25-29	23	25	11	0	2	12	0	0	0	0	0	0	0	73
30-34	6	5	14	1	5	69	11	0	0	0	0	0	0	111
35-39	5	8	0	1	1	39	52	12	0	0	0	0	0	118
40-44	1	1	1	0	0	17	34	45	3	0	0	0	0	102
45-49	0	0	0	0	0	8	14	26	25	7	1	0	0	81
50-54	0	3	0	0	0	6	10	10	17	4	0	0	0	50
55-59	0	1	0	0	0	5	7	5	3	3	0	1	0	25
60-64	0	1	0	0	1	1	1	4	1	0	0	0	0	9
65-69	0	0	0	0	0	1	0	2	0	0	0	0	0	3
70 & Over	0	0	0	0	0	0	0	0	1	0	0	0	0	1
<b>Total Count</b>	<b>54</b>	<b>53</b>	<b>27</b>	<b>2</b>	<b>9</b>	<b>158</b>	<b>129</b>	<b>104</b>	<b>50</b>	<b>14</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>602</b>

**Compensation**

Age	Years of Service												Avg. Comp.	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$46,074	\$48,751	\$49,379	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,019
25-29	\$44,287	46,188	47,522	0	58,391	56,186	0	0	0	0	0	0	0	47,768
30-34	\$48,042	45,034	51,633	56,672	56,826	59,714	61,134	0	0	0	0	0	0	57,386
35-39	\$49,279	47,061	0	53,457	55,484	59,935	64,394	66,766	0	0	0	0	0	61,178
40-44	\$34,947	33,127	54,799	0	0	59,508	61,146	68,891	61,621	0	0	0	0	63,710
45-49	\$0	0	0	0	0	60,955	65,299	71,137	68,050	78,993	114,575	0	0	69,385
50-54	\$0	62,318	0	0	0	59,480	62,074	89,577	67,531	101,728	0	0	0	72,306
55-59	\$0	51,680	0	0	0	73,042	67,430	68,580	61,398	74,545	0	79,792	0	68,777
60-64	\$0	65,424	0	0	58,682	47,617	57,340	73,711	61,712	0	0	0	0	65,069
65-69	\$0	0	0	0	0	141,505	0	62,106	0	0	0	0	0	88,573
70 & Over	\$0	0	0	0	0	0	0	0	65,778	0	0	0	0	65,778
<b>Average</b>	<b>\$45,622</b>	<b>\$47,779</b>	<b>\$49,992</b>	<b>\$55,065</b>	<b>\$57,231</b>	<b>\$60,395</b>	<b>\$63,288</b>	<b>\$71,236</b>	<b>\$66,917</b>	<b>\$84,535</b>	<b>\$114,575</b>	<b>\$79,792</b>	<b>\$0</b>	<b>\$61,146</b>



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2014  
General Members (Ceres and Other Districts)**

**Count**

Age	Years of Service												Total Count	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	2	0	0	0	0	0	0	0	0	0	0	0	3
25-29	2	3	2	0	1	6	0	0	0	0	0	0	0	14
30-34	1	2	0	2	1	8	4	0	0	0	0	0	0	18
35-39	1	0	0	1	0	7	3	3	0	0	0	0	0	15
40-44	0	0	1	0	1	4	6	6	2	0	0	0	0	20
45-49	0	0	0	0	0	2	3	3	1	0	0	0	0	9
50-54	0	0	0	0	0	0	0	2	2	1	0	0	0	5
55-59	0	0	0	0	0	1	0	0	0	1	0	0	0	2
60-64	0	0	0	0	0	0	1	0	0	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Count</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>28</b>	<b>17</b>	<b>14</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87</b>

**Compensation**

Age	Years of Service												Avg. Comp.	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$32,321	\$59,274	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,289
25-29	\$54,271	56,268	63,900	0	69,699	66,711	0	0	0	0	0	0	0	62,508
30-34	\$67,879	62,308	0	66,657	53,726	72,381	73,293	0	0	0	0	0	0	69,542
35-39	\$52,666	0	0	65,098	0	72,034	84,086	83,391	0	0	0	0	0	74,962
40-44	\$0	0	62,617	0	58,385	76,220	77,288	89,992	90,688	0	0	0	0	80,547
45-49	\$0	0	0	0	0	64,508	84,250	98,783	91,415	0	0	0	0	85,504
50-54	\$0	0	0	0	0	0	0	93,447	96,481	90,457	0	0	0	94,063
55-59	\$0	0	0	0	0	92,470	0	0	0	120,950	0	0	0	106,710
60-64	\$0	0	0	0	0	0	146,052	0	0	0	0	0	0	146,052
65-69	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Over	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Average</b>	<b>\$52,281</b>	<b>\$58,853</b>	<b>\$63,473</b>	<b>\$66,137</b>	<b>\$60,604</b>	<b>\$71,783</b>	<b>\$82,821</b>	<b>\$90,955</b>	<b>\$93,150</b>	<b>\$105,704</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$76,005</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation  
All Members**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
<b>July 1, 2013</b>	<b>3,924</b>	<b>266</b>	<b>197</b>	<b>659</b>	<b>79</b>	<b>220</b>	<b>2,553</b>	<b>397</b>	<b>8,295</b>
New Entrants	432	0	0	0	0	0	0	0	432
Rehires	11	(2)	(2)	(4)	0	0	0	0	3
Duty Disabilities	(5)	0	0	0	0	5	0	0	0
Ordinary Disabilities	(2)	0	0	(3)	5	0	0	0	0
Retirements	(138)	(11)	0	(39)	0	0	188	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(63)	(2)	0	65	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	(1)	0	0	0	(1)	0	(19)	21	0
Died, Without Beneficiary, and Other Terminations	(66)	0	65	0	0	(2)	(42)	0	(45)
Transfers	(41)	72	(5)	(22)	0	0	0	0	4
Beneficiary Deaths	0	0	0	0	0	0	0	(24)	(24)
Domestic Relations Orders	0	0	0	0	0	0	0	5	5
Withdrawals Paid	(59)	(1)	(16)	(13)	0	0	0	0	(89)
Member Reclassifications	0	1	4	(4)	0	1	(1)	0	1
<b>July 1, 2014</b>	<b>3,992</b>	<b>323</b>	<b>243</b>	<b>639</b>	<b>83</b>	<b>224</b>	<b>2,679</b>	<b>399</b>	<b>8,582</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation  
General Members (County)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
<b>July 1, 2013</b>	<b>3,114</b>	<b>177</b>	<b>169</b>	<b>537</b>	<b>73</b>	<b>101</b>	<b>2,190</b>	<b>311</b>	<b>6,672</b>
New Entrants	357	0	0	0	0	0	0	0	357
Rehires	10	(2)	(1)	(4)	0	0	0	0	3
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Ordinary Disabilities	(2)	0	0	(3)	5	0	0	0	0
Retirements	(122)	(10)	0	(35)	0	0	167	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(48)	(2)	0	50	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	(1)	0	0	0	(1)	0	(17)	19	0
Died, Without Beneficiary, and Other Terminations	(51)	0	50	0	0	(2)	(37)	0	(40)
Transfers	(26)	42	(3)	(12)	0	0	0	0	1
Beneficiary Deaths	0	0	0	0	0	0	0	(22)	(22)
Domestic Relations Orders	0	0	0	0	0	0	0	5	5
Withdrawals Paid	(46)	0	(15)	(11)	0	0	0	0	(72)
Member Reclassifications	0	1	2	(3)	0	1	(1)	0	0
<b>July 1, 2014</b>	<b>3,184</b>	<b>206</b>	<b>202</b>	<b>519</b>	<b>77</b>	<b>101</b>	<b>2,302</b>	<b>313</b>	<b>6,904</b>



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation  
Safety Members (County)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
<b>July 1, 2013</b>	<b>606</b>	<b>65</b>	<b>21</b>	<b>91</b>	<b>6</b>	<b>108</b>	<b>308</b>	<b>84</b>	<b>1,289</b>
New Entrants	55	0	0	0	0	0	0	0	55
Rehires	1	0	(1)	0	0	0	0	0	0
Duty Disabilities	(4)	0	0	0	0	4	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(12)	0	0	(3)	0	0	15	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(12)	0	0	12	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	(2)	2	0
Died, Without Beneficiary, and Other Terminations	(10)	0	10	0	0	0	(3)	0	(3)
Transfers	(13)	23	(1)	(6)	0	0	0	0	3
Beneficiary Deaths	0	0	0	0	0	0	0	(2)	(2)
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	(9)	0	(1)	0	0	0	0	0	(10)
Member Reclassifications	0	0	2	(1)	0	0	0	0	1
<b>July 1, 2014</b>	<b>602</b>	<b>88</b>	<b>30</b>	<b>93</b>	<b>6</b>	<b>112</b>	<b>318</b>	<b>84</b>	<b>1,333</b>

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation  
General Members (Ceres and Other Districts)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
<b>July 1, 2013</b>	<b>116</b>	<b>16</b>	<b>6</b>	<b>19</b>	<b>0</b>	<b>6</b>	<b>46</b>	<b>1</b>	<b>210</b>
New Entrants	14	0	0	0	0	0	0	0	14
Rehires	0	0	0	0	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(3)	(1)	0	(1)	0	0	5	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(1)	0	0	1	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	0	0	0
Died, Without Beneficiary, and Other Terminations	(4)	0	4	0	0	0	(2)	0	(2)
Transfers	(1)	6	(1)	(4)	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	0	0
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	(2)	(1)	0	(1)	0	0	0	0	(4)
Member Reclassifications	0	0	(1)	0	0	0	0	0	(1)
<b>July 1, 2014</b>	<b>119</b>	<b>20</b>	<b>8</b>	<b>14</b>	<b>0</b>	<b>6</b>	<b>49</b>	<b>1</b>	<b>217</b>



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

**APPENDIX A  
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation  
Safety Members (Ceres and Other Districts)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
<b>July 1, 2013</b>	<b>88</b>	<b>8</b>	<b>1</b>	<b>12</b>	<b>0</b>	<b>5</b>	<b>9</b>	<b>1</b>	<b>124</b>
New Entrants	6	0	0	0	0	0	0	0	6
Rehires	0	0	0	0	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(1)	0	0	0	0	0	1	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(2)	0	0	2	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	0	0	0
Died, Without Beneficiary, and Other Terminations	(1)	0	1	0	0	0	0	0	0
Transfers	(1)	1	0	0	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	0	0
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	(2)	0	0	(1)	0	0	0	0	(3)
Member Reclassifications	0	0	1	0	0	0	0	0	1
<b>July 1, 2014</b>	<b>87</b>	<b>9</b>	<b>3</b>	<b>13</b>	<b>0</b>	<b>5</b>	<b>10</b>	<b>1</b>	<b>128</b>

APPENDIX B  
STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the actuarial valuation as of July 1, 2014 are:

**Actuarial Methods**

**1. Actuarial Cost Method**

Annual contributions to the Stanislaus County Employees' Retirement Association (the Plan) are computed under the Entry Age Normal Actuarial Cost Method, computed to the final decrement.

Under this Cost Method, the Normal Cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Accrued Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future Normal Cost contributions.

The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and the liability for each valuation group is amortized as a level percentage of payroll over a closed period (22 years as of the current valuation).

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments or changes in actuarial assumptions.

The total Plan cost is the sum of the Normal Cost (computed on an Individual basis), the amortization of the Unfunded Actuarial Accrued Liability, and the expected Administrative Expenses.

**2. Actuarial Value of Plan Assets**

The Actuarial Value of Plan assets is modified market-related value. The market value of assets is adjusted to recognize, over a five-year period, differences between actual investment earnings and the assumed investment return. The Actuarial Value of Assets is limited to no less than 80% and no more than 120% of the market value. As of June 30, 2011, the Actuarial Value was reset to equal market value.

The detailed calculations of the Actuarial Value of Plan assets are shown in Section II.

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**Actuarial Assumptions**

**1. Rate of Return**

The annual rate of return on all Plan assets is assumed to be 7.75%, net of investment expenses.

**2. Cost of Living**

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.25% per year.

**3. Administrative Expenses**

An allowance of \$2,100,000 for Plan administrative expenses has been included in the annual cost calculated for the current Plan year.

**4. Interest Credited to Employee Accounts**

The employee accounts are credited with 0.25% interest annually.

**5. Increases in Pay**

Base salary increase: 3.50%

Assumed pay increases for active Members consist of increases due to base salary adjustments (as noted above), plus service-based increases due to longevity and promotion, as shown below.

Longevity & Promotion Increases		
Service	General	Safety
0	4.00%	8.00%
1	4.00%	7.00%
2	4.00%	6.00%
3	4.00%	5.00%
4	4.00%	4.00%
5-9	2.00%	2.00%
10-19	1.00%	1.00%
20-29	0.50%	1.00%
30+	0.50%	0.50%

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**6. PEPRA Compensation Limit**

The assumption used for increasing the compensation limit that applies to PEPRA members is 3.25%.

**7. Post Retirement COLA**

100% of CPI up to 3% annually with banking, 2.7% annual increases assumed.

**8. Social Security Wage Base**

General Plan 3 members have their benefits offset by an assumed Social Security Benefit. For projecting the Social Security Benefit, the annual Social Security Wage Base increase is assumed to be 3.5% per year.

**9. Internal Revenue Code Section 415 Limit**

The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

**10. Internal Revenue Code Section 401(a)(17)**

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

**11. Family Composition**

Percentage married for all active members who retire, become disabled, or die during active service is shown in the following table. Women are assumed to be three years younger than men.

Percentage Married	
Gender	Percentage
Males	90%
Females	50%

**12. Accumulated Vacation Time Load**

Active members' service retirement and related benefits are loaded by 2.5% for Safety Members and 3.5% for General Members for conversion of vacation time.

**13. Rates of Separation**

Rates of termination apply to all active Members who terminate their employment.



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Separate rates of termination are assumed among Safety and General Members.

Years of Service	Termination Rates		
	General		Safety
	Male	Female	All
0	24.0%	14.0%	15.0%
1	14.0%	9.4%	15.0%
2	11.7%	7.9%	10.5%
3	9.4%	7.9%	10.0%
4	7.1%	7.1%	6.0%
5	5.0%	5.0%	3.7%
10	3.5%	3.5%	3.4%
15	2.9%	2.9%	1.9%
20	1.5%	1.5%	0.0%
25	1.3%	1.3%	0.0%
30+	0.0%	0.0%	0.0%

Termination rates do not apply once a member is eligible for retirement.

**14. Withdrawal**

Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Separate rates of withdrawal are assumed among Safety and General Members, and are based on service. The rates do not overlap with the service retirement rates.

50% of all General Member terminations with less than ten years of service are assumed to take a refund of contributions, as well as 20% of those with ten or more years of service.

35% of all Safety Member terminations with less than ten years of service are assumed to take a refund of contributions, and 10% of those with ten or more years are assumed to take a refund.

**15. Vested Termination and Reciprocal Transfers**

Rates of vested termination apply to active Members who terminate their employment after five years of service and leave their member contributions on deposit with the Plan. Alternatively, those who terminate their employment with less than five years of service can leave their member contributions with the Plan and transfer to a reciprocal employer, therefore retaining entitlement to future Plan benefits.

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Vested terminated Tier 3 General Members are assumed to begin receiving benefits at age 65 while all other General Members are assumed to begin at age 58; terminated Safety Members are assumed to begin receiving benefits at age 53. 25% of vested terminated General Members are assumed to be reciprocal; 50% of vested terminated Safety Members are assumed to be reciprocal.

Reciprocal members are assumed to receive 4% annual pay increases from the date of transfer to the assumed retirement date.

**16. Rates of Service-Connected Disability**

Separate rates of duty disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. Below are sample rates:

<b>Rates of Service-Connected Disability</b>			
<b>Age</b>	<b>General</b>		<b>Safety</b>
	<b>Male</b>	<b>Female</b>	<b>All</b>
20	0.0043%	0.0002%	0.0759%
25	0.0102%	0.0004%	0.1932%
30	0.0211%	0.0008%	0.3457%
35	0.0284%	0.0024%	0.5309%
40	0.0401%	0.0056%	0.7426%
45	0.0613%	0.0101%	1.1297%
50	0.0897%	0.0162%	1.5092%
55	0.1227%	0.0249%	1.7230%
60	0.1637%	0.0349%	0.0000%
65	0.0000%	0.0000%	0.0000%

**17. Rates of Nonservice-Connected Disability**

Separate rates of ordinary disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. The rates shown are applied after five Years of Service. On the next page are sample rates:

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<b>Rates of Non Service-Connected Disability</b>			
<b>Age</b>	<b>General</b>		<b>Safety</b>
	<b>Male</b>	<b>Female</b>	<b>All</b>
20	0.0130%	0.0025%	0.0173%
25	0.0307%	0.0050%	0.0409%
30	0.0316%	0.0100%	0.0421%
35	0.0426%	0.0281%	0.0568%
40	0.0602%	0.0446%	0.0802%
45	0.0920%	0.0808%	0.1227%
50	0.1345%	0.1295%	0.1793%
55	0.1840%	0.1990%	0.2453%
60	0.2456%	0.2764%	0.0000%
65	0.0000%	0.0000%	0.0000%

**18. Rates of Mortality for Healthy Lives**

Rates of mortality for active Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Duty related mortality rates are only applicable for Safety Active Members. Sample rates are as follows:

<b>Mortality Rates</b>			
<b>Age</b>	<b>Ordinary Death - General and Safety</b>		<b>Duty Death</b>
	<b>Male</b>	<b>Female</b>	<b>Safety All</b>
20	0.0235%	0.0138%	0.0150%
25	0.0308%	0.0156%	0.0189%
30	0.0402%	0.0216%	0.0254%
35	0.0699%	0.0381%	0.0357%
40	0.0919%	0.0522%	0.0564%
45	0.1161%	0.0814%	0.0885%
50	0.1487%	0.1189%	0.0703%
55	0.2469%	0.2314%	0.1055%
60	0.4887%	0.4573%	0.0000%
65	0.9607%	0.8780%	0.0000%
70	1.6413%	1.5145%	0.0000%

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**19. Rates of Mortality for Disabled Retirees**

Rates of mortality for disabled Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) set forward 7 years. Sample rates are shown below.

<b>Disabled Mortality Rates</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
45	0.178%	0.152%
50	0.333%	0.315%
55	0.647%	0.602%
60	1.237%	1.100%
65	2.016%	1.832%
70	3.611%	2.963%
75	6.854%	4.892%
80	12.062%	8.892%
85	20.397%	14.843%
90	28.808%	21.098%

**20. Retired Member and Beneficiary Mortality**

Rates of mortality for retired Members and their beneficiaries are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Sample rates are shown below.

<b>Retired Mortality Rates</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
45	0.116%	0.081%
50	0.149%	0.119%
55	0.247%	0.231%
60	0.489%	0.457%
65	0.961%	0.868%
70	1.641%	1.514%
75	2.854%	2.393%
80	5.265%	3.987%
85	9.624%	6.866%
90	16.928%	12.400%



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**21. Mortality Improvement**

The mortality tables have been projected to the year 2020 using Scale AA to account for expected future improvements in mortality. The experience study report for the period covering July 1, 2009 to June 30, 2012 contains a full description of these adjustments.

**22. Rates of Retirement**

Retirement is assumed to occur among eligible members in accordance with the table below.

Rates of Retirement		
Age	General	Safety
40-44	0.00%	5.00%
45-49	0.00%	5.00%
50	5.00%	15.00%
51	4.00%	15.00%
52	4.00%	15.00%
53	5.00%	15.00%
54	6.00%	15.00%
55	10.00%	15.00%
56	10.00%	15.00%
57	10.00%	20.00%
58	12.00%	30.00%
59	15.00%	30.00%
60	18.00%	100.00%
61	18.00%	100.00%
62	30.00%	100.00%
63	25.00%	100.00%
64	25.00%	100.00%
65	40.00%	100.00%
66	30.00%	100.00%
67	30.00%	100.00%
68	30.00%	100.00%
69	30.00%	100.00%
70	100.00%	100.00%

**23. Changes in Actuarial Assumptions**

None

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All actuarial calculations are based on our understanding of the statutes governing the StanCERA as contained in the County Employees Retirement Law (CERL) of 1937, with provisions adopted by the County Board of Supervisors, a district Board of Directors, or the StanCERA Board, effective through June 30, 2014. The benefit and contribution provisions of this law are summarized briefly below, (along with corresponding references to the State Code). This summary does not attempt to cover all the detailed provisions of the law.

**A. Definitions**

**Compensation:** Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

For Tier 6 (PEPRA) members, only pensionable compensation up to the PEPRA compensation limit (\$115,064 for 2014) will count for computing Plan benefits and employee contributions and employer contributions for those participating in Social Security. For those not participating in Social Security, the compensation cap is 120% of the limit (\$138,077 for 2014). In addition, it is possible that some sources of compensation, such as any payments deemed to be terminal or special pays, may be excluded from the benefit and contribution computations for PEPRA members.

**Credited Service:** In general, Credited Service is earned for the period during which Member Contributions are paid. Since Tier 3 Members participate in a non-contributory Plan, their Credited Service is calculated based on their date of Membership only.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services that credit may be purchased for are listed below:

- **Prior Part-time Service:** If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.
- **Intermittent Part-time Service**
- **Prior full time Service:** Member may buyback full time service that may have been cashed out upon termination.

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- **Leave of Absence (Including absence with State Disability or Worker's Compensation):** No unpaid leave of absence can be bought back except for absence due to medical reasons of up to one year.
- **Public Service:** Only Tier 1 and 4 Members may buy back this service.
- **Military Time:** Only Tier 1 and 4 Members may buy back this service.
- **Enhance Prior Tier Service:** Applies to certain active and deferred Members with Tier 1, 2 or 3 service.
- **Military "call up"**
- **AB 2766:** Only Safety Employees can buy back this service.

A percentage of credited sick leave may be credited according to the Member's applicable bargaining unit.

**Final**

**Compensation:** For Members belonging to Tier 2, Tier 3, and Tier 6, Final Compensation means the highest Compensation earned during any thirty six consecutive months of the Member's employment. For all others, it is the highest Compensation earned during any twelve months of employment.

**General Member:** Any Member who is not a Safety Member is a General Member.

**Safety Member:** Any sworn Member engaged in law enforcement, probation, or fire suppression is a Safety Member.

**B. Membership**

**Eligibility:** All full-time, permanent employees of Stanislaus County, City of Ceres, Stanislaus County Superior Court, Salida Sanitary District, East Side Mosquito Abatement, Keyes Community Services, Hills Ferry Cemetery, and StanCOG hired on or after October 1, 1988 become Members on their date of appointment. All others hired before October 1, 1988 became Members on the first day of the calendar month following their date of appointment.

Detailed membership eligibility according to Tier and membership date is shown in Table 1 on the following page.

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**C. Service Retirement**

**Eligibility:** Tier 3 General Members are eligible to retire at age 55 if they have earned ten years of Credited Service. Tier 6 (PEPRA) General Members are eligible to retire at age 52 if they have earned five years of Credited Service. All other General Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, General non-PEPRA Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement. The 20-year Credited Service retirement eligibility is not applicable to Tier 6 (PEPRA) Safety Members.

**Benefit Amount:** The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 1 and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1.

For Tier 3 Members with Credited Service up to thirty five years, the percentage of Final Compensation may not exceed 70% and for those with more than thirty five years, it may not exceed 80%. For all other non-PEPRA Members, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security (other than Tiers 3 and 6), Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.



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**Table 1: Member Group Descriptions**

Group	Open or Closed	FAP	Max Cola	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier I	Closed	1	3	31676.12	2% at 57	62	2.00%
General Tier II	Open	3	3	31676.1	2% at 62	65	1.67%
General Tier III	Closed	3	0	31499.14	Non-Contributory	65	First 35 Years: 2.0% of FAS less 1/35 <sup>th</sup> of Social Security benefit at age 65. Next 10 Years: 1% of FAS
General Tier IV	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier V	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier VI	Open	3	3	7522.20	PEPRA	67	1.00%
Safety Tier II	Open	3	3	31664	2% at 50	50	2.00%
Safety Tier IV	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier V	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier VI	Open	3	3	7522.25 (2)	PEPRA	57	1.00%

**Table 2: Age Factors**

Age	Safety 2% at Age 50 CERL §: 31664	Safety 3% at Age 50 CERL §: 31664.1	Safety PEPRA CERL §: 7522.25 Opt2	General 2% at Age 62 CERL §: 31676.1	General 2% at Age 57 CERL §: 31676.12	General 2% at Age 55 CERL §: 31676.14	General 2% at Age 65 CERL §: 31499.14	General PEPRA CERL §: 7522.20
41	0.6258	0.6258	N/A	N/A	N/A	N/A	N/A	N/A
42	0.6625	0.6625	N/A	N/A	N/A	N/A	N/A	N/A
43	0.7004	0.7004	N/A	N/A	N/A	N/A	N/A	N/A
44	0.7397	0.7397	N/A	N/A	N/A	N/A	N/A	N/A
45	0.7805	0.7805	N/A	N/A	N/A	N/A	N/A	N/A
46	0.8226	0.8226	N/A	N/A	N/A	N/A	N/A	N/A
47	0.8678	0.8678	N/A	N/A	N/A	N/A	N/A	N/A
48	0.9085	0.9085	N/A	N/A	N/A	N/A	N/A	N/A
49	0.9522	0.9522	N/A	N/A	N/A	N/A	N/A	N/A
50	1.0000	1.0000	2.0000	0.7091	0.6681	0.8850	N/A	N/A
51	1.0516	1.0000	2.1000	0.7457	0.7056	0.9399	N/A	N/A
52	1.1078	1.0000	2.2000	0.7816	0.7454	1.0000	N/A	1.0000
53	1.1692	1.0000	2.3000	0.8181	0.7882	1.0447	N/A	1.1000
54	1.2366	1.0000	2.4000	0.8556	0.8346	1.1048	N/A	1.2000
55	1.3099	1.0000	2.5000	0.8954	0.8850	1.1686	0.3900	1.3000
56	1.3099	1.0000	2.6000	0.9382	0.9399	1.2365	0.4300	1.4000
57	1.3099	1.0000	2.7000	0.9846	1.0000	1.3093	0.4700	1.5000
58	1.3099	1.0000	2.7000	1.0350	1.0447	1.3608	0.5100	1.6000
59	1.3099	1.0000	2.7000	1.0899	1.1048	1.4123	0.5600	1.7000
60	1.3099	1.0000	2.7000	1.1500	1.1686	1.4638	0.6100	1.8000
61	1.3099	1.0000	2.7000	1.1947	1.2365	1.5153	0.6700	1.9000
62	1.3099	1.0000	2.7000	1.2548	1.3093	1.5668	0.7400	2.0000
63	1.3099	1.0000	2.7000	1.3186	1.3093	1.5668	0.8200	2.1000
64	1.3099	1.0000	2.7000	1.3865	1.3093	1.5668	0.9000	2.2000
65	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.3000
66	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.4000
67	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.5000

**Form of Benefit:** The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the benefit will continue for the life of the Member's spouse or to the age of

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majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, benefits for all retired members other than those in Tier 3 are adjusted to reflect changes in the CPI for the San Francisco Bay Area since the prior year. Benefits may be increased or decreased, but the cumulative changes shall never reduce the benefit below the original monthly allowance. Annual increases may not exceed the COLA figures shown in Table 1, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than the figures shown.

In addition, ad hoc cost of living adjustments have been granted in the past and may be granted in the future.

A lump sum benefit of \$5,000 will be payable upon the death of a retired member. No death benefit is payable for Tier 3 retired members.

**D. Service-Connected Disability:**

**Eligibility:** All non-Tier 3 Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty. Tier 3 Members are not eligible to receive disability benefits.

**Benefit Amount:** The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

**Form of Benefit:** The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

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Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

**E. Nonservice-Connected Disability**

**Eligibility:** Tier 3 Members are not eligible to receive disability benefits. All other Members are eligible for Nonservice-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service.

**Benefit Amount:** The Nonservice-Connected Disability Retirement Benefit payable to Tier 1 General Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 62, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Tiers 2, 4 5, and 6 General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

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**Form of Benefit:** The Nonservice-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

**F. Death Benefit**

**Eligibility:** A Tier 3 Member's survivors are not eligible to receive death benefits. All other Members' survivors are eligible to receive different Death benefits dependent on the Member's cause of death and retirement eligibility.

**Benefit Amount:** In the event the Member's death resulted from injury or illness sustained in connection with the Member's duties, the Death Benefit payable to a surviving spouse, domestic partner, or eligible dependent children will be the greater of 50% of the Member's Final Compensation at the time of death or the Service Retirement Benefit.

In the event the Member's death did not result from injury or illness sustained in connection with the Member's duties and at the time of death, the Member was eligible for Service Retirement or Non-Service Connected Disability (i.e. the employee was employed at least five years), the Death Benefit payable to the spouse, partner or children will be 60% of the survivor benefit based on benefit due on Member's date of death.

In all other cases, the designated beneficiary (not necessarily a spouse/partner/child) will receive a refund of the Member's contributions with interest plus one month of Final Compensation for each year of service to a maximum of six years.

**Form of Benefit:** Annuity death benefits will be paid monthly beginning at the Member's death and for the life of the surviving spouse/partner or to the age of majority of dependent minor children if there is no spouse/partner. Lump sum benefits will be paid as described above.



**APPENDIX C  
PLAN PROVISIONS**

COLA adjustments (as described for the annuity benefits) are also available.

**G. Withdrawal Benefits**

**Eligibility:** Tier 3 Members are not eligible to receive withdrawal benefits. All other Members are eligible for a Withdrawal Benefit upon termination of employment, if not eligible to receive or electing to waive a monthly benefit.

**Benefit Amount:** The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit the Member forfeits all Credited Service.

**Form of Benefit:** The Withdrawal Benefit is paid in a lump sum upon election by the Member.

**H. Deferred Vested Benefit**

**Eligibility:** A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

**Benefit Amount:** The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

**Form of Benefit:** The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump

**APPENDIX C  
PLAN PROVISIONS**

sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

**I. Reciprocal Benefit**

**Eligibility:** A Member is eligible for a Reciprocal Benefit upon termination of employment after earning five years of Credited Service and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

**Benefit Amount:** The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

**Form of Benefit:** The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available.

A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

**J. Optional Benefit Forms**

Prior to retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below.

1. A reduced retirement allowance payable during his life with the provision that on his death the excess, if any, of his accumulated

**APPENDIX C  
PLAN PROVISIONS**

- deductions at the time of retirement over the annuity payments made to him will be paid to his designated beneficiary or estate; or
2. A reduced retirement allowance payable during his life with the provision that after his death the reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; or
  3. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement.

In addition, a member participating in Social Security may elect to receive an increased monthly allowance before age 62 (earliest possible receipt of Social Security benefits) and then take a reduced monthly allowance at age 62 and after. This option will not affect any monthly payments payable to a beneficiary. This option is not available to those receiving a disability benefit.

**K. Member Contributions**

Other than Tiers 3 and 6, all Members contribute a percentage of Compensation to the Plan through payroll deduction. The percentage contributed depends on the Member's nearest age upon joining the Plan. Members do not contribute after earning 30 years of Credited Service.

Tier 6 (PEPRA) Members must contribute half of the Normal Cost of the Plan. Contributions for these members will be based on the Normal Cost associated with their benefits: General and Safety members will pay different rates. Members will continue to contribute after earnings 30 years of service.

City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

Interest is credited semiannually to each Member's accumulated contributions. The crediting rate is set by the Board; the current annual rate is 0.00%.

The employee contribution rates are shown in the Appendix E.

**L. Changes in Plan Provisions**

There were no changes to the Plan Provisions. However, the lump sum, post-retirement, death benefit of \$5,000 was added to the liability calculation for this valuation.

**APPENDIX D  
GLOSSARY**

**1. Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

**2. Actuarial Cost Method**

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a Normal Cost and an Actuarial Liability.

**3. Actuarial Gain (Loss)**

The difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

**4. Actuarial Liability**

The portion of the Actuarial Present Value of Projected Benefits, which will not be paid by future Normal Costs. It represents the value of the past Normal Costs with interest to the valuation date.

**5. Actuarial Present Value (Present Value)**

The value as of a given date of a future amount or series of payments. The Actuarial Present Value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

**6. Actuarial Valuation**

The determination, as of a specified date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

**7. Actuarial Value of Assets**

The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an Actuarial Valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.



**APPENDIX D  
GLOSSARY**

**8. Actuarially Equivalent**

Of equal Actuarial Present Value, determined as of a given date, with each value based on the same set of actuarial assumptions.

**9. Amortization Payment**

The portion of the pension plan contribution which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

**10. Entry Age Normal Actuarial Cost Method**

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

**11. Funded Ratio**

The ratio of the Actuarial Value of Assets to the Actuarial Liability.

**12. Normal Cost**

That portion of the Actuarial Present Value of pension plan benefits and expenses, which is allocated to a valuation year by the Actuarial Cost Method.

**13. Projected Benefits**

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of Actuarial Assumptions, taking into account such items as increases in future compensation and service credits.

**14. Unfunded Actuarial Liability**

The excess of the Actuarial Liability over the Actuarial Value of Assets.

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APPENDIX E  
MEMBER CONTRIBUTION RATES

Employee contribution rates vary by member Group and Tier. City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

The rates were changed following an experience study covering the period 2009-2012. The current employee contribution rates are shown in the following tables.

Current rates were determined by EFI based on an interest rate of 7.75% per annum, an average salary increase of 3.50% per year, and the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) with no age adjustment. The rates are blended using a male/female weighting of 25% male / 75% female for General members, and 80% male / 20% female for Safety members. Basic and COLA rates were determined based on an assumption that members would cease making contributions after 30 years of service.

Employee contribution rates for Tier 6 (PEPRA) members are determined based on half the Normal Cost for the PEPRA members (computed separately for General and Safety members, and for County and Ceres / Other District members). Due to the passage of SB13, contribution rates for PEPRA members are not rounded, and are recomputed each year.

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APPENDIX E  
 MEMBER CONTRIBUTION RATES

General Tier 1				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	2.08%	3.12%	1.14%	1.71%
17	2.08%	3.12%	1.14%	1.71%
18	2.08%	3.12%	1.14%	1.71%
19	2.08%	3.12%	1.14%	1.71%
20	2.08%	3.12%	1.14%	1.71%
21	2.10%	3.15%	1.16%	1.74%
22	2.12%	3.18%	1.18%	1.77%
23	2.14%	3.21%	1.20%	1.80%
24	2.16%	3.24%	1.22%	1.83%
25	2.17%	3.26%	1.24%	1.86%
26	2.19%	3.28%	1.26%	1.89%
27	2.20%	3.30%	1.28%	1.92%
28	2.21%	3.31%	1.30%	1.95%
29	2.22%	3.32%	1.32%	1.99%
30	2.22%	3.33%	1.35%	2.02%
31	2.27%	3.41%	1.37%	2.05%
32	2.32%	3.48%	1.39%	2.09%
33	2.37%	3.56%	1.42%	2.13%
34	2.43%	3.64%	1.45%	2.17%
35	2.48%	3.73%	1.48%	2.21%
36	2.54%	3.81%	1.50%	2.25%
37	2.60%	3.90%	1.53%	2.30%
38	2.66%	3.99%	1.56%	2.34%
39	2.72%	4.08%	1.59%	2.39%
40	2.77%	4.16%	1.62%	2.43%
41	2.73%	4.09%	1.64%	2.46%
42	2.78%	4.17%	1.67%	2.50%
43	2.83%	4.25%	1.69%	2.53%
44	2.89%	4.33%	1.71%	2.56%
45	2.94%	4.42%	1.73%	2.59%
46	3.00%	4.51%	1.75%	2.62%
47	3.07%	4.60%	1.76%	2.64%
48	3.13%	4.70%	1.77%	2.66%
49	3.20%	4.80%	1.78%	2.67%
50	3.24%	4.86%	1.78%	2.68%
51	3.29%	4.93%	1.77%	2.66%
52	3.33%	5.00%	1.75%	2.63%
53	3.39%	5.08%	1.69%	2.54%
54	3.44%	5.17%	1.65%	2.47%
55	3.45%	5.17%	1.61%	2.41%
56	3.45%	5.17%	1.53%	2.30%
57	3.45%	5.17%	1.48%	2.23%
58	3.45%	5.18%	1.44%	2.16%
59+	3.45%	5.18%	1.41%	2.11%

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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APPENDIX E  
 MEMBER CONTRIBUTION RATES

General Tier 2				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	3.26%	4.89%	0.93%	1.40%
17	3.26%	4.89%	0.93%	1.40%
18	3.26%	4.89%	0.93%	1.40%
19	3.26%	4.89%	0.93%	1.40%
20	3.26%	4.89%	0.93%	1.40%
21	3.29%	4.94%	0.94%	1.42%
22	3.32%	4.99%	0.96%	1.44%
23	3.35%	5.03%	0.97%	1.46%
24	3.38%	5.07%	0.99%	1.48%
25	3.40%	5.11%	1.00%	1.50%
26	3.43%	5.14%	1.01%	1.52%
27	3.44%	5.17%	1.03%	1.54%
28	3.46%	5.19%	1.05%	1.57%
29	3.47%	5.21%	1.06%	1.59%
30	3.48%	5.22%	1.08%	1.62%
31	3.56%	5.34%	1.10%	1.65%
32	3.64%	5.46%	1.12%	1.68%
33	3.72%	5.58%	1.14%	1.71%
34	3.81%	5.71%	1.16%	1.74%
35	3.89%	5.84%	1.18%	1.78%
36	3.98%	5.97%	1.21%	1.81%
37	4.07%	6.11%	1.23%	1.85%
38	4.16%	6.24%	1.26%	1.88%
39	4.24%	6.37%	1.28%	1.92%
40	4.32%	6.48%	1.30%	1.96%
41	4.35%	6.53%	1.32%	1.99%
42	4.44%	6.65%	1.34%	2.02%
43	4.52%	6.78%	1.36%	2.05%
44	4.61%	6.91%	1.38%	2.07%
45	4.70%	7.05%	1.40%	2.09%
46	4.79%	7.19%	1.41%	2.12%
47	4.89%	7.34%	1.43%	2.14%
48	4.98%	7.47%	1.44%	2.16%
49	5.06%	7.58%	1.45%	2.18%
50	5.12%	7.68%	1.46%	2.19%
51	5.19%	7.79%	1.46%	2.19%
52	5.27%	7.90%	1.46%	2.19%
53	5.32%	7.98%	1.45%	2.17%
54	5.34%	8.01%	1.43%	2.14%
55	5.35%	8.02%	1.40%	2.10%
56	5.35%	8.02%	1.34%	2.00%
57	5.35%	8.03%	1.30%	1.94%
58	5.55%	8.32%	1.26%	1.89%
59+	5.76%	8.63%	1.23%	1.85%



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APPENDIX E  
 MEMBER CONTRIBUTION RATES

General Tier 4				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	1.93%	2.90%	1.21%	1.81%
17	1.93%	2.90%	1.21%	1.81%
18	1.93%	2.90%	1.21%	1.81%
19	1.93%	2.90%	1.21%	1.81%
20	1.93%	2.90%	1.21%	1.81%
21	1.94%	2.91%	1.23%	1.84%
22	1.95%	2.93%	1.25%	1.88%
23	1.96%	2.94%	1.27%	1.91%
24	1.97%	2.95%	1.29%	1.94%
25	1.97%	2.96%	1.32%	1.97%
26	2.02%	3.03%	1.34%	2.00%
27	2.06%	3.10%	1.36%	2.04%
28	2.11%	3.17%	1.38%	2.07%
29	2.16%	3.24%	1.40%	2.10%
30	2.21%	3.31%	1.42%	2.14%
31	2.26%	3.39%	1.45%	2.17%
32	2.31%	3.47%	1.47%	2.21%
33	2.36%	3.55%	1.50%	2.25%
34	2.42%	3.63%	1.53%	2.29%
35	2.46%	3.70%	1.56%	2.33%
36	2.43%	3.64%	1.58%	2.38%
37	2.47%	3.71%	1.61%	2.42%
38	2.52%	3.78%	1.64%	2.46%
39	2.57%	3.85%	1.67%	2.51%
40	2.62%	3.93%	1.70%	2.55%
41	2.67%	4.00%	1.72%	2.58%
42	2.72%	4.09%	1.74%	2.62%
43	2.78%	4.17%	1.76%	2.65%
44	2.84%	4.27%	1.78%	2.67%
45	2.88%	4.32%	1.80%	2.70%
46	2.92%	4.38%	1.81%	2.71%
47	2.96%	4.44%	1.81%	2.72%
48	3.01%	4.51%	1.82%	2.73%
49	3.06%	4.59%	1.82%	2.73%
50	3.06%	4.59%	1.81%	2.72%
51	3.06%	4.60%	1.79%	2.69%
52	3.07%	4.60%	1.77%	2.65%
53	3.07%	4.60%	1.70%	2.56%
54+	3.07%	4.60%	1.66%	2.49%

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APPENDIX E  
 MEMBER CONTRIBUTION RATES

General Tier 5				
Entry	Basic	Basic	COL	COL
Age	First \$350	Over \$350	First \$350	Over \$350
16	3.86%	5.79%	1.21%	1.81%
17	3.86%	5.79%	1.21%	1.81%
18	3.86%	5.79%	1.21%	1.81%
19	3.86%	5.79%	1.21%	1.81%
20	3.86%	5.79%	1.21%	1.81%
21	3.89%	5.83%	1.23%	1.84%
22	3.91%	5.86%	1.25%	1.88%
23	3.92%	5.89%	1.27%	1.91%
24	3.94%	5.91%	1.29%	1.94%
25	3.95%	5.92%	1.32%	1.97%
26	4.04%	6.06%	1.34%	2.00%
27	4.13%	6.19%	1.36%	2.04%
28	4.22%	6.33%	1.38%	2.07%
29	4.32%	6.48%	1.40%	2.10%
30	4.42%	6.62%	1.42%	2.14%
31	4.52%	6.77%	1.45%	2.17%
32	4.62%	6.93%	1.47%	2.21%
33	4.73%	7.09%	1.50%	2.25%
34	4.84%	7.26%	1.53%	2.29%
35	4.93%	7.39%	1.56%	2.33%
36	4.85%	7.28%	1.58%	2.38%
37	4.94%	7.41%	1.61%	2.42%
38	5.04%	7.55%	1.64%	2.46%
39	5.13%	7.70%	1.67%	2.51%
40	5.23%	7.85%	1.70%	2.55%
41	5.34%	8.01%	1.72%	2.58%
42	5.45%	8.17%	1.74%	2.62%
43	5.56%	8.35%	1.76%	2.65%
44	5.69%	8.53%	1.78%	2.67%
45	5.76%	8.64%	1.80%	2.70%
46	5.84%	8.76%	1.81%	2.71%
47	5.93%	8.89%	1.81%	2.72%
48	6.02%	9.03%	1.82%	2.73%
49	6.12%	9.18%	1.82%	2.73%
50	6.13%	9.19%	1.81%	2.72%
51	6.13%	9.19%	1.79%	2.69%
52	6.13%	9.20%	1.77%	2.65%
53	6.14%	9.20%	1.70%	2.56%
54+	6.14%	9.21%	1.66%	2.49%

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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APPENDIX E  
 MEMBER CONTRIBUTION RATES

Safety Tier 2				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	4.83%	7.24%	2.05%	3.08%
21	4.92%	7.38%	2.11%	3.17%
22	5.01%	7.51%	2.16%	3.23%
23	5.10%	7.65%	2.20%	3.30%
24	5.20%	7.79%	2.24%	3.35%
25	5.29%	7.94%	2.28%	3.41%
26	5.39%	8.09%	2.32%	3.47%
27	5.49%	8.24%	2.36%	3.53%
28	5.60%	8.39%	2.40%	3.60%
29	5.70%	8.55%	2.44%	3.66%
30	5.81%	8.71%	2.48%	3.72%
31	5.87%	8.81%	2.53%	3.80%
32	5.99%	8.98%	2.58%	3.87%
33	6.10%	9.15%	2.63%	3.95%
34	6.22%	9.34%	2.69%	4.03%
35	6.35%	9.53%	2.74%	4.11%
36	6.48%	9.72%	2.80%	4.20%
37	6.62%	9.93%	2.85%	4.28%
38	6.75%	10.12%	2.91%	4.37%
39	6.86%	10.29%	2.97%	4.45%
40	6.96%	10.45%	3.03%	4.55%
41	7.07%	10.61%	3.08%	4.62%
42	7.20%	10.79%	3.12%	4.69%
43	7.29%	10.93%	3.16%	4.74%
44	7.33%	11.00%	3.19%	4.78%
45	7.32%	10.97%	3.20%	4.80%
46	7.26%	10.88%	3.21%	4.82%
47	7.15%	10.73%	3.23%	4.85%
48	7.41%	11.11%	3.24%	4.86%
49+	7.68%	11.52%	3.23%	4.84%



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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APPENDIX E  
 MEMBER CONTRIBUTION RATES

Safety Tier 4				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	2.56%	3.85%	2.68%	4.02%
21	2.61%	3.92%	2.76%	4.14%
22	2.66%	3.99%	2.81%	4.21%
23	2.71%	4.06%	2.86%	4.28%
24	2.76%	4.14%	2.90%	4.35%
25	2.81%	4.22%	2.94%	4.41%
26	2.86%	4.29%	2.98%	4.47%
27	2.92%	4.37%	3.01%	4.52%
28	2.97%	4.46%	3.05%	4.57%
29	3.03%	4.54%	3.08%	4.62%
30	3.08%	4.63%	3.11%	4.66%
31	3.07%	4.60%	3.16%	4.73%
32	3.13%	4.69%	3.21%	4.81%
33	3.19%	4.78%	3.26%	4.90%
34	3.25%	4.88%	3.32%	4.98%
35	3.32%	4.98%	3.38%	5.07%
36	3.39%	5.08%	3.45%	5.17%
37	3.46%	5.19%	3.51%	5.27%
38	3.54%	5.30%	3.57%	5.36%
39	3.62%	5.43%	3.64%	5.46%
40	3.67%	5.51%	3.71%	5.57%
41	3.73%	5.60%	3.70%	5.56%
42	3.79%	5.69%	3.70%	5.56%
43	3.87%	5.80%	3.71%	5.56%
44	3.95%	5.93%	3.71%	5.57%
45	3.98%	5.97%	3.71%	5.57%
46	3.98%	5.97%	3.72%	5.59%
47	3.96%	5.94%	3.74%	5.61%
48	3.91%	5.86%	3.75%	5.62%
49+	3.84%	5.76%	3.74%	5.60%



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014

APPENDIX E  
 MEMBER CONTRIBUTION RATES

Safety Tier 5				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	5.13%	7.69%	2.68%	4.02%
21	5.22%	7.83%	2.76%	4.14%
22	5.32%	7.98%	2.81%	4.21%
23	5.42%	8.13%	2.86%	4.28%
24	5.52%	8.28%	2.90%	4.35%
25	5.62%	8.43%	2.94%	4.41%
26	5.73%	8.59%	2.98%	4.47%
27	5.83%	8.75%	3.01%	4.52%
28	5.94%	8.91%	3.05%	4.57%
29	6.05%	9.08%	3.08%	4.62%
30	6.17%	9.25%	3.11%	4.66%
31	6.13%	9.20%	3.16%	4.73%
32	6.25%	9.38%	3.21%	4.81%
33	6.38%	9.56%	3.26%	4.90%
34	6.50%	9.75%	3.32%	4.98%
35	6.63%	9.95%	3.38%	5.07%
36	6.77%	10.16%	3.45%	5.17%
37	6.92%	10.38%	3.51%	5.27%
38	7.07%	10.61%	3.57%	5.36%
39	7.24%	10.86%	3.64%	5.46%
40	7.35%	11.02%	3.71%	5.57%
41	7.46%	11.19%	3.70%	5.56%
42	7.59%	11.38%	3.70%	5.56%
43	7.73%	11.60%	3.71%	5.56%
44	7.90%	11.85%	3.71%	5.57%
45	7.96%	11.93%	3.71%	5.57%
46	7.96%	11.94%	3.72%	5.59%
47	7.91%	11.87%	3.74%	5.61%
48	7.82%	11.73%	3.75%	5.62%
49+	7.68%	11.52%	3.74%	5.60%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2014**

**APPENDIX E  
MEMBER CONTRIBUTION RATES**

<b>PEPRA Rates</b>				
	<b>General (County)</b>	<b>General (Ceres)</b>	<b>Safety (County)</b>	<b>Safety (Ceres)</b>
	7.28%	8.05%	11.83%	12.31%
Assumptions:				
Interest:	7.75%			
Salary:	2014 Valuation Scale (Service based, includes wage inflation at 3.50%)			
Mortality:	Because the PEPRA contributions rates are based on 50% of the actual Normal Cost, the mortality rates are the same as those used in the Actuarial Valuation (RP2000 table projected from 2000 to 2020 using Scale AA)			