TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORT ON THE ACTUARIAL VALUATION AS OF JUNE 30, 2008

December 3, 2008

Board of Retirement
Tulare County Employees'
Retirement Association
136 N. Akers
Visalia, CA 93291

Members of the Board:

We are pleased to present our report on the actuarial valuation of the Tulare County Employees' Retirement Association as of June 30, 2008. The actuarial valuation is based on unaudited financial information and member data provided by the Retirement Association and summarized in this report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures, using an actuarial cost method which we believe is reasonable. This report fully and fairly discloses the actuarial position of the plan.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable expectations, and represent our best estimate of the anticipated experience under the plan. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Section 8.

I am an Enrolled Actuary and a Member of the American Academy of Actuaries. I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

We look forward to discussing this report with the Board and wish to express our appreciation for the invaluable cooperation extended to us by the Retirement Staff during the course of this study.

Respectfully submitted,

Charlie Chittenden, FSA, EA, MAAA
Director, Retirement

Table of Contents

Section 1: Executive Summary

The table below summarizes the principal results from the current and the prior valuations.

Item	Actuarial Valuation as of June 30, 2007	Actuarial Valuation as of June 30, 2008	Change Between Years Amount	Change Between Years Percent
Contribution Summary*				
Average Employer Contribution Rate	9.86%	11.37%	1.51%	15.3%
Estimated Employer Contributions	$20,195,000	$25,783,000	$5,588,000	27.7%
Average Member Contribution Rate	8.02%	7.70%	-0.32%	-4.0%
Estimated Member Contributions	$16,108,000	$16,989,000	$881,000	5.5%
Value of Assets				
Market Value of Assets	$1,050,428,442	$965,791,715	($84,636,727)	-8.1%
Rate of Return for Last 12 Months	18.35%	(7.80%)	(26.15%)	-142.5%
Actuarial Value of Assets	$800,967,495	$879,050,943	$78,083,448	9.7%
Rate of Return for Last 12 Months	10.48%	10.12%	(-0.36%)	-3.4%
GASB No. 25 Funded Status				
Actuarial Accrued Liability	$846,029,756	$946,414,313	$100,384,557	11.9%
Unfunded Actuarial Accrued Liability/(Surplus)	$45,062,261	$67,363,370	$22,301,109	49.5%
Funded Ratio	94.7%	92.9%	-1.80%	-1.9%
Summary of Data				
Active Participants	4,498	4,673	175	3.9%
Participants with Deferred Benefits	1,710	1,776	66	3.9%
Retired Participants and Beneficiaries	1,913	2,007	94	4.9%
Total	8,121	8,456	335	4.1%
Retired Participant Statistics				
Total Annual Allowance	$31,013,646	$34,244,004	$3,230,358	10.4%
Average Annual Allowance	$16,212	$17,062	$850	5.2%
Active Participant Statistics				
Total Annual Compensation	$204,802,798	$226,836,234	$22,033,436	10.8%
Average Annual Compensation	$45,532	$48,542	$3,010	6.6%
Average Age	42.36	42.28	-0.08	-0.2%
Average Service	7.92	7.82	-0.10	-1.2%
Key Assumptions				
Interest rate	7.75%	7.75%	0.00%	0.0%
Inflation	4.00%	4.00%	0.00%	0.0%

* Weighted by June 30, 2008 payroll.

Section 1: Executive Summary

Purpose

This report has been prepared by Buck Consultants to present the results of the June 30, 2008 actuarial valuation of the Tulare County Employees' Retirement Association (the "System"). The main purposes of the report are to:

1. Review the experience of the System over the past year and identify reasons for changes in costs;
2. Recommend economic assumptions to be used in computing System liabilities and costs;
3. Calculate the annual contribution required to fund the System in accordance with actuarial principles;
4. Project any emerging trends in Association costs;
5. Present items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Significant Changes Since Last Year

Based on our triennial experience analysis, deferred retirement rates have increased, while retirement and withdrawal rates have decreased.

Contribution Rates

During the year, the return on the actuarial value of assets was 10.12%, 2.22% greater than the actuarial assumption of 7.90%. In addition, there was a loss on the actuarial liability, resulting in an increase in the calculated County contribution rate from 9.86% as of June 30, 2007 to 11.37% as of June 30, 2008.

The contribution rates reflect the economic and non-economic assumptions recommended in the June 30, 2008 Experience Study.

Asset Returns

During the twelve months ended June 30, 2008, the Association assets had an investment return of –7.80% on a market value basis and 10.12% on an actuarial value basis, compared to the actuarial assumption of 7.90%.

Funding Ratio - GASB 25

The Governmental Accounting Standards Board Statement No. 25 (GASB 25) requires that the funding progress be shown based on the same funding method which was used to develop the system's contribution requirements, the Entry Age Normal Cost funding method. The funding ratio decreased from 94.7% on June 30, 2007 to 92.9% on June 30, 2008.

Noneconomic Assumptions

A triennial experience study of the members of the Association was performed at the time of the June 30, 2008 valuation. At that time, we analyzed the plan experience during the three-year period from July 1, 2005 through June 30, 2008 regarding service retirements, deaths, disabilities and terminations of employment, and compared the number of actual terminations to the incidence expected using the then prior actuarial assumptions. Where the results differed materially, we recommended and the Board approved modifying the assumptions. We anticipate that we will to use these new actuarial assumptions until the next experience analysis, which is due to be performed at the time of the June 30, 2011 actuarial valuation.

Economic Assumptions

To ensure that the same inflationary expectations are consistently included in all of the economic assumptions, we have used a building block approach in developing these assumptions. That is, we assumed that the investment return earned over the long-term comprises inflation and the real rate of return. In addition, we have assumed future salary increases comprise inflation, merit and longevity increases.

Inflation Assumption

We recommend that the current 4.00% long-term level of inflation be continued.

Investment Return Assumption

Based upon future anticipated long-term returns on the Association's targeted asset mixes, we also recommend that the 3.75% future real rate of return be continued. In combination, these assumptions equate to a 7.75% long-term investment return assumption. Since interest is credited semi-annually, the nominal rate of 3.875% produces an effective annual rate of 7.90%.

Salary Increase Assumption

We incorporated the same inflation assumption, 4.00%, into the recommended long-term salary increase assumption. The overall effect of the merit and longevity increases is to add approximately 1.50% to the total salary increase assumption.

Actuarial Value of Assets

The Board has adopted an actuarial value of assets method that recognizes the difference between expected and actual market returns, net of expenses, over a 5-year period. The actuarial value of assets is constrained to be within a 20% corridor of the market value. The net market value of assets was $965,791,715 and the net current actuarial value of assets under this method was $879,050,943, not including the Supplemental Retiree Benefit Reserve or the Contingency Reserve.

Actuarial Balance Sheet

The actuarial balance sheet compares the present value of all future benefits anticipated to be paid for the current membership with the sources of funds to be used to provide these benefits. It illustrates that if recommended contribution levels made in the future prove out over time, current assets plus future employer and member contributions will be adequate to meet future benefit payments for the current membership.

Interest Crediting Policy

The Retirement Board has adopted an interest crediting policy following the provisions of Section 5.5 of the 1937 Act. The target interest rate for reserves is the actuarially assumed rate. Reserves are first credited with the rate of return on the actuarial value of assets each six months, but no more than the actuarial assumption. Next, any actuarially determined returns in excess of the actuarial assumption are split 50-50 between the regular reserves and the Supplemental Retiree Benefits Reserve.

Section 2: Assets

Assets

The following discussion focuses on the assets of the Tulare County Employees' Retirement Association, which is a key component in the determination of the Association's funding status.

Financial Exhibits

Exhibit 2.1 presents a statement of net Plan assets at Market Value

Exhibit 2.2 presents a statement of changes in net Plan assets

Exhibit 2.3 presents the derivation of the Actuarial Value of Assets

Exhibit 2.4 presents the derivation of the asset gain and loss for the year

Exhibit 2.5 presents the historical returns on the Association's assets

Market Value of Assets

Represents the fair market value of assets as of June 30, 2008 as reported by the System.

Actuarial Value of Assets

The Board has adopted an actuarial value of assets method that recognizes the difference between expected and actual market returns, net of expenses, over a 5-year period. The actuarial value of assets is constrained to be within a 20% corridor of the market value. The net market value of assets was $965,791,715 and the net current actuarial value of assets under this method was $879,050,943, not including the Supplemental Retiree Benefit Reserve or the Contingency Reserve.

Valuation Assets

Represents the actuarial value of the fund, less the value of any special reserves that have been set aside for benefits that are to be funded outside the actuarially determined contribution rates. As of the valuation date, there are two special reserves: the Supplemental Retiree Benefits Reserve and the Contingency Reserve.

Asset Returns

During the twelve months ended June 30, 2008, the Association assets had an investment return of –7.80% on a market value basis and 10.12% on an actuarial value basis, compared to the actuarial assumption of 7.90%.

EXHIBIT 2.1 – STATEMENT OF PLAN NET ASSETS
AS OF JUNE 30, 2008

	June 30 2008
	Combined
ASSETS	
Current Assets	
Checking/Savings	
1110 · Cash in County Treasury	4,284,748.88
1120 · Cash in Custodial Account	118,644.07
1130 · Short Term Investments	15,148,963.64
1140 · Securities Lending Collateral	78,386,725.58
Total Checking/Savings	97,939,082.17
Other Current Assets	
1310 · Fixed Income - Market	242,405,097.27
1340 · Equities - Market	520,523,706.85
1370 · Real Estate - Market	
1371 · Accrued Performance Fees	-686,955.00
1370 · Real Estate - Market - Other	15,064,018.69
Total 1370 · Real Estate - Market	14,377,063.69
1375 - Real Estate - REIT	104,913,040.51
1385 –Hedge Funds	48,393,469.71
1386 – Private Equity	18,342,048.97
1390 – Futures Overlay	2,333,682.64
Total Other Current Assets	951,288,109.64
Total Current Assets	1,049,227,191.81
Fixed Assets	
1509 · Building and Improvements	972,530.75
1510 · Office Equipment & Computer Sys	203,591.80
1511 · Allowance for Depreciation	-332,563.32
1512 · Land	650,000.00
Total Fixed Assets	1,493,559.23
Other Assets	
1710 · Open Trades Sales	26,205,801.89
1730 · Investment Income Receivable	2,263,339.50
1735 · Real Estate Income Receivable	239,731.46
1750 · Members Contribution Receivable	1,119,460.54
1770 · County Contribution Receivable	53,635.60
1780 · Advances Rec- Holding Corp	1,160,591.00
Total Other Assets	31,042,559.99
TOTAL ASSETS	**1,081,763,311.03**

EXHIBIT 2.1 – STATEMENT OF PLAN NET ASSETS
AS OF JUNE 30, 2008

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2010 · Sec Lndg Collateral Payable	78,386,725.58
2020 · Open Trades - Purchases	33,690,865.79
2030 · Accounts Payable - Inv	850,986.11
2040 · Refunds Payable	1,925,207.87
2050 · Other Payables	15,178.04
2100 · Advances Payable-TCERA	45,289.64
Total Other Current Liabilities	**114,914,253.03**
Total Current Liabilities	**114,914,253.03**
Long Term Liabilities	
2060 · Accrual For Benefits At Termination	66,291.33
2070 · Advances Payable - TCERA	1,160,591.00
Total Long Term Liabilities	**1,226,882.33**
Total Liabilities	**116,141,135.36**
Equity	
3110 · Member Deposit Reserve	207,652,434.51
3120 · Other Reserves - Unapportioned	-270,352.95
3210 · County Advanced Reserves	
3210.1 · County Advanced Reserves	399,748,909.79
Total 3210 · County Advanced Reserves	399,748,909.79
3310 · Retiree Reserves	271,504,946.85
3320 · Supp. Retiree Benefit Reserve	123,676,538.36
3410 · Contingency Reserve	30,101,297.56
3510 · Market Stabilization	-67,037,063.00
3900 · Retained earnings	85,171,227.44
Net Income	-84,925,762.89
Total Equity	**965,622,175.67**
TOTAL LIABILITIES & EQUITY	**1,081,763,311.03**

EXHIBIT 2.2 – STATEMENT OF CHANGES IN PLAN NET ASSETS

Ordinary Income/Expense	
Income	
4110 · Interest Income (TCERA & TCERA Prop)	7,816,185.22
4120 · Dividend Income	8,271,705.57
4130 · Real Estate Income	5,027,604.38
4140 · Other Investment Income	139,763.78
4200 · Lease Payments from TCERA	49,561.80
4220 · Tax Reclaim Income	0.00
4310 · Commission Rebates	12,892.48
4410 · Securities Lending Income	3,922,059.21
4510 · Realized Gains/Losses	57,506,917.86
4610 · Employee Contributions	17,757,260.73
4620 · County Contributions	22,691,962.88
Total Income	123,195,913.91
Expense	
5110 · Benefit Payments	38,840,979.87
5120 · Refunds	4,447,283.46
5210 · Investment Management Fees	3,058,544.07
5250 · Inv.Consultant/Custodial Fees	307,401.52
5270 · Securities Lending Expense	3,252,515.65
5275 - Real Estate Investment Expense	0.00
5276 - Real Estate Mgr Fees	0.00
5280 · Other Investment Expense	23,454.57
5310 · Legal Fees	0.00
5410 · Actuarial Study Fees	49,656.00
5420 · Ret. Information System Exp.	0.00
5450 · Compensated Benefit Expense	5,931.42
5500· Administrative Expense	1,346,067.17
5750 · TCERA Property Admin. Expense	24,008.50
5910 · Depreciation of Fixed Assets	34,477.82
Total Expense	51,390,320.05
Net Ordinary Income	71,805,593.86
Other Income/Expense	
Other Income	
4520 · Unrealized Gains/Losses	(156,765,679.43)
4525 · Unrealized Gains/Losses – Build/Land	375,156.78
5000 · Other Income	23.50
Total Other Income	(156,390,499.15)
Net Other Income	(156,390,499.15)
Net Income	**(84,584,905.29)**

EXHIBIT 2.3 – ACTUARIAL VALUE OF ASSETS

Six Month Period From	Six Month Period To	Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
07/01/03	12/31/03	78,936,619	25,212,810	53,723,809	0%	0
01/01/04	06/30/04	27,755,083	27,934,765	(179,683)	10%	(17,968)
07/01/04	12/31/04	65,274,654	28,985,535	36,289,119	20%	7,257,824
01/01/05	06/30/05	12,962,718	31,132,549	(18,169,831)	30%	(5,450,949)
07/01/05	12/31/05	65,516,363	31,179,963	34,336,400	40%	13,734,560
01/01/06	06/30/06	37,530,222	33,331,266	4,198,956	50%	2,099,478
07/01/06	12/31/06	92,320,721	34,876,170	57,444,551	60%	34,466,730
01/01/07	06/30/07	70,966,904	38,054,052	32,912,851	70%	23,038,996
07/01/07	12/31/07	(8,184,032)	41,163,240	(49,347,273)	80%	(39,477,818)
01/01/08	06/30/08	(73,673,654)	40,424,031	(114,097,685)	90%	(102,687,916)
1. Total deferred return						(67,037,063)
2. Market Value of Assets as of June 30, 2008*						965,791,715
3. Preliminary Actuarial Value of Assets as of June 30, 2008 (2) – (1)						1,032,828,778
4. Corridor around Market Value						
80% corridor minimum						772,633,372
120% corridor maximum						1,158,950,059
5. Final Actuarial Value of Assets including Reserves as of June 30, 2008						1,032,828,778
6. Non-valuation reserves and designations:						
Supplemental Retiree Benefit Reserve						123,676,538
Reserve for Interest Fluctuation (Contingency Reserve)						30,101,298
Total						153,777,836
7. Final Actuarial Value of Assets excluding Reserves as of June 30, 2008 (5) – (6)						879,050,943

* The market value of assets is equal to the total equity amount on page 7 ($965,622,175.67) plus adjustments since the August 26 date of interest approval and posting.

EXHIBIT 2.4 – ASSET GAIN/LOSS

		Market Value		Actuarial Value
Total as of June 30, 2007	$	1,050,428,442	$	800,967,495
Changes During the Year				
County Contributions		22,691,963		22,691,963
Member Contributions		17,757,261		17,757,261
Benefit Payments		(38,840,980)		(38,840,980)
Refunds		(4,447,283)		(4,447,283)
Investment Expenses		(8,165,252)		(8,165,252)
Administrative Expenses		(1,352,888)		(1,352,888)
Investment Return		(72,279,548)		90,440,627
Total assets as of June 30, 2008	$	965,791,715	$	879,050,943
Expected Investment Return	$	82,871,705	$	63,164,290
Expected Assets	$	1,130,461,108	$	861,292,746
Asset Gain/Loss	$	(164,669,393)	$	17,758,197
Gross Return	$	(72,279,548)	$	90,440,627
Net of Expenses	$	(81,797,688)	$	80,922,487
Gross of Expenses		-6.92%		11.38%
Net of Expenses		-7.80%		10.12%

EXHIBIT 2.5 – HISTORICAL RETURNS ON ASSOCIATION ASSETS

Year Ended June 30,	Annualized Rate of Return at Market Value	Annualized Rate of Return at Actuarial Value	Increase in Consumer Price Index**
2004	17.00%	6.77%	3.3%
2005	9.93%	4.53%	2.5%
2006	13.76%	8.77%	4.3%
2007	18.35%	10.48%	2.7%
2008	-7.80%	10.12%	5.0%
Compound Average*	9.81%	8.11%	3.6%

* Since 2004

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

Section 3: Liabilities

Liabilities

This section focuses on the Association's actuarial liabilities and the cost components that are derived from those liabilities.

Actuarial Value of Assets

Represents the amount of assets already accumulated by the Association at Actuarial Value (item 1 in Exhibit 3.1).

Present Value of Future Member Contributions

Represents the present value of the contributions anticipated to be received in the future from the current members (item 2 in Exhibit 3.1).

Present Value of Future Employer Normal Cost Contributions

Represents the present value of future employer normal costs with respect to current members (item 3 in Exhibit 3.1).

Unfunded Actuarial Accrued Liability (Surplus)

Represents the difference between the present value of the benefits to be paid from the Association and the total of the existing assets plus the present value of the future normal costs and future member contributions. In the text we will abbreviate it as UAAL. The UAAL is amortized as a level percentage of payroll over a rolling 15-year period.

Total Actuarial Assets

Represents the total of all current assets at actuarial value plus the value of all future member and employer contributions for normal cost plus current and future employer costs to amortize the UAAL (item 5 in Exhibit 3.1).

Present Value of Benefits

The valuation determines the amount and timing of all future payments that will be made by the Association. For active members, the present value of benefits includes the value of all benefits earned to date and all benefits to be earned in the future. For all members, the present value of benefits includes the value of benefits payable to members and survivors over their remaining lifetimes. The present value is then determined by discounting these payments at the assumed interest rate to June 30, 2008, the date of the valuation. The present value of supplemental benefits is shown at reserve values (items 6 to 12 in Exhibit 3.1).

Actuarial Accrued Liability

Employer contributions have been determined under the Entry Age Normal Actuarial Cost Method, permitted by Government Code Section 31453.5. The Entry Age Normal method defines the Normal Cost as the level percentage of salary necessary to fund the projected future benefit over the period from the date of entry to the date of separation from active service. The Actuarial Accrued Liability is the cost allocated to years prior to the actuarial valuation date; it is the excess of the total value of benefits over the value of future member contributions and the value of future employer Normal Costs. The difference between the Actuarial Accrued Liability and the actuarial value of assets is called the Unfunded Actuarial Accrued Liability.

Unfunded Actuarial Accrued Liability

The valuation compares the actuarial value of assets to the Actuarial Accrued Liabilities. The shortfall, if any, is called the Unfunded Actuarial Accrued Liability (UAAL) and is amortized as a level percentage of payroll over a rolling 15-year period.

Actuarial Gain and Loss

The difference between the UAAL and the expected UAAL is an actuarial gain or loss. The actuarial gain and loss comprises two components: a liability gain and loss (from other sources, such as salary growth, turnover and retirement patterns and life expectancies different from expected) and an asset gain or loss (from investment experience different from expected).

Funded Ratio

Measures the portion of the AAL already funded by the current assets at actuarial value.

Supplemental Retiree Benefits Reserve (Article 5.5)

The financial provisions of Article 5.5 of the 1937 Act have been adopted by the County. This Article provides that a specific portion of the Association's investment earnings be allocated to a Supplemental Retiree Benefits Reserve (SRBR). Amounts allocated to the SRBR are to be used for the benefit of retired members and beneficiaries pursuant to Government Code Section 31618.

Level One: $18.00 per month for each of the first 20 years of service (some benefit grandfathering applies).

Benefit is subject to a vesting schedule of 50% after 10 years of service, uniformly grading up to 100% at 20 years of service.

Level Two: 85% Purchasing Power COLA based on COLA accumulation banks.

We have made the following assumptions in our valuation of the Level Two benefits.

- Future increases in the CPI will be sufficient to trigger the automatic COLA guaranteed under the Tier the member is in (that is 3% for Tier 1 and 2% for Tier 2). Liabilities will be greater if future increases are in excess of the guaranteed COLA.

- This higher cost exposure would be offset (fully or partially) by any future excess earnings that are credited to the SRBR. We did not assume any offset of the purchasing power by benefits received under Level One.

Level Three: 60% survivor benefit for retirees who marry after retirement, have been married for at least two years at time of death to a spouse, at least age 55 at time of retiree's death and if the member elected the Unmodified Allowance retirement option.

EXHIBIT 3.1 – ACTUARIAL BALANCE SHEET

ASSETS			
1.	Actuarial value of assets (including special reserves)	$	1,032,828,778
2.	Present value of future contributions by members		118,831,541
3.	Present value of future employer contributions for normal cost		134,434,337
4.	Present value of other future employer contributions (UAAL)		67,363,370
5.	Total actuarial assets	$	1,353,458,027
LIABILITIES			
6.	Present value of retirement allowances payable to retired members and their survivors	$	415,349,361
7.	Present value of service retirement allowances payable to presently active members and their survivors		453,112,185
8.	Present value of allowances payable to current and future vested terminated members and their survivors		222,920,658
9.	Present value of disability retirement allowances payable to presently active members and their survivors		66,062,758
10.	Present value of death benefits payable on behalf of presently active members		14,936,621
11.	Present value of members' contributions to be returned upon withdrawal		27,298,608
12.	Special Reserves		30,101,298
13.	SRBR		123,676,538
14.	Miscellaneous Liabilities		0
15.	Total actuarial liabilities	$	1,353,458,027

EXHIBIT 3.2 – ACTUARIAL ACCRUED LIABILITY

16.	Present value of future benefits (items 6 to 11)	$	1,199,680,191
17.	Present value of future contributions by members and employers (items 2 and 3)		253,265,878
18.	Actuarial accrued liability (item 16 minus item 17)		946,414,313
19.	Actuarial value of assets (excluding special reserves)		879,050,943
20.	Unfunded actuarial accrued liability (UAAL) (item 18 minus item 19)	$	67,363,370
21.	Funded ratio		92.90%

EXHIBIT 3.3 – ACTUARIAL GAIN AND LOSS

1.	Unfunded actuarial accrued liability as of July 1, 2007		$	45,062,261
2.	Change due to contributions:			
	(a) Normal cost	$ 33,854,761		
	(b) Interest on (a)	1,337,263		
	(c) Interest on (1)	3,559,919		
	(d) Contributions (member and employer)	(40,449,224)		
	(e) Interest on (d)	(1,597,744)		
	(f) Net change: (a)+(b)+(c)+(d)+(e)		$	(3,295,026)
3.	Expected unfunded actuarial accrued liability: (1)+(2)		$	41,767,235
4.	Change due to actuarial (gain)/loss from asset sources:		$	(17,758,197)
5.	Liability (gain)/loss			64,990,648
6	Change in actuarial assumptions			(21,636,316)
7	Unfunded actuarial accrued liability as of June 30, 2008: (3)+(4)+(5)+(6)+(7)		$	67,363,370

EXHIBIT 3.4 – SUPPLEMENTAL RETIREE BENEFITS RESERVE

We show below the June 30, 2008 present value of the supplemental retiree benefits payable on behalf of all currently retired members and future retired members from the current active and inactive membership.

Present Value of Benefits For			**June 30, 2008**
Level One			
1.	Current Retirees	$	49,044,663
2.	Inactive Members		5,650,871
3.	Active members		48,749,874
4.	Subtotal	$	103,445,407
Level Two			
5.	Supplemental COLA for those who have lost at least 15% of Purchasing Power	$	3,368,142
Level Three			
6.	Supplemental Spousal Death Benefit	$	
7.	Total SRBR Combined Liability: (4)+(5)+(6)	$	106,813,549
8.	Supplemental Retiree Benefits Reserve (SRBR)	$	123,676,538
9.	Net Reserve: (8)-(7)	$	16,862,989

Section 4: Member Contribution Rates

A summary of the current and recommended average employee contribution rates is provided below.

Member Contributions

This section focuses on the determination of the member contribution rates to the Association.

Member Basic Contributions

Government Code Sections 31621.5 (Tier 1) and 31621.2 (Tiers 2 and 3) set forth the basis for the determination of the normal rates of contribution for General members. Government Code Section 31639.5 (Tier 1) and 31639.25 (Tier 2 and Tier 3) set forth the basis for the normal rates of contribution for Safety members.

The law further provides that the contribution rates of members will be based on the age nearest birthday at the time of entrance into the Retirement Association. Section 31453 states that no adjustment will be included in the rates of contribution for time prior to the effective date of any revisions.

Member Basic Contributions are based on entry age into the Association and the following actuarial assumptions:

1. Actuarial investment return (7.90%)
2. Salary increase (average of 5.50%)
3. Life expectancy

The basic employee contribution rates for General members were calculated on a unisex basis using the RP-2000 Healthy Annuitant Mortality Table (weighted 1/3 male and 2/3 female), with adjustment for white-collar workers. The Safety basic employee rates were based upon the RP-2000 Healthy Annuitant Mortality Table (weighted 5/6 male and 1/6 female), with adjustment for blue-collar workers.

Cost-of-Living Contributions

The employee portion of the cost-of-living provision is expressed as a percentage of the employees' normal contribution rates. The current cost of living percentage are:

	Tier 1	Tiers 2 and 3
2007	61.73%	22.15%
2008	57.04%	23.85%

Section 4: Member Contribution Rates

A summary of the current and recommended average employee contribution rates is provided below:

2007	Average Member Basic and Cost of Living Contribution Rates			
	General		Safety	
	Tier 1	Tier 2 & 3	Tier 1	Tier 2 & 3
Recommended Rates	4.22%	7.79%	1.88%	9.66%

2008	Average Member Basic and Cost of Living Contribution Rates			
	General		Safety	
	Tier 1	Tier 2 & 3	Tier 1	Tier 2 & 3
Recommended Rates	4.19%	7.07%	1.48%	9.78%

Section 4: Member Contribution Rates

Recommended employee rates at sample ages are shown below.

RECOMMENDED MEMBER CONTRIBUTION RATES

Sample General Member Contribution Rates* Benefits Under Section 31676.12				
	Basic	With 3% Automatic Cost of Living Increases	Basic	With 2% Automatic Cost of Living Increases
Entry Age	Tier 1	Tier 1	Tier 2 & 3	Tier 2 & 3
25	2.87%	4.51%	5.50%	6.81%
35	3.52%	5.53%	6.74%	8.35%
45	4.26%	6.69%	8.05%	9.97%

*These are the full rates payable by the member. Contribution rates for the first $161.54 of bi-weekly salary are one-third lower for members covered by Social Security.

Sample Safety Member Contribution Rates*				
	Basic	With 3% Automatic Cost of Living Increases	Basic	With 2% Automatic Cost of Living Increases
Entry Age	Tier 1	Tier 1	Tier 2 & 3	Tier 2 & 3
25	4.01%	6.30%	7.68%	9.51%
35	4.62%	7.26%	8.71%	10.79%
45	5.00%	7.85%	9.42%	11.67%

*These are the full rates payable by the member. Contribution rates for the first $161.54 of bi-weekly salary are one-third lower for members covered by Social Security.

The following pages set forth the complete set of members' contribution rates with and without the automatic cost of living benefit. The interest rate, mortality table, inflation rate and cost of living benefit are indicated on the bottom of the table.

GENERAL TIER 1 MEMBERS' CONTRIBUTION RATES
(expressed as a percentage of bi-weekly compensation)
Benefits Under Section 31676.12

Entry Age	Total First $161.54	Total Over $161.54	Entry Age	Total First $161.54	Total Over $161.54
16	2.50%	3.75%	38	3.93%	5.89%
17	2.56%	3.83%	39	4.00%	6.01%
18	2.61%	3.91%	40	4.10%	6.14%
19	2.65%	3.99%	41	4.19%	6.28%
20	2.72%	4.08%	42	4.29%	6.42%
21	2.78%	4.16%	43	4.38%	6.56%
22	2.83%	4.24%	44	4.41%	6.63%
23	2.89%	4.33%	45	4.46%	6.69%
24	2.95%	4.43%	46	4.51%	6.75%
25	3.00%	4.51%	47	4.54%	6.82%
26	3.06%	4.60%	48	4.59%	6.88%
27	3.13%	4.70%	49	4.63%	6.94%
28	3.19%	4.79%	50	4.66%	7.00%
29	3.25%	4.88%	51	4.71%	7.07%
30	3.33%	4.99%	52	4.76%	7.13%
31	3.39%	5.09%	53	4.79%	7.19%
32	3.47%	5.20%	54	4.85%	7.27%
33	3.53%	5.31%	55	4.88%	7.33%
34	3.61%	5.42%	56	4.93%	7.40%
35	3.69%	5.53%	57	4.98%	7.46%
36	3.75%	5.64%	58	5.03%	7.54%
37	3.85%	5.76%	59	5.07%	7.60%

* 57.04% of basic rates

Interest:	7.90%
Inflation:	4.00%
COLA:	3.00%
Mortality:	RP 2000 Healthy Annuitant Mortality, with white collar adjustment (weighted 1/3 male and 2/3 female)

GENERAL TIER 2 AND TIER 3 MEMBERS' CONTRIBUTION RATES
(expressed as a percentage of bi-weekly compensation)
Benefits Under Section 31676.12

Entry Age	Total First $161.54	Total Over $161.54	Entry Age	Total First $161.54	Total Over $161.54
16	3.79%	5.68%	38	5.92%	8.88%
17	3.86%	5.80%	39	6.06%	9.08%
18	3.95%	5.92%	40	6.18%	9.28%
19	4.03%	6.03%	41	6.32%	9.47%
20	4.10%	6.16%	42	6.43%	9.65%
21	4.19%	6.28%	43	6.53%	9.78%
22	4.27%	6.42%	44	6.58%	9.87%
23	4.36%	6.54%	45	6.65%	9.97%
24	4.45%	6.68%	46	6.70%	10.06%
25	4.55%	6.81%	47	6.77%	10.16%
26	4.63%	6.95%	48	6.82%	10.24%
27	4.73%	7.10%	49	6.90%	10.34%
28	4.82%	7.23%	50	6.96%	10.44%
29	4.92%	7.38%	51	7.02%	10.53%
30	5.02%	7.53%	52	7.08%	10.63%
31	5.13%	7.69%	53	7.15%	10.73%
32	5.24%	7.85%	54	7.22%	10.82%
33	5.34%	8.01%	55	7.28%	10.92%
34	5.45%	8.17%	56	7.34%	11.02%
35	5.56%	8.35%	57	7.42%	11.12%
36	5.68%	8.52%	58	7.69%	11.54%
37	5.80%	8.69%	59+	7.99%	11.99%

* 23.85% of basic rates

Interest:	7.90%
Inflation:	4.00%
COLA:	2.00%
Mortality:	RP 2000 Healthy Annuitant Mortality, with white collar adjustment (weighted 1/3 male and 2/3 female

Section 4: Member Contribution Rates

SAFETY TIER 1 MEMBERS' CONTRIBUTION RATES
(expressed as a percentage of bi-weekly compensation)
Benefits Under Section 31664

Entry Age	Total First $161.54	Total Over $161.54	Entry Age	Total First $161.54	Total Over $161.54
20	3.75%	5.64%	35	4.84%	7.26%
21	3.85%	5.76%	36	4.88%	7.32%
22	3.93%	5.89%	37	4.92%	7.38%
23	4.02%	6.01%	38	4.96%	7.43%
24	4.10%	6.16%	39	4.99%	7.49%
25	4.19%	6.30%	40	5.04%	7.55%
26	4.29%	6.44%	41	5.07%	7.62%
27	4.40%	6.60%	42	5.12%	7.66%
28	4.51%	6.75%	43	5.15%	7.73%
29	4.62%	6.91%	44	5.20%	7.79%
30	4.65%	6.97%	45	5.23%	7.85%
31	4.68%	7.02%	46	5.28%	7.91%
32	4.73%	7.08%	47	5.32%	7.98%
33	4.76%	7.15%	48	5.36%	8.04%
34	4.81%	7.19%	49+	5.40%	8.10%

* 57.04% of basic rates

Interest:	7.90%
Inflation:	4.00%
COLA:	3.00%
Mortality:	RP 2000 Healthy Annuitant Mortality, with blue collar adjustment (weighted 5/6 male and 1/6 female)

SAFETY TIER 2 AND TIER 3 MEMBERS' CONTRIBUTION RATES
(expressed as a percentage of bi-weekly compensation)
Benefits Under Section 31664

Entry Age	Total First $161.54	Total Over $161.54	Entry Age	Total First $161.54	Total Over $161.54
20	5.68%	8.52%	35	7.20%	10.79%
21	5.81%	8.71%	36	7.25%	10.87%
22	5.93%	8.89%	37	7.31%	10.96%
23	6.07%	9.09%	38	7.37%	11.05%
24	6.19%	9.30%	39	7.42%	11.13%
25	6.34%	9.51%	40	7.48%	11.22%
26	6.49%	9.72%	41	7.54%	11.31%
27	6.64%	9.96%	42	7.60%	11.41%
28	6.76%	10.14%	43	7.67%	11.49%
29	6.85%	10.28%	44	7.72%	11.58%
30	6.91%	10.35%	45	7.78%	11.67%
31	6.96%	10.44%	46	7.84%	11.77%
32	7.02%	10.53%	47	7.90%	11.85%
33	7.07%	10.61%	48	8.20%	12.31%
34	7.13%	10.70%	49+	8.52%	12.78%

* 22.15% of basic rates

Interest:	7.90%
Inflation:	4.00%
COLA:	2.00%
Mortality:	RP 2000 Healthy Annuitant Mortality, with blue collar adjustment (weighted 5/6 male and 1/6 female)

Section 5: Employer Contribution Rates

Employer Contributions

This section focuses on the determination of the employer contribution rates to the Association.

Employer Contribution rates

Employer contributions have been determined under the Entry Age Normal Actuarial Cost Method, permitted by Government Code Section 31453.5. The Entry Age Normal method defines the Normal Cost as the level percentage of salary necessary to fund the projected future benefit over the period from the date of entry to the date of separation from active service. The Actuarial Accrued Liability is the cost allocated to years prior to the actuarial valuation date; it is the excess of the total value of benefits over the value of future member contributions and the value of future Normal Costs. The difference between the Actuarial Accrued Liability and the plan assets is called the Unfunded Actuarial Accrued Liability and is funded (amortized) as a level percentage of payroll over a rolling 15-year period.

The contribution rates reflect the current economic and noneconomic assumptions. During the year, the return on the actuarial value of assets was 10.12%, 2.22% greater than the actuarial assumption of 7.90%. In addition to this gain, there was a loss in actuarial liability resulting in an increase in the calculated County contribution rate from 9.86% as of June 30, 2007 to 11.37% as of June 30, 2008.

The average employer contribution rate increased from 9.86% as of June 30, 2007 to 11.37% as of June 30, 2008 for the following reasons:

June 30, 2007 Recommended Employer Rate	**9.86%**
Changes during the year due to:	
Asset gain/loss	(0.82)%
Change in actuarial liability	3.33%
Change in actuarial assumptions	(1.00)%
Total changes	**1.51%**
June 30, 2008 Recommended Employer Rate	**11.37%**

The following charts specify the recommended employer contributions and components thereof (expressed as a level percentage of payroll) for this valuation. A breakdown between normal cost and UAAL is provided.

Section 5: Employer Contribution Rates

NORMAL COST AND UAAL RATE BREAKDOWN (% OF PAYROLL)

2007

Current and Recommended Contribution Rate Breakdown

	Tier 1 Members		Tier 2 & 3 Members		All Members	
	Current	Recommended*	Current	Recommended*	Current	Recommended *
General						
Normal Cost	7.50%	7.29%	6.89%	6.79%	6.93%	6.82%
UAAL Amortization	2.72%	2.15%	2.72%	2.15%	2.72%	2.15%
Total Cost	10.22%	9.44%	9.61%	8.94%	9.65%	8.97%
Safety						
Normal Cost	18.68%	18.16%	12.30%	12.44%	12.67%	12.69%
UAAL Amortization	4.68%	2.06%	4.68%	2.06%	4.68%	2.06%
Total Cost	23.36%	20.22%	16.98%	14.50%	17.35%	14.75%

*Weighted by June 30, 2007 payroll.

Average Rate for Total Group:	Current	10.75%
	Recommended	9.86%

2008: New

Current and Recommended Contribution Rate Breakdown

	Tier 1 Members		Tier 2 & 3 Members		All Members	
	Current	Recommended*	Current	Recommended*	Current	Recommended *
General						
Normal Cost	7.29%	6.50%	6.79%	7.50%	6.82%	7.46%
UAAL Amortization	2.15%	1.97%	2.15%	1.97%	2.15%	1.97%
Total Cost	9.44%	8.47%	8.94%	9.47%	8.97%	9.43%
Safety						
Normal Cost	18.16%	18.97%	12.44%	12.03%	12.69%	12.25%
UAAL Amortization	2.06%	6.34%	2.06%	6.34%	2.06%	6.34%
Total Cost	20.22%	25.31%	14.50%	18.37%	14.75%	18.59%

*Weighted by June 30, 2008 payroll.

Average Rate for Total Group:	Current	9.86%

Recommended	11.37%	

NORMAL COST AND UAAL RATE BREAKDOWN (BY $ AMOUNT)

2007

Current and Recommended Contribution Breakdown *

	Tier 1 Members		Tier 2 & 3 Members		All Members	
	Current	Recommended	Current	Recommended	Current	Recommended
General						
Normal Cost	713,000	674,000	10,380,000	11,128,000	11,093,000	11,802,000
UAAL Amortization	259,000	199,000	4,098,000	3,524,000	4,257,000	3,723,000
Total Cost	972,000	872,000	14,478,000	14,652,000	15,450,000	15,524,000
Safety						
Normal Cost	287,000	253,000	3,106,000	3,766,000	3,393,000	4,019,000
UAAL Amortization	72,000	29,000	1,182,000	624,000	1,054,000	653,000
Total Cost	359,000	281,000	4,287,000	4,390,000	4,646,000	4,671,000

*Weighted by June 30, 2007 payroll.

Total Contribution for Total Group:	Current	20,096,000
	Recommended	20,195,000

2008: New

Current and Recommended Contribution Breakdown *

	Tier 1 Members		Tier 2 & 3 Members		All Members	
	Current	Recommended	Current	Recommended	Current	Recommended
General						
Normal Cost	563,000	502,000	11,618,000	12,833,000	12,181,000	13,335,000
UAAL Amortization	166,000	152,000	3,679,000	3,371,000	3,845,000	3,523,000
Total Cost	729,000	654,000	15,297,000	16,204,000	16,026,000	16,858,000
Safety						
Normal Cost	278,000	291,000	5,781,000	5,591,000	6,059,000	5,882,000
UAAL Amortization	32,000	97,000	957,000	2,946,000	989,000	3,043,000
Total Cost	310,000	388,000	6,739,000	8,537,000	7,049,000	8,925,000

*Weighted by June 30, 2008 payroll.

Total Contribution for Total Group:	Current	23,075,000

	Recommended	25,783,000

Section 6: Recommendations

Recommendations

We recommend that the current inflation rate assumption remain at 4.00% and the current investment return assumption remain at 7.90%.

We recommend that the Board adopt the member and employer contribution rates as of June 30, 2008 as shown in the prior sections. These rates, which reflect the current economic assumptions, are based on the Entry Age Normal Actuarial Cost Method and the actuarial value of assets, with an unfunded Actuarial Accrued Liability amortized as a level percentage of payroll over a rolling 15-year period.

This combination of assumptions and methods reflects our best judgment of future long-term experience for the Association.

Section 7: GASB Disclosures and CAFR Information

Actuary's Certification Letter

December 1, 2008

Board of Retirement
Tulare County
Employees' Retirement Association
136 N. Akers
Visalia, CA 93291

Members of the Board:

Buck Consultants, LLC is the Consulting Actuary for the Tulare County Employees' Retirement Association. The date of the most recent actuarial valuation was June 30, 2008. In each actuarial study, we conduct an examination of all participant data for reasonableness.

Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the unfunded actuarial accrued liability (UAAL). As of June 30, 2008, the remaining amortization period for the UAAL was 15 years. The funding objective of the Plan is to establish contribution rates that, over time, will remain as a level percentage of payroll and will fully fund the liability for each participant by the participant's retirement date.

For actuarial valuation purposes, Plan assets are valued at Actuarial Value. Under this method, the assets used to determine employer contribution rates take into account the expected market value, and spread all gains and losses (returns above or below expected returns) over five years. The Association's financial statements are audited by an outside auditor.

Our firm has prepared all of the schedules presented in the actuarial report. The actuarial assumptions shown in the schedules were selected by Buck as being appropriate for use under the Plan and Buck is solely responsible for the trend schedules presented in this report. An analysis of the Plan's noneconomic experience was performed as of June 30, 2008 to establish the validity of these assumptions. The assumptions used this valuation produce results that, in the aggregate, reasonably approximate the anticipated future experience of the Plan. The next experience analysis is due to be performed as of June 30, 2011.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25. I am an Enrolled Actuary and a Member of the American Academy of Actuaries. I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

Respectfully submitted,

Charlie Chittenden, FSA, EA, MAAA
Director, Retirement

Section 7: GASB Disclosures and CAFR Information

GASB and CAFR Information	This section focuses on the required GASB disclosures and the required CAFR information.
GASB 25 Schedule of Funding Progress	GASB 25 established reporting and disclosures for defined benefit pension plans. The required Schedule of Funding Progress shows a historical comparison of the Association's assets and liabilities, using the same actuarial method used for funding the Association.
GASB 25 Schedule of Employer Contributions	The required Schedule of Employer Contributions compares the actual employer contributions to the "Annual Required Contributions" (ARC). The ARC is the employer contribution determined under GASB 25 standards (normal cost and amortization of unfunded actuarial accrued liabilities) using the actuarial funding method used for funding the Association.
Actuarial Analysis of Financial Experience	The annual CAFR requires the disclosure of historical sources of actuarial gains and losses.
Retiree and Beneficiary Experience	The annual CAFR requires the disclosure of historical summary data for retired members.
Solvency Test	The annual CAFR requires the disclosure of a "Solvency Test." This test compares actuarial assets to actuarial accrued liabilities, applying assets to active member contributions first, then to inactive and retired members and then to the remaining active member liabilities.

EXHIBIT 7.1 – GASB 25 SCHEDULE OF FUNDING PROGRESS

($ in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
6/30/00	517,197	470,141	(47,056)	110.0%	143,211	(32.9)%
6/30/01	574,417	491,228	(83,189)	116.9%	142,970	(58.2)%
6/30/02	612,469	561,377	(51,092)	109.1%	158,263	(32.3)%
6/30/03	634,249	608,505	(25,744)	104.2%	162,397	(15.9)%
6/30/04	665,244	649,649	(15,595)	102.4%	158,032	(9.9)%
6/30/05	681,618	714,656	33,038	95.4%	164,777	20.1%
6/30/06	729,899	792,844	62,945	92.1%	186,949	33.7%
6/30/07	800,967	846,030	45,063	94.7%	204,803	22.0%
6/30/08	879,051	946,414	67,363	92.9%	226,836	29.7%

*Amounts prior to 6/30/05 supplied by previous actuaries.

EXHIBIT 7.2 – GASB 25 SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/00	20,790	100%
6/30/01	18,872	100%
6/30/02	6,186	100%
6/30/03	5,245	100%
6/30/04	9,595	100%
6/30/05	10,502	100%
6/30/06	12,443	100%
6/30/07	17,975	100%
6/30/08	22,692	100%

EXHIBIT 7.3 - ACTUARIAL ANALYSIS OF FINANCIAL EXPERIENCE (DOLLARS IN THOUSANDS)

Plan Year Ending	Actuarial (Gains)/Losses			Changes in Plan Provisions	Changes in Assumptions/ Methods	Total (Gain)/Loss
	Asset Sources	Liability Sources	Total			
6/30/2005	22,213	-	22,213	0	26,116 *	48,329
6/30/2006	(5,914)	24,885	18,971	8,807	0	27,778
6/30/2007	(18,770)	(675)	(19,445)	0	0	(19,495)
6/30/2008	(17,758)	64,991	47,233	0	(21,636)	25,597

* Includes liability (gain)/loss and changes in assumptions

EXHIBIT 7.4 - RETIREE AND BENEFICIARY EXPERIENCE

Plan Year Ending	At Beginning of Year	At End of Year	Retiree Payroll	% Increase in Retiree Payroll	Average Annual Allowances
6/30/2005	1,728	1,808	$27,866,000	10.5%	$15,412
6/30/2006	1,808	1,840	$28,704,000	3.0%	$15,600
6/30/2007	1,840	1,913	$31,014,000	8.0%	$16,212
6/30/2008	1,913	2,007	$34,244,000	10.4%	$17,062

EXHIBIT 7.5 - SOLVENCY TEST (Dollars In Thousands)

Valuation Date	Actuarial Accrued Liabilities For			Actuarial Accrued Liabilities	Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members			(1)	(2)	(3)
6/30/2005	138,507	336,726	239,423	714,656	681,618	100%	100%	86.2%
6/30/2006	173,237	352,122	267,485	792,844	729,899	100%	100%	76.5%
6/30/2007	175,587	377,086	293,357	846,030	800,967	100%	100%	84.6%
6/30/2008	207,652	415,349	323,413	946,414	879,051	100%	100%	79.2%

Section 8: Summary of Actuarial Assumptions

Actuarial Assumptions

This section focuses on the actuarial assumptions used to perform the valuation.

Actuarial Assumptions

To carry out an actuarial valuation of the assets and liabilities of the Association, the actuary must first adopt assumptions with respect to each of the following items:

Noneconomic assumptions

- The probabilities of members separating from active service on account of nonvested and vested withdrawal, retirement for service, death and disability, and
- The mortality rates to be experienced among retired persons.

Economic assumptions

- Interest earnings to be realized on the funds over many years in the future, and
- The relative increases in a member's salary from the date of the valuation to the date of separation from active service.

Noneconomic Assumptions

Rates of Separation from Active Service

In connection with the June 30, 2008 actuarial valuation, we compared the expected number of terminations from active service to the number actually experienced during the three-year period beginning July 1, 2005 and ending June 30, 2008. Based on this comparison and the trends observed over the prior years, the probabilities of separation were adjusted accordingly.

A complete list of the current rates of separation from active service can be found in Exhibits 8.1 – 8.6. These rates should be viewed in the aggregate rather than examining each of them separately. This is due to the interdependency of the rates. For example, if turnover were to increase, there would be fewer retirements.

Economic Assumptions

Inflation

In setting the economic assumptions, we take a building block approach. Specifically, we first look at the rate of inflation, which underlies both the total rate of return and the salary scale assumptions. To aid us in determining an appropriate inflation rate for the Association, we have reviewed long-term historical inflation averages, recent trends, and the assumptions adopted by other public retirement systems. It should be noted that we have placed more emphasis on long-term historical averages and long-term future predictions than on the more recent, short-term trends. This helps to minimize fluctuations, which are more apparent in short term trends.

The rate of inflation is an important assumption used in valuing the Association's liabilities. This assumption underlies both the investment return assumption and the salary increase assumption. These in turn directly impact the employer and employee contribution rates.

If the pattern of inflation during the last 90-year period is analyzed, it may be extrapolated that the current low rates will not continue into the future indefinitely.

Because of the cyclical nature of inflation and the long-term nature of the Association's liabilities, we believe that it is appropriate to assume that the average inflation rate to be experienced over the next 30 to 50 years (which is approximately the lifetime of the Association's present obligations) will be between 3.50% and 4.50%.

Based on the information presented in the economic assumption section of our experience study, we recommend that the current inflation rate assumption remain at 4.00%.

Economic Assumptions

Real Rate of Return

Secondly, we review the anticipated real rate of return on investments. The real rate of return is dependent on the anticipated returns on classes of investments and the asset allocation of the Association's funds. To develop the individual real rates of return, we utilize various empirical studies. By applying the results of these studies to the Association's target asset allocation, we develop the real rate of return. This rate may then be adjusted for any known or anticipated changes in the economy that may occur. Using this building block approach, we then combine the underlying inflation assumption with the real rate of return to develop the total rate of return assumption (interest rate assumption).

The first step in developing a real rate of return is to analyze how the Association's assets are allocated among the various investment classes. Based on this information, we can then apply the anticipated rate of return to the respective classes and develop an overall estimated real rate of return. The Association's target and actual asset allocations are shown in the table below.

There have been numerous studies performed which analyze the expected long-term real rates of return for use in asset allocation models. Roger Ibbotson and Rex A. Sinquefield produced one of these studies for the period 1926-2005 called *Stocks, Bonds and Inflation: Simulations of the Future*. The results of this study are presented below.

ASSET CLASS	ASSET ALLOCATION AS OF June 30, 2008 (MARKET VALUE)		IBBOTSON-SINQUEFIELD REAL RATE OF RETURN (1926 – 2005)	TARGET WEIGHTED RETURN
	Target	Actual		
Equity	60%	64.4%	7.1%	4.57%
Fixed Income/Bonds	30%	22.6%	2.6%	0.59%
Real Estate	10%	11.0%	4.0%	0.44%
Short Term	0%	2.0%	0.7%	0.01%
Total	100%	100%		5.61%

Economic Assumptions

Real Rate of Return (continued)

Applying the Association's target asset allocation to the real rates of return in the table produces a real rate of return of approximately 5.50% (assuming an equal proportion of government and corporate bonds). This rate, however, should be adjusted to reflect administrative expenses and potential adverse future experience.

After making this adjustment, we believe that a real rate of return of 3.75% provides a reasonable degree of conservatism when used with a 4.00% inflation rate. Thus, we feel that the 7.90% investment return assumption should be continued.

Salary Scale

The salary scale assumption is developed in a similar manner. The inflation rate is combined with merit and longevity increases to produce a total salary scale assumption.

Merit and Longevity Increases

The merit and longevity component of the total salary scale assumption reflects increases in members' salaries due to promotions, advances in pay grades, etc. These increases are dependent on an individual's membership and are graded downward as members age.

The overall effect of the merit and longevity increases is to add approximately 1.50% to the total salary scale assumption.

Section 8: Summary of Actuarial Assumptions

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions. The UAAL is being funded as a level percentage of payroll over a rolling 15 year period.

1. Interest:	7.90% per annum (7.75% compounded semi-annually).
2. Interest Credited to Employee Accounts:	7.90% per annum (7.75% compounded semi-annually).
3. Inflation:	4.00% per annum.
4. Asset Valuation:	Smoothed actuarial value with a 120%/80% corridor around market value.
5. Salary Scale:	See Exhibit 8.7
6. Spouses and Dependents:	88% of General male, 65% of General female and 100% of Safety employees assumed married at retirement, with wives assumed three years younger than husbands.
7. Rates of Termination of Employment:	See Exhibits 8.1 – 8.3
8. Years of Life Expectancy After Retirement (Exhibit 8.4):	• RP-2000 Healthy Annuitant Mortality Table with adjustment for white-collar workers for General members. • RP-2000 Healthy Annuitant Mortality Table with adjustment for blue-collar workers for Safety members.
9. Years of Life Expectancy After Disability Retirement (Exhibits 8.5 and 8.6):	• RP-2000 Disabled Annuitant Mortality Table

10. Life Expectancy After Retirement for Employee Contribution Rate Purposes	• The basic employee contribution rates for General members were calculated on a unisex basis using the RP-2000 Healthy Annuitant Mortality Table (weighted 1/3 male and 2/3 female), with adjustment for white-collar workers. • The basic employee contribution rates for Safety members were based upon the RP-2000 Healthy Annuitant Mortality Table (weighted 5/6 male and 1/6 female), with adjustment for blue-collar workers.
11. Reciprocity Assumption:	50% of members who terminate with a vested benefit are assumed to enter a reciprocal system.
12. Deferral Age for Vested Terminations:	Age 55 for General members; age 50 for Safety members.

EXHIBIT 8.1 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
GENERAL MEMBERS - MALES
PRIOR ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc < 3	Withdrawal svc 3 to 4	Withdrawal svc 4 to 5	Withdrawal svc>5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00000	0.00000	0.15000	0.09000	0.09000	0.10000	0.00000	0.00000	0.00000	0.04125
21	0.00050	0.00010	0.15000	0.09000	0.09000	0.10000	0.00000	0.00010	0.00000	0.04125
22	0.00050	0.00010	0.15000	0.09000	0.09000	0.10000	0.00000	0.00010	0.00000	0.04125
23	0.00050	0.00010	0.15000	0.09000	0.09000	0.10000	0.00000	0.00010	0.00000	0.04125
24	0.00050	0.00010	0.15000	0.09000	0.09000	0.10000	0.00000	0.00010	0.00000	0.04125
25	0.00070	0.00010	0.15000	0.09000	0.09000	0.09800	0.00010	0.00010	0.00000	0.04125
26	0.00070	0.00010	0.15000	0.09000	0.09000	0.09600	0.00010	0.00010	0.00000	0.04125
27	0.00070	0.00010	0.15000	0.09000	0.09000	0.09400	0.00010	0.00010	0.00000	0.04125
28	0.00069	0.00010	0.15000	0.09000	0.09000	0.09200	0.00010	0.00010	0.00000	0.04125
29	0.00068	0.00010	0.15000	0.09000	0.09000	0.09000	0.00010	0.00010	0.00000	0.04125
30	0.00076	0.00010	0.15000	0.09000	0.09000	0.09000	0.00020	0.00010	0.00000	0.04125
31	0.00075	0.00010	0.15000	0.09000	0.09000	0.08500	0.00020	0.00010	0.00000	0.04125
32	0.00075	0.00010	0.15000	0.09000	0.09000	0.08000	0.00020	0.00010	0.00000	0.04125
33	0.00081	0.00010	0.15000	0.09000	0.09000	0.07500	0.00020	0.00010	0.00000	0.04125
34	0.00080	0.00010	0.15000	0.09000	0.09000	0.07000	0.00020	0.00010	0.00000	0.04125
35	0.00087	0.00009	0.15000	0.09000	0.09000	0.04400	0.00030	0.00010	0.00000	0.04125
36	0.00093	0.00009	0.15000	0.09000	0.09000	0.04000	0.00030	0.00020	0.00000	0.04125
37	0.00091	0.00009	0.15000	0.09000	0.09000	0.03600	0.00030	0.00020	0.00000	0.04125
38	0.00088	0.00019	0.15000	0.09000	0.09000	0.03300	0.00040	0.00020	0.00000	0.04125
39	0.00086	0.00019	0.15000	0.09000	0.09000	0.02900	0.00040	0.00030	0.00000	0.04125
40	0.00090	0.00018	0.09000	0.08000	0.07500	0.02700	0.00040	0.00040	0.00000	0.04125
41	0.00087	0.00018	0.09000	0.08000	0.07500	0.02600	0.00050	0.00050	0.00000	0.04125
42	0.00087	0.00018	0.09000	0.08000	0.07500	0.02400	0.00050	0.00060	0.00000	0.04000
43	0.00086	0.00018	0.09000	0.08000	0.07500	0.02200	0.00060	0.00070	0.00000	0.03750
44	0.00090	0.00018	0.09000	0.08000	0.07500	0.02000	0.00060	0.00080	0.00000	0.03500
45	0.00087	0.00018	0.09000	0.08000	0.07500	0.01800	0.00080	0.00100	0.00000	0.03125
46	0.00086	0.00018	0.09000	0.08000	0.07500	0.01700	0.00090	0.00120	0.00000	0.02875
47	0.00089	0.00018	0.09000	0.08000	0.07500	0.01700	0.00100	0.00140	0.00000	0.02500
48	0.00180	0.00018	0.09000	0.08000	0.07500	0.01600	0.00110	0.00160	0.00000	0.02125
49	0.00149	0.00018	0.09000	0.08000	0.07500	0.01500	0.00120	0.00180	0.00000	0.02125
50	0.00185	0.00018	0.09000	0.08000	0.07500	0.01400	0.00140	0.00200	0.04000	0.01875
51	0.00240	0.00018	0.09000	0.08000	0.07500	0.01300	0.00160	0.00250	0.04000	0.01625
52	0.00230	0.00018	0.09000	0.08000	0.07500	0.01200	0.00180	0.00300	0.04000	0.01250
53	0.00240	0.00018	0.09000	0.08000	0.07500	0.01100	0.00200	0.00350	0.04000	0.01250
54	0.00253	0.00027	0.09000	0.08000	0.07500	0.01000	0.00220	0.00400	0.06000	0.01250
55	0.00260	0.00028	0.09000	0.08000	0.07500	0.00900	0.00240	0.00450	0.10000	0.01250
56	0.00270	0.00028	0.09000	0.08000	0.07500	0.00900	0.00260	0.00500	0.09000	0.01250
57	0.00280	0.00037	0.09000	0.08000	0.07500	0.00800	0.00280	0.00550	0.10000	0.01250
58	0.00290	0.00037	0.09000	0.08000	0.07500	0.00800	0.00300	0.00600	0.11000	0.00875
59	0.00300	0.00037	0.09000	0.08000	0.07500	0.00700	0.00320	0.00650	0.14000	0.00875
60	0.00310	0.00048	0.09000	0.08000	0.07500	0.00600	0.00340	0.00700	0.16000	0.00500
61	0.00319	0.00048	0.09000	0.08000	0.07500	0.00500	0.00360	0.00750	0.20000	0.00500
62	0.00373	0.00057	0.09000	0.08000	0.07500	0.00500	0.00380	0.00800	0.45000	0.00500
63	0.00438	0.00057	0.09000	0.08000	0.07500	0.00500	0.00400	0.00850	0.24000	0.00500
64	0.00507	0.00057	0.09000	0.08000	0.07500	0.00500	0.00420	0.00900	0.27000	0.00500
65	0.00589	0.00070	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.29000	0.00000
66	0.00676	0.00070	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.30000	0.00000
67	0.00769	0.00080	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.35000	0.00000
68	0.00980	0.00080	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.40000	0.00000
69	0.01030	0.00090	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.60000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.1 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
GENERAL MEMBERS - MALES
CURRENT ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc < 2	Withdrawal svc 2 to 3	Withdrawal svc 3 to 5	Withdrawal svc>5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00000	0.00000	0.07500	0.15000	0.09000	0.10000	0.00000	0.00000	0.00000	0.12375
21	0.00050	0.00010	0.07500	0.15000	0.09000	0.10000	0.00000	0.00010	0.00000	0.12375
22	0.00050	0.00010	0.07500	0.15000	0.09000	0.10000	0.00000	0.00010	0.00000	0.12375
23	0.00050	0.00010	0.07500	0.15000	0.09000	0.10000	0.00000	0.00010	0.00000	0.12375
24	0.00050	0.00010	0.07500	0.15000	0.09000	0.10000	0.00000	0.00010	0.00000	0.12375
25	0.00070	0.00010	0.07500	0.15000	0.09000	0.09800	0.00010	0.00010	0.00000	0.12375
26	0.00070	0.00010	0.07500	0.15000	0.09000	0.09600	0.00010	0.00010	0.00000	0.12375
27	0.00070	0.00010	0.07500	0.15000	0.09000	0.09400	0.00010	0.00010	0.00000	0.12375
28	0.00069	0.00010	0.07500	0.15000	0.09000	0.09200	0.00010	0.00010	0.00000	0.12375
29	0.00068	0.00010	0.07500	0.15000	0.09000	0.09000	0.00010	0.00010	0.00000	0.12375
30	0.00076	0.00010	0.07500	0.15000	0.09000	0.09000	0.00020	0.00010	0.00000	0.12375
31	0.00075	0.00010	0.07500	0.15000	0.09000	0.08500	0.00020	0.00010	0.00000	0.12375
32	0.00075	0.00010	0.07500	0.15000	0.09000	0.08000	0.00020	0.00010	0.00000	0.12375
33	0.00081	0.00010	0.07500	0.15000	0.09000	0.07500	0.00020	0.00010	0.00000	0.12375
34	0.00080	0.00010	0.07500	0.15000	0.09000	0.07000	0.00020	0.00010	0.00000	0.12375
35	0.00087	0.00009	0.07500	0.15000	0.09000	0.04400	0.00030	0.00010	0.00000	0.12375
36	0.00093	0.00009	0.07500	0.15000	0.09000	0.04000	0.00030	0.00020	0.00000	0.12375
37	0.00091	0.00009	0.07500	0.15000	0.09000	0.03600	0.00030	0.00020	0.00000	0.12375
38	0.00088	0.00019	0.07500	0.15000	0.09000	0.03300	0.00040	0.00020	0.00000	0.12375
39	0.00086	0.00019	0.07500	0.15000	0.09000	0.02900	0.00040	0.00030	0.00000	0.12375
40	0.00090	0.00018	0.04500	0.09000	0.07500	0.02700	0.00040	0.00040	0.00000	0.12375
41	0.00087	0.00018	0.04500	0.09000	0.07500	0.02600	0.00050	0.00050	0.00000	0.12375
42	0.00087	0.00018	0.04500	0.09000	0.07500	0.02400	0.00050	0.00060	0.00000	0.12000
43	0.00086	0.00018	0.04500	0.09000	0.07500	0.02200	0.00060	0.00070	0.00000	0.11250
44	0.00090	0.00018	0.04500	0.09000	0.07500	0.02000	0.00060	0.00080	0.00000	0.10500
45	0.00087	0.00018	0.04500	0.09000	0.07500	0.01800	0.00080	0.00100	0.00000	0.09375
46	0.00086	0.00018	0.04500	0.09000	0.07500	0.01700	0.00090	0.00120	0.00000	0.08625
47	0.00089	0.00018	0.04500	0.09000	0.07500	0.01700	0.00100	0.00140	0.00000	0.07500
48	0.00180	0.00018	0.04500	0.09000	0.07500	0.01600	0.00110	0.00160	0.00000	0.06375
49	0.00149	0.00018	0.04500	0.09000	0.07500	0.01500	0.00120	0.00180	0.00000	0.06375
50	0.00185	0.00018	0.04500	0.09000	0.07500	0.01400	0.00140	0.00200	0.02000	0.05625
51	0.00240	0.00018	0.04500	0.09000	0.07500	0.01300	0.00160	0.00250	0.02000	0.04875
52	0.00230	0.00018	0.04500	0.09000	0.07500	0.01200	0.00180	0.00300	0.02000	0.03750
53	0.00240	0.00018	0.04500	0.09000	0.07500	0.01100	0.00200	0.00350	0.02000	0.03750
54	0.00253	0.00027	0.04500	0.09000	0.07500	0.01000	0.00220	0.00400	0.03000	0.03750
55	0.00260	0.00028	0.04500	0.09000	0.07500	0.00900	0.00240	0.00450	0.05000	0.03750
56	0.00270	0.00028	0.04500	0.09000	0.07500	0.00900	0.00260	0.00500	0.04500	0.03750
57	0.00280	0.00037	0.04500	0.09000	0.07500	0.00800	0.00280	0.00550	0.05000	0.03750
58	0.00290	0.00037	0.04500	0.09000	0.07500	0.00800	0.00300	0.00600	0.05500	0.02625
59	0.00300	0.00037	0.04500	0.09000	0.07500	0.00700	0.00320	0.00650	0.07000	0.02625
60	0.00310	0.00048	0.04500	0.09000	0.07500	0.00600	0.00340	0.00700	0.08000	0.01500
61	0.00319	0.00048	0.04500	0.09000	0.07500	0.00500	0.00360	0.00750	0.10000	0.01500
62	0.00373	0.00057	0.04500	0.09000	0.07500	0.00500	0.00380	0.00800	0.22500	0.01500
63	0.00438	0.00057	0.04500	0.09000	0.07500	0.00500	0.00400	0.00850	0.12000	0.01500
64	0.00507	0.00057	0.04500	0.09000	0.07500	0.00500	0.00420	0.00900	0.13500	0.01500
65	0.00589	0.00070	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.14500	0.00000
66	0.00676	0.00070	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15000	0.00000
67	0.00769	0.00080	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.17500	0.00000
68	0.00980	0.00080	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.20000	0.00000
69	0.01030	0.00090	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.30000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.2 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
GENERAL MEMBERS - FEMALES
PRIOR ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc < 3	Withdrawal svc 3 to 5	Withdrawal svc>5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00020	0.00010	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.01625
21	0.00020	0.00010	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.01625
22	0.00020	0.00010	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.01625
23	0.00020	0.00010	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.01625
24	0.00020	0.00010	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.01625
25	0.00040	0.00010	0.13000	0.09000	0.09000	0.00005	0.00010	0.00000	0.01625
26	0.00040	0.00010	0.13000	0.09000	0.09000	0.00005	0.00010	0.00000	0.01875
27	0.00040	0.00010	0.13000	0.09000	0.09000	0.00005	0.00010	0.00000	0.02125
28	0.00040	0.00010	0.13000	0.09000	0.09000	0.00005	0.00010	0.00000	0.02375
29	0.00040	0.00010	0.13000	0.09000	0.09000	0.00005	0.00010	0.00000	0.02625
30	0.00040	0.00010	0.13000	0.09000	0.08000	0.00005	0.00010	0.00000	0.02625
31	0.00040	0.00010	0.13000	0.09000	0.07000	0.00005	0.00010	0.00000	0.02750
32	0.00040	0.00010	0.13000	0.09000	0.06000	0.00005	0.00010	0.00000	0.02750
33	0.00050	0.00010	0.13000	0.09000	0.05000	0.00005	0.00010	0.00000	0.02875
34	0.00050	0.00010	0.13000	0.09000	0.05000	0.00005	0.00010	0.00000	0.02875
35	0.00050	0.00009	0.13000	0.09000	0.04700	0.00035	0.00010	0.00000	0.02875
36	0.00050	0.00009	0.13000	0.09000	0.04300	0.00035	0.00010	0.00000	0.02875
37	0.00050	0.00009	0.13000	0.09000	0.03900	0.00035	0.00010	0.00000	0.02875
38	0.00060	0.00009	0.13000	0.09000	0.03600	0.00055	0.00010	0.00000	0.02875
39	0.00060	0.00009	0.13000	0.09000	0.03300	0.00055	0.00010	0.00000	0.02750
40	0.00070	0.00009	0.09000	0.08000	0.03000	0.00060	0.00010	0.00000	0.02750
41	0.00080	0.00009	0.09000	0.08000	0.02900	0.00065	0.00010	0.00000	0.02625
42	0.00080	0.00009	0.09000	0.08000	0.02900	0.00070	0.00010	0.00000	0.02625
43	0.00090	0.00009	0.09000	0.08000	0.02800	0.00070	0.00010	0.00000	0.02625
44	0.00090	0.00009	0.09000	0.08000	0.02700	0.00075	0.00020	0.00000	0.02500
45	0.00100	0.00009	0.09000	0.08000	0.02500	0.00080	0.00020	0.00000	0.02500
46	0.00100	0.00009	0.09000	0.08000	0.02300	0.00090	0.00030	0.00000	0.02375
47	0.00120	0.00009	0.09000	0.08000	0.02100	0.00100	0.00030	0.00000	0.02250
48	0.00120	0.00009	0.09000	0.08000	0.01900	0.00120	0.00040	0.00000	0.02250
49	0.00140	0.00009	0.09000	0.08000	0.01800	0.00130	0.00050	0.00000	0.02250
50	0.00150	0.00009	0.09000	0.08000	0.01400	0.00140	0.00060	0.06000	0.02125
51	0.00170	0.00009	0.09000	0.08000	0.01300	0.00300	0.00070	0.06000	0.02000
52	0.00180	0.00009	0.09000	0.08000	0.01200	0.00320	0.00080	0.06000	0.02000
53	0.00200	0.00009	0.09000	0.08000	0.01100	0.00340	0.00100	0.06000	0.01875
54	0.00220	0.00009	0.09000	0.08000	0.01000	0.00380	0.00110	0.06000	0.01750
55	0.00240	0.00009	0.09000	0.08000	0.01000	0.00420	0.00120	0.08000	0.01500
56	0.00260	0.00010	0.09000	0.08000	0.00800	0.00440	0.00130	0.08000	0.01250
57	0.00280	0.00010	0.09000	0.08000	0.00700	0.00460	0.00140	0.09000	0.01000
58	0.00300	0.00010	0.09000	0.08000	0.00600	0.00480	0.00150	0.10000	0.00750
59	0.00320	0.00010	0.09000	0.08000	0.00500	0.00500	0.00160	0.12000	0.00625
60	0.00340	0.00019	0.09000	0.08000	0.00500	0.00520	0.00180	0.15000	0.00375
61	0.00360	0.00019	0.09000	0.08000	0.00500	0.00540	0.00200	0.20000	0.00250
62	0.00390	0.00019	0.09000	0.08000	0.00500	0.00580	0.00220	0.29000	0.00125
63	0.00420	0.00019	0.09000	0.08000	0.00500	0.00600	0.00240	0.25000	0.00125
64	0.00450	0.00019	0.09000	0.08000	0.00500	0.00620	0.00260	0.29000	0.00000
65	0.00480	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.31000	0.00000
66	0.00510	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.35000	0.00000
67	0.00540	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.40000	0.00000
68	0.00570	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.45000	0.00000
69	0.00600	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.50000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.2 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE
GENERAL MEMBERS - FEMALES
CURRENT ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc<1	Withdrawal svc 1 to 3	Withdrawal svc 3 to 5	Withdrawal svc>5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00200	0.00010	0.06500	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.04875
21	0.00200	0.00010	0.06500	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.04875
22	0.00020	0.00010	0.06500	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.04875
23	0.00020	0.00010	0.06500	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.04875
24	0.00020	0.00010	0.06500	0.13000	0.09000	0.09000	0.00000	0.00010	0.00000	0.04875
25	0.00040	0.00010	0.06500	0.13000	0.09000	0.09000	0.00010	0.00010	0.00000	0.04875
26	0.00040	0.00010	0.06500	0.13000	0.09000	0.09000	0.00010	0.00010	0.00000	0.05625
27	0.00040	0.00010	0.06500	0.13000	0.09000	0.09000	0.00010	0.00010	0.00000	0.06375
28	0.00040	0.00010	0.06500	0.13000	0.09000	0.09000	0.00010	0.00010	0.00000	0.07125
29	0.00040	0.00010	0.06500	0.13000	0.09000	0.09000	0.00010	0.00010	0.00000	0.07875
30	0.00040	0.00010	0.06500	0.13000	0.09000	0.08000	0.00010	0.00010	0.00000	0.07875
31	0.00040	0.00010	0.06500	0.13000	0.09000	0.07000	0.00010	0.00010	0.00000	0.08250
32	0.00040	0.00010	0.06500	0.13000	0.09000	0.06000	0.00010	0.00010	0.00000	0.08250
33	0.00050	0.00010	0.06500	0.13000	0.09000	0.05000	0.00010	0.00010	0.00000	0.08625
34	0.00050	0.00010	0.06500	0.13000	0.09000	0.05000	0.00010	0.00010	0.00000	0.08625
35	0.00050	0.00009	0.06500	0.13000	0.09000	0.04700	0.00070	0.00010	0.00000	0.08625
36	0.00050	0.00009	0.06500	0.13000	0.09000	0.04300	0.00070	0.00010	0.00000	0.08625
37	0.00050	0.00009	0.06500	0.13000	0.09000	0.03900	0.00070	0.00010	0.00000	0.08625
38	0.00060	0.00009	0.06500	0.13000	0.09000	0.03600	0.00110	0.00010	0.00000	0.08625
39	0.00060	0.00009	0.06500	0.13000	0.09000	0.03300	0.00110	0.00010	0.00000	0.08250
40	0.00070	0.00009	0.04500	0.09000	0.08000	0.03000	0.00120	0.00010	0.00000	0.08250
41	0.00080	0.00009	0.04500	0.09000	0.08000	0.02900	0.00130	0.00010	0.00000	0.07875
42	0.00080	0.00009	0.04500	0.09000	0.08000	0.02900	0.00140	0.00010	0.00000	0.07875
43	0.00090	0.00009	0.04500	0.09000	0.08000	0.02800	0.00140	0.00010	0.00000	0.07875
44	0.00090	0.00009	0.04500	0.09000	0.08000	0.02700	0.00150	0.00020	0.00000	0.07500
45	0.00100	0.00009	0.04500	0.09000	0.08000	0.02500	0.00160	0.00020	0.00000	0.07500
46	0.00100	0.00009	0.04500	0.09000	0.08000	0.02300	0.00180	0.00030	0.00000	0.07125
47	0.00120	0.00009	0.04500	0.09000	0.08000	0.02100	0.00200	0.00030	0.00000	0.06750
48	0.00120	0.00009	0.04500	0.09000	0.08000	0.01900	0.00240	0.00040	0.00000	0.06750
49	0.00140	0.00009	0.04500	0.09000	0.08000	0.01800	0.00260	0.00050	0.00000	0.06750
50	0.00150	0.00009	0.04500	0.09000	0.08000	0.01400	0.00280	0.00060	0.03000	0.06375
51	0.00170	0.00009	0.04500	0.09000	0.08000	0.01300	0.00300	0.00070	0.03000	0.06000
52	0.00180	0.00009	0.04500	0.09000	0.08000	0.01200	0.00320	0.00080	0.03000	0.06000
53	0.00200	0.00009	0.04500	0.09000	0.08000	0.01100	0.00340	0.00100	0.03000	0.05625
54	0.00220	0.00009	0.04500	0.09000	0.08000	0.01000	0.00380	0.00110	0.03000	0.05250
55	0.00240	0.00010	0.04500	0.09000	0.08000	0.01000	0.00420	0.00120	0.04000	0.04500
56	0.00260	0.00010	0.04500	0.09000	0.08000	0.00800	0.00440	0.00130	0.04000	0.03750
57	0.00280	0.00010	0.04500	0.09000	0.08000	0.00700	0.00460	0.00140	0.04500	0.03000
58	0.00300	0.00010	0.04500	0.09000	0.08000	0.00600	0.00480	0.00150	0.05000	0.02250
59	0.00320	0.00010	0.04500	0.09000	0.08000	0.00500	0.00500	0.00160	0.06000	0.01875
60	0.00340	0.00019	0.04500	0.09000	0.08000	0.00500	0.00520	0.00180	0.07500	0.01125
61	0.00360	0.00019	0.04500	0.09000	0.08000	0.00500	0.00540	0.00200	0.10000	0.00750
62	0.00390	0.00019	0.04500	0.09000	0.08000	0.00500	0.00580	0.00220	0.14500	0.00375
63	0.00420	0.00019	0.04500	0.09000	0.08000	0.00500	0.00600	0.00240	0.12500	0.00375
64	0.00450	0.00019	0.04500	0.09000	0.08000	0.00500	0.00620	0.00260	0.14500	0.00000
65	0.00480	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15500	0.00000
66	0.00510	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.17500	0.00000
67	0.00540	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.20000	0.00000
68	0.00570	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.22500	0.00000
69	0.00600	0.00020	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.25000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.3 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

SAFETY MEMBERS
PRIOR ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc<5	Withdrawal svc >5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00030	0.00052	0.07000	0.06000	0.00000	0.00110	0.00000	0.00000
21	0.00030	0.00052	0.07000	0.06000	0.00000	0.00120	0.00000	0.02500
22	0.00030	0.00052	0.07000	0.06000	0.00000	0.00130	0.00000	0.02500
23	0.00030	0.00052	0.07000	0.06000	0.00000	0.00150	0.00000	0.02500
24	0.00030	0.00052	0.07000	0.06000	0.00000	0.00180	0.00000	0.02500
25	0.00038	0.00052	0.07000	0.05800	0.00050	0.00230	0.00000	0.02500
26	0.00038	0.00052	0.07000	0.05800	0.00050	0.00280	0.00000	0.02500
27	0.00038	0.00052	0.07000	0.05700	0.00050	0.00320	0.00000	0.02500
28	0.00038	0.00052	0.07000	0.05700	0.00050	0.00320	0.00000	0.02500
29	0.00038	0.00052	0.07000	0.05500	0.00050	0.00400	0.00000	0.02500
30	0.00038	0.00052	0.07000	0.05200	0.00070	0.00500	0.00000	0.02500
31	0.00044	0.00052	0.07000	0.04800	0.00070	0.00570	0.00000	0.02500
32	0.00044	0.00052	0.07000	0.04500	0.00070	0.00600	0.00000	0.02500
33	0.00044	0.00052	0.07000	0.04100	0.00070	0.00620	0.00000	0.02500
34	0.00050	0.00060	0.07000	0.03700	0.00070	0.00640	0.00000	0.02500
35	0.00058	0.00060	0.07000	0.03400	0.00090	0.00640	0.00000	0.02500
36	0.00058	0.00060	0.07000	0.03100	0.00090	0.00650	0.00000	0.02500
37	0.00064	0.00068	0.07000	0.02700	0.00090	0.00660	0.00000	0.02500
38	0.00064	0.00068	0.07000	0.02300	0.00090	0.00670	0.00000	0.02500
39	0.00070	0.00068	0.07000	0.01900	0.00090	0.00670	0.00000	0.02500
40	0.00070	0.00075	0.07000	0.01500	0.00120	0.00680	0.00000	0.02250
41	0.00076	0.00075	0.07000	0.01100	0.00120	0.00690	0.00000	0.02000
42	0.00076	0.00075	0.07000	0.01000	0.00120	0.00690	0.00000	0.01750
43	0.00082	0.00082	0.07000	0.01000	0.00140	0.00700	0.00000	0.01500
44	0.00090	0.00082	0.07000	0.01000	0.00160	0.00710	0.00000	0.01500
45	0.00096	0.00090	0.07000	0.01000	0.00190	0.00980	0.00625	0.01500
46	0.00104	0.00090	0.07000	0.01000	0.00210	0.00980	0.00625	0.01500
47	0.00110	0.00097	0.07000	0.01000	0.00260	0.00980	0.01250	0.01500
48	0.00124	0.00097	0.07000	0.01000	0.00300	0.00980	0.01875	0.01500
49	0.00138	0.00105	0.07000	0.01000	0.00350	0.00980	0.01875	0.01500
50	0.00152	0.00112	0.07000	0.00000	0.00400	0.01000	0.06000	0.00000
51	0.00160	0.00120	0.07000	0.00000	0.00440	0.01250	0.05000	0.00000
52	0.00174	0.00127	0.07000	0.00000	0.00490	0.01500	0.05000	0.00000
53	0.00182	0.00135	0.07000	0.00000	0.00540	0.01750	0.05000	0.00000
54	0.00196	0.00142	0.07000	0.00000	0.00580	0.02000	0.05000	0.00000
55	0.00218	0.00150	0.07000	0.00000	0.00650	0.02250	0.30250	0.00000
56	0.00240	0.00157	0.07000	0.00000	0.00750	0.02380	0.20250	0.00000
57	0.00262	0.00165	0.07000	0.00000	0.00840	0.02510	0.20250	0.00000
58	0.00284	0.00172	0.07000	0.00000	0.00960	0.02650	0.25250	0.00000
59	0.00306	0.00180	0.07000	0.00000	0.01100	0.02810	0.30375	0.00000
60	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
61	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
62	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
63	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
64	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
65	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
66	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
67	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
68	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
69	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.3 – PROBABILITIES OF SEPARATION FROM ACTIVE SERVICE

SAFETY MEMBERS
CURRENT ASSUMPTIONS

Age	Ordinary Death	Duty Death	Withdrawal svc < 1	Withdrawal svc 1 to 5	Withdrawal svc >5	Ordinary Disability	Duty Disability	Service	Terminated Vested
20	0.00030	0.00052	0.04667	0.07000	0.06000	0.00000	0.00110	0.00000	0.00000
21	0.00030	0.00052	0.04667	0.07000	0.06000	0.00000	0.00120	0.00000	0.03333
22	0.00030	0.00052	0.04667	0.07000	0.06000	0.00000	0.00130	0.00000	0.03333
23	0.00030	0.00052	0.04667	0.07000	0.06000	0.00000	0.00150	0.00000	0.03333
24	0.00030	0.00052	0.04667	0.07000	0.06000	0.00000	0.00180	0.00000	0.03333
25	0.00038	0.00052	0.04667	0.07000	0.05800	0.00050	0.00230	0.00000	0.03333
26	0.00038	0.00052	0.04667	0.07000	0.05800	0.00050	0.00280	0.00000	0.03333
27	0.00038	0.00052	0.04667	0.07000	0.05700	0.00050	0.00320	0.00000	0.03333
28	0.00038	0.00052	0.04667	0.07000	0.05700	0.00050	0.00320	0.00000	0.03333
29	0.00038	0.00052	0.04667	0.07000	0.05500	0.00050	0.00400	0.00000	0.03333
30	0.00038	0.00052	0.04667	0.07000	0.05200	0.00070	0.00500	0.00000	0.03333
31	0.00044	0.00052	0.04667	0.07000	0.04800	0.00070	0.00570	0.00000	0.03333
32	0.00044	0.00052	0.04667	0.07000	0.04500	0.00070	0.00600	0.00000	0.03333
33	0.00044	0.00052	0.04667	0.07000	0.04100	0.00070	0.00620	0.00000	0.03333
34	0.00050	0.00060	0.04667	0.07000	0.03700	0.00070	0.00640	0.00000	0.03333
35	0.00058	0.00060	0.04667	0.07000	0.03400	0.00090	0.00640	0.00000	0.03333
36	0.00058	0.00060	0.04667	0.07000	0.03100	0.00090	0.00650	0.00000	0.03333
37	0.00064	0.00068	0.04667	0.07000	0.02700	0.00090	0.00660	0.00000	0.03333
38	0.00064	0.00068	0.04667	0.07000	0.02300	0.00090	0.00670	0.00000	0.03333
39	0.00070	0.00068	0.04667	0.07000	0.01900	0.00090	0.00670	0.00000	0.03333
40	0.00070	0.00075	0.04667	0.07000	0.01500	0.00120	0.00680	0.00000	0.03000
41	0.00076	0.00075	0.04667	0.07000	0.01100	0.00120	0.00690	0.00000	0.02667
42	0.00076	0.00075	0.04667	0.07000	0.01000	0.00120	0.00690	0.00000	0.02333
43	0.00082	0.00082	0.04667	0.07000	0.01000	0.00140	0.00700	0.00000	0.02000
44	0.00090	0.00082	0.04667	0.07000	0.01000	0.00160	0.00710	0.00000	0.02000
45	0.00096	0.00090	0.04667	0.07000	0.01000	0.00190	0.00980	0.00417	0.02000
46	0.00104	0.00090	0.04667	0.07000	0.01000	0.00210	0.00980	0.00417	0.02000
47	0.00110	0.00097	0.04667	0.07000	0.01000	0.00260	0.00980	0.00833	0.02000
48	0.00124	0.00097	0.04667	0.07000	0.01000	0.00300	0.00980	0.01250	0.02000
49	0.00138	0.00105	0.04667	0.07000	0.01000	0.00350	0.00980	0.01250	0.02000
50	0.00152	0.00112	0.04667	0.07000	0.00000	0.00400	0.01000	0.04000	0.00000
51	0.00160	0.00120	0.04667	0.07000	0.00000	0.00440	0.01250	0.03333	0.00000
52	0.00174	0.00127	0.04667	0.07000	0.00000	0.00490	0.01500	0.03333	0.00000
53	0.00182	0.00135	0.04667	0.07000	0.00000	0.00540	0.01750	0.03333	0.00000
54	0.00196	0.00142	0.04667	0.07000	0.00000	0.00580	0.02000	0.03333	0.00000
55	0.00218	0.00150	0.04667	0.07000	0.00000	0.00650	0.02250	0.20167	0.00000
56	0.00240	0.00157	0.04667	0.07000	0.00000	0.00750	0.02380	0.13500	0.00000
57	0.00262	0.00165	0.04667	0.07000	0.00000	0.00840	0.02510	0.13500	0.00000
58	0.00284	0.00172	0.04667	0.07000	0.00000	0.00960	0.02650	0.16833	0.00000
59	0.00306	0.00180	0.04667	0.07000	0.00000	0.01100	0.02810	0.20250	0.00000
60	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
61	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
62	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
63	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
64	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
65	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
66	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
67	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
68	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
69	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

EXHIBIT 8.4 – YEARS OF LIFE EXPECTANCY AFTER SERVICE RETIREMENT
CURRENT ASSUMPTIONS

	General		Safety			General		Safety	
Age	Male	Female	Male	Female	Age	Male	Female	Male	Female
20	58.04	63.01	56.26	61.99	55	26.77	29.55	24.67	28.19
21	57.09	62.03	55.31	61.00	56	25.91	28.65	23.84	27.27
22	56.15	61.05	54.36	60.02	57	25.05	27.76	23.02	26.36
23	55.21	60.07	53.42	59.03	58	24.19	26.88	22.21	25.45
24	54.26	59.08	52.47	58.04	59	23.32	26.00	21.40	24.56
25	53.32	58.10	51.52	57.06	60	22.46	25.13	20.61	23.69
26	52.38	57.12	50.57	56.07	61	21.61	24.27	19.82	22.83
27	51.43	56.13	49.62	55.09	62	20.76	23.42	19.05	21.98
28	50.49	55.15	48.67	54.10	63	19.93	22.57	18.28	21.16
29	49.54	54.17	47.72	53.11	64	19.11	21.74	17.53	20.34
30	48.60	53.19	46.77	52.13	65	18.31	20.91	16.79	19.55
31	47.66	52.21	45.82	51.15	66	17.51	20.10	16.06	18.76
32	46.72	51.23	44.88	50.16	67	16.74	19.30	15.35	17.99
33	45.80	50.26	43.95	49.19	68	15.97	18.51	14.66	17.24
34	44.88	49.29	43.02	48.21	69	15.22	17.74	13.97	16.49
35	43.96	48.32	42.10	47.23	70	14.48	16.98	13.31	15.77
36	43.06	47.35	41.18	46.26	71	13.76	16.23	12.66	15.06
37	42.16	46.39	40.27	45.29	72	13.04	15.26	12.03	14.36
38	41.26	45.43	39.36	44.32	73	12.35	14.54	11.41	13.69
39	40.37	44.46	38.46	43.35	74	11.67	13.84	10.81	13.03
40	39.49	43.51	37.56	42.38	75	11.02	13.16	10.23	12.40
41	38.61	42.55	36.67	41.42	76	10.38	12.49	9.66	11.77
42	37.73	41.60	35.78	40.45	77	9.77	11.84	9.12	11.17
43	36.85	40.65	34.89	39.49	78	9.18	11.21	8.60	10.57
44	35.99	39.70	34.01	38.54	79	8.61	10.59	8.09	10.00
45	35.13	38.76	33.13	37.59	80	8.06	10.00	7.61	9.43
46	34.27	37.83	32.26	36.63	81	7.54	9.43	7.15	8.89
47	33.43	36.89	31.39	35.69	82	7.04	8.87	6.71	8.37
48	32.59	35.96	30.53	34.74	83	6.56	8.34	6.29	7.87
49	31.75	35.04	29.68	33.80	84	6.11	7.84	5.89	7.40
50	30.93	34.12	28.83	32.86	85	5.69	7.35	5.52	6.95
51	30.11	33.20	27.99	31.93	86	5.29	6.90	5.17	6.53
52	29.29	32.28	27.16	30.99	87	4.92	6.47	4.83	6.14
53	28.46	31.37	26.32	30.05	88	4.58	6.08	4.53	5.78
54	27.62	30.46	25.49	29.12	89	4.26	5.72	4.24	5.45
					90	3.97	5.38	3.98	5.15

General Males: RP 2000 Mortality Table for Males, with white collar adjustment, and no setback
General Females: RP 2000 Mortality Table for Females, with white collar adjustment, and no setback
Safety Males: RP 2000 Mortality Table for Males, with blue collar adjustment, and no setback
Safety Females: RP 2000 Mortality Table for Females, with blue collar adjustment, and no setback

EXHIBIT 8.5 – YEARS OF LIFE EXPECTANCY AFTER DISABILITY RETIREMENT
GENERAL MEMBERS – CURRENT ASSUMPTIONS

	Years of Life Expectancy			Years of Life Expectancy	
Age	Male	Female	Age	Male	Female
20	31.51	47.16	55	15.98	21.73
21	30.51	46.16	56	15.55	21.09
22	30.20	45.50	57	15.12	20.46
23	29.89	44.84	58	14.70	19.83
24	29.57	44.17	59	14.27	19.22
25	29.24	43.50	60	13.86	18.62
26	28.90	42.82	61	13.44	18.02
27	28.55	42.14	62	13.03	17.43
28	28.20	41.45	63	12.62	16.85
29	27.84	40.76	64	12.21	16.27
30	27.47	40.06	65	11.80	15.70
31	27.09	39.36	66	11.39	15.14
32	26.71	38.65	67	10.99	14.58
33	26.31	37.94	68	10.59	14.04
34	25.90	37.22	69	10.20	13.50
35	25.49	36.49	70	9.81	12.98
36	25.07	35.76	71	9.43	12.46
37	24.63	35.03	72	9.05	11.96
38	24.19	34.28	73	8.69	11.47
39	23.73	33.54	74	8.33	11.00
40	23.27	32.79	75	7.99	10.53
41	22.80	32.03	76	7.65	10.09
42	22.31	31.26	77	7.33	9.65
43	21.81	30.49	78	7.02	9.23
44	21.30	29.72	79	6.72	8.81
45	20.78	28.94	80	6.43	8.42
46	20.25	28.15	81	6.16	8.03
47	19.73	27.38	82	5.89	7.66
48	19.23	26.62	83	5.63	7.29
49	18.73	25.88	84	5.38	6.94
50	18.25	25.15	85	5.14	6.61
51	17.78	24.44	86	4.90	6.28
52	17.32	23.74	87	4.66	5.97
53	16.86	23.06	88	4.41	5.67
54	16.42	22.39	89	4.16	5.39
			90	3.90	5.12

Males: RP 2000 Disabled Annuitant Mortality Table for Males, and no setback
Females: RP 2000 Disabled Annuitant Mortality Table for Females, and no setback

EXHIBIT 8.6 – YEARS OF LIFE EXPECTANCY AFTER DISABILITY RETIREMENT
SAFETY MEMBERS – CURRENT ASSUMPTIONS

	Years of Life Expectancy			Years of Life Expectancy	
Age	Male	Female	Age	Male	Female
20	33.51	49.16	55	16.86	23.06
21	32.51	48.16	56	16.42	22.39
22	31.51	47.16	57	15.98	21.73
23	30.51	46.16	58	15.55	21.09
24	30.20	45.50	59	15.12	20.46
25	29.89	44.84	60	14.70	19.83
26	29.57	44.17	61	14.27	19.22
27	29.24	43.50	62	13.86	18.62
28	28.90	42.82	63	13.44	18.02
29	28.55	42.14	64	13.03	17.43
30	28.20	41.45	65	12.62	16.85
31	27.84	40.76	66	12.21	16.27
32	27.47	40.06	67	11.80	15.70
33	27.09	39.36	68	11.39	15.14
34	26.71	38.65	69	10.99	14.58
35	26.31	37.94	70	10.59	14.04
36	25.90	37.22	71	10.20	13.50
37	25.49	36.49	72	9.81	12.98
38	25.07	35.76	73	9.43	12.46
39	24.63	35.03	74	9.05	11.96
40	24.19	34.28	75	8.69	11.47
41	23.73	33.54	76	8.33	11.00
42	23.27	32.79	77	7.99	10.53
43	22.80	32.03	78	7.65	10.09
44	22.31	31.26	79	7.33	9.65
45	21.81	30.49	80	7.02	9.23
46	21.30	29.72	81	6.72	8.81
47	20.78	28.94	82	6.43	8.42
48	20.25	28.15	83	6.16	8.03
49	19.73	27.38	84	5.89	7.66
50	19.23	26.62	85	5.63	7.29
51	18.73	25.88	86	5.38	6.94
52	18.25	25.15	87	5.14	6.61
53	17.78	24.44	88	4.90	6.28
54	17.32	23.74	89	4.66	5.97
			90	4.41	5.67

Males: RP 2000 Disabled Annuitant Mortality Table for Males, with a 2-year setback
Females: RP 2000 Disabled Annuitant Mortality Table for Females, with a 2-year setback

EXHIBIT 8.7 – SALARY INCREASE ASSUMPTION

Years of Service	General Members	Safety Members
0	6.00%	6.25%
1	6.00%	6.25%
2	6.00%	6.25%
3	6.00%	6.25%
4	6.00%	6.25%
5	6.00%	6.25%
6	6.00%	6.25%
7	6.00%	6.25%
8	6.00%	6.25%
9	6.00%	6.25%
10	6.00%	6.25%
11	6.00%	6.25%
12	6.00%	6.25%
13	6.00%	6.25%
14	6.00%	6.25%
15	6.00%	6.25%
16	4.50%	6.25%
17	4.50%	6.25%
18	4.50%	6.25%
19	4.50%	6.25%
20 or more	4.50%	4.50%

Note: Salary scale assumption reflects 4.00% for inflation and graded merit and longevity.

Section 9: Member Data

The June 30, 2008, actuarial valuation of the Association was based on the following data. For comparison, we also show a summary of the June 30, 2007, statistical information.

SUMMARY OF RETIRED MEMBERSHIP

	June 30, 2007	June 30, 2008	Percentage Change During the Period
GENERAL			
Number	1,617	1,697	4.9%
Total Annual Allowance	$23,155,063	$25,698,055	11.0%
Average Total Monthly Allowance	$1,193	1,262	5.8%
SAFETY			
Number	296	310	4.7%
Total Annual Allowance	$7,858,583	$8,545,955	8.7%
Average Total Monthly Allowance	$2,212	2,297	3.8%
TOTAL			
Number	1,913	2,007	4.9%
Total Annual Allowance	$31,013,646	$34,244,010	10.4%
Average Total Monthly Allowance	$1,351	$1,422	5.3%

SUMMARY OF INACTIVE MEMBERSHIP*

	June 30, 2007	June 30, 2008	Percentage Change During the Period
GENERAL			
Number	1,539	1,586	3.1%
SAFETY			
Number	171	190	11.1%
TOTAL			
Number	1,710	1,776	3.9%

*Includes unclaimed accounts.

SUMMARY OF ACTIVE MEMBERSHIP			
	June 30, 2007	June 30, 2008	Percentage Change During the Period
GENERAL TIER 1			
Number	157	125	(20.4)%
Annual Payroll*	$9,242,195	$7,725,514	(16.4)%
Average Monthly Salary	$4,906	$5,150	5.0%
Average Age	56.91	57.15	0.4%
Average Service	29.05	29.46	1.4%
GENERAL TIER 2 & 3			
Numbers	3,757	3,713	(1.2)%
Annual Payroll*	$163,895,080	$171,104,754	4.4%
Average Monthly Salary	$3,635	$3,839	5.6%
Average Age	42.47	422.88	895.7%
Average Service	7.04	7.14	1.4%
SAFETY TIER 1			
Number	16	17	6.3%
Annual Payroll*	$1,390,929	$1,533,029	10.2%
Average Monthly Salary	$7,244	$7,515	3.7%
Average Age	54.81	55.65	1.5%
Average Service	30.88	30.71	(0.6)%
SAFETY TIER 2 & 3			
Number	568	818	44.0%
Annual Payroll*	$30,274,594	$46,473,237	53.5%
Average Monthly Salary	$4,442	$4,734	6.6%
Average Age	37.26	37.00	(0.7)%
Average Service	7.22	7.11	(1.5)%
TOTAL			
Number	4,498	4,673	3.9%
Annual Payroll*	$204,802,798	$226,836,234	10.8%
Average Monthly Salary	$3,794	$4,045	6.6%
Average Age	42.36	42.28	(0.2)%
Average Service	7.92	7.82	(1.3)%

* Represents the annualization of active members' pay rates on June 30.

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY
OF ACTIVE GENERAL MEMBERS
AS OF JUNE 30, 2008
TIER 1 – MALES

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	1	0	1
	0	0	0	0	0	50,538	0	50,538
50-54	0	0	0	0	0	1	9	10
	0	0	0	0	0	36,518	66,957	63,913
55-59	0	0	0	1	1	4	18	24
	0	0	0	87,351	64,154	86,803	69,670	73,032
60-64	1	0	0	0	2	2	10	15
	39,470	0	0	0	90,688	146,718	75,920	84,899
65-69	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	1	1
	0	0	0	0	0	0	51,103	51,103
Total	1	0	0	1	3	8	38	51
	39,470	0	0	87,351	81,843	90,963	70,184	73,863

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2008 TIER 1 – FEMALES

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
45-49	0	1	0	0	0	4	3	8
	0	39,945	0	0	0	44,873	49,709	46,071
50-54	1	1	0	1	2	6	10	21
	36,363	34,509	0	73,126	41,315	72,880	59,340	59,872
55-59	1	3	0	0	3	5	14	26
	48,620	62,631	0	0	45,860	49,413	53,529	52,714
60-64	0	0	1	0	2	2	11	16
	0	0	81,384	0	32,079	69,781	50,652	52,642
65-69	0	0	0	0	0	1	2	3
	0	0	0	0	0	26,770	46,349	39,823
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Total	2	5	1	1	7	18	40	74
	42,492	52,469	81,384	73,126	40,624	57,232	53,545	53,489

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2008 TIER 2 & 3 – MALES

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	4	0	0	0	0	0	0	4
	26,676	0	0	0	0	0	0	26,676
20-24	32	0	0	0	0	0	0	32
	29,878	0	0	0	0	0	0	29,878
25-29	114	11	0	0	0	0	0	125
	42,940	41,726	0	0	0	0	0	42,833
30-34	81	29	6	0	0	0	0	116
	47,395	45,547	58,208	0	0	0	0	47,492
35-39	77	40	12	1	0	0	0	130
	50,605	50,158	53,422	31,244	0	0	0	50,579
40-44	51	30	23	6	1	0	0	111
	52,764	60,231	51,148	72,329	27,342	0	0	55,276
45-49	66	39	10	20	13	1	0	149
	48,839	56,627	53,163	60,960	70,740	39,470	0	54,643
50-54	44	34	26	24	18	10	0	156
	57,680	52,934	65,234	67,302	68,129	55,494	0	60,450
55-59	41	39	22	12	12	6	0	132
	58,240	59,888	54,533	52,430	84,034	85,383	0	61,160
60-64	19	26	16	6	9	2	0	78
	56,830	58,022	53,286	50,799	76,162	165,050	0	61,042
65-69	5	9	2	1	2	0	0	19
	57,579	36,120	44,880	71,189	140,258	0	0	55,497
70 & Over	3	2	1	1	0	0	0	7
	47,735	35,981	71,818	31,244	0	0	0	45,461
Total	537	259	118	71	55	19	0	1,059
	48,500	53,446	56,003	61,071	75,412	75,621	0	53,273

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE GENERAL MEMBERS AS OF JUNE 30, 2008 TIER 2 & 3 – FEMALES

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	9	0	0	0	0	0	0	9
	26,508	0	0	0	0	0	0	26,508
20-24	139	0	0	0	0	0	0	139
	31,025	0	0	0	0	0	0	31,025
25-29	301	60	2	0	0	0	0	363
	37,206	38,963	39,987	0	0	0	0	37,512
30-34	194	134	33	0	0	0	0	361
	39,772	45,203	43,247	0	0	0	0	42,106
35-39	145	119	68	7	0	0	0	339
	41,221	42,983	43,605	40,770	0	0	0	42,308
40-44	117	97	66	26	7	0	0	313
	41,115	41,525	44,205	43,894	44,600	0	0	42,202
45-49	113	99	73	50	16	10	0	361
	48,681	44,835	50,022	50,341	58,227	51,673	0	48,633
50-54	78	99	72	32	23	11	0	315
	41,973	45,216	50,998	43,603	51,665	72,766	0	47,004
55-59	63	66	56	46	17	5	0	253
	43,326	54,363	44,390	47,739	56,337	45,453	0	48,159
60-64	23	52	37	28	15	4	0	159
	37,251	44,612	45,358	40,829	66,533	47,591	0	45,198
65-69	5	11	8	6	2	4	0	36
	50,203	49,922	57,786	54,315	36,570	48,272	0	51,516
70 & Over	0	4	2	0	0	0	0	6
	0	29,344	31,718	0	0	0	0	30,135
Total	1,187	741	417	195	80	34	0	2,654
	39,482	44,571	46,530	46,175	55,762	56,702	0	43,214

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE SAFETY MEMBERS AS OF JUNE 30, 2008 TIER 1 – TOTAL

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
50-54	0	0	0	0	2	4	3	9
	0	0	0	0	74,858	85,840	105,565	89,975
55-59	0	0	0	0	0	1	5	6
	0	0	0	0	0	66,918	98,869	93,544
60-64	0	0	0	0	0	0	2	2
	0	0	0	0	0	0	80,997	80,997
65-69	0	0	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	0	0
Total	0	0	0	0	2	5	10	17
	0	0	0	0	74,858	82,056	97,303	90,178

AGE AND SERVICE DISTRIBUTION WITH ANNUAL AVERAGE SALARY OF ACTIVE SAFETY MEMBERS AS OF JUNE 30, 2008 TIER 2 & 3 – TOTAL

Current Age	Years of Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 19	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
20-24	78	0	0	0	0	0	0	78
	45,318	0	0	0	0	0	0	45,318
25-29	139	18	0	0	0	0	0	157
	48,838	54,083	0	0	0	0	0	49,439
30-34	91	52	10	0	0	0	0	153
	51,149	58,725	63,380	0	0	0	0	54,523
35-39	54	52	38	1	0	0	0	145
	51,128	60,018	64,493	79,931	0	0	0	58,017
40-44	18	24	39	18	17	0	0	116
	58,531	57,134	62,088	65,473	79,171	0	0	63,540
45-49	12	9	13	12	20	3	0	69
	58,937	56,907	63,740	65,973	72,906	76,038	0	65,593
50-54	10	4	11	6	12	6	0	49
	65,063	48,558	57,906	66,817	68,652	77,399	0	64,713
55-59	17	6	6	2	6	2	0	39
	73,417	58,128	59,030	63,654	62,751	70,497	0	66,560
60-64	2	2	4	0	2	1	0	11
	48,713	106,921	50,304	0	63,022	76,173	0	64,973
65-69	0	0	0	0	1	0	0	1
	0	0	0	0	43,825	0	0	43,825
70 & Over	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Total	421	167	121	39	58	12	0	818
	51,059	58,613	62,206	66,111	71,969	75,806	0	56,813

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED GENERAL MEMBERS AS OF JUNE 30, 2008 TOTAL

Current Age	Years of Retirement							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 45	2	1	0	0	0	0	0	3
	16,432	13,856	0	0	0	0	0	15,573
45-49	3	3	2	0	0	0	0	8
	10,284	15,493	5,795	0	0	0	0	11,115
50-54	57	6	5	1	0	0	0	69
	12,627	8,265	9,410	5,219	0	0	0	11,907
55-59	97	43	7	3	1	1	0	152
	15,596	10,849	11,566	12,592	3,848	4,476	0	13,858
60-64	201	105	33	10	1	2	1	353
	21,158	15,416	8,951	9,332	9,537	6,681	8,117	17,822
65-69	103	122	47	29	5	2	2	310
	22,871	17,254	10,328	11,622	15,532	4,294	7,848	17,371
70-74	25	71	69	44	20	4	2	235
	14,643	17,173	17,555	11,735	10,625	14,699	6,528	15,308
75-79	1	12	53	76	48	16	10	216
	24,354	13,070	13,364	15,769	11,630	9,687	7,187	13,301
80-84	5	0	9	36	64	51	9	174
	26,574	0	17,335	17,177	16,659	11,641	5,085	15,017
85 & Over	1	1	3	8	26	80	58	177
	12,647	4,737	7,701	8,315	17,066	11,349	7,177	10,593
Total	495	364	228	207	165	156	82	1,697
	19,072	15,607	13,242	13,879	14,374	11,166	6,961	15,143

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED SAFETY MEMBERS AS OF JUNE 30, 2008 TOTAL

Current Age	Years of Retirement							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 45	8	8	2	2	0	0	0	20
	16,918	20,687	22,885	20,493	0	0	0	19,380
45-49	5	2	6	1	0	0	0	14
	25,247	27,011	21,083	25,517	0	0	0	23,734
50-54	21	2	4	1	2	0	0	30
	23,851	22,459	22,918	21,750	29,437	0	0	23,936
55-59	32	11	8	4	0	1	0	56
	47,997	20,503	21,032	20,568	0	18,342	0	36,255
60-64	23	29	14	4	3	0	0	73
	44,082	36,630	22,038	21,908	21,051	0	0	34,733
65-69	4	5	17	13	5	2	6	52
	20,812	34,928	30,825	19,936	14,935	21,240	14,646	23,964
70-74	1	1	6	12	7	2	2	31
	12,928	32,809	25,288	26,905	24,368	22,040	10,487	24,386
75-79	0	0	0	5	6	4	3	18
	0	0	0	17,211	24,565	6,585	13,481	16,679
80-84	0	0	0	0	1	4	2	7
	0	0	0	0	19,669	14,084	18,222	16,064
85 & Over	0	0	0	0	1	1	7	9
	0	0	0	0	598	18,107	15,541	14,166
Total	94	58	57	42	25	14	20	310
	36,260	30,339	24,851	22,053	21,397	14,692	14,726	27,568

AVERAGE ANNUAL BENEFIT AND MEMBERSHIP DISTRIBUTION OF RETIRED GENERAL AND SAFETY MEMBERS AS OF JUNE 30, 2008 TOTAL

Current Age	Years of Retirement							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & OVER	TOTAL
Below 45	10	9	2	2	0	0	0	23
	16,821	19,928	22,885	20,493	0	0	0	18,883
45-49	8	5	8	1	0	0	0	22
	19,636	20,100	17,261	25,517	0	0	0	19,145
50-54	78	8	9	2	2	0	0	99
	15,649	11,814	15,413	13,485	29,437	0	0	15,552
55-59	129	54	15	7	1	2	0	208
	23,634	12,815	16,614	17,150	3,848	11,409	0	19,888
60-64	224	134	47	14	4	2	1	426
	23,512	20,007	12,849	12,925	18,173	6,681	8,117	20,720
65-69	107	127	64	42	10	4	8	362
	22,794	17,950	15,773	14,195	15,233	12,767	12,947	18,318
70-74	26	72	75	56	27	6	4	266
	14,577	17,390	18,174	14,986	14,188	17,146	8,507	16,366
75-79	1	12	53	81	54	20	13	234
	24,354	13,070	13,364	15,858	13,068	9,067	8,639	13,561
80-84	5	0	9	36	65	55	11	181
	26,574	0	17,335	17,177	16,705	11,818	7,474	15,057
85 & Over	1	1	3	8	27	81	65	186
	12,647	4,737	7,701	8,315	16,456	11,432	8,078	10,765
Total	589	422	285	249	190	170	102	2,007
	21,815	17,632	15,564	15,258	15,298	11,456	8,483	17,062

SUMMARY OF ANNUAL RETIREMENT ALLOWANCES
AS OF JUNE 30, 2008

GENERAL MEMBERS

		Number		Annual Allowance
Service				
	Males	570	$	11,614,797.98
	Females	739		9,673,475.87
	Total	1,309	$	21,288,273.85
Disability				
	Males	49	$	782,017.20
	Females	81		1,077,300.36
	Total	130	$	1,859,317.56
Beneficiaries				
	Males	62	$	434,385.96
	Females	196		2,116,077.48
	Total	258	$	2,550,463.44
Total		1,697	$	25,698,054.85

SAFETY MEMBERS

		Number		Annual Allowance
Service				
	Males	160	$	5,411,986.32
	Females	16		520,279.80
	Total	176	$	5,932,266.12
Disability				
	Males	67	$	1,547,002.21
	Females	17		345,424.80
	Total	84	$	1,892,427.01
Beneficiaries				
	Males	4	$	36,204.12
	Females	46		685,057.32
	Total	50	$	721,261.44
Total		310	$	8,545,954.57

Eligibility

First pay period following date of employment.

Final Average Salary

Highest 12 consecutive months of compensation earnable for Tier 1 members and highest 36 consecutive months of compensation earnable for Tier 2 and Tier 3 members.

Service Retirement

Early retirement

Age 50 and 10 years or
30 years for General and
20 years for Safety.

Benefit

General Members:
For service prior to July 1, 2005:
Benefits under Section 31676.11 (Tier 1) and Section 31676.1 (Tier 2 and Tier 3): 1/60 of final average salary times years of service times factor in the table on the following page.

For service after June 30, 2005:
Benefits under Section 31676.12 (all Tiers): 1/50 of final average salary times years of service times factor in the table on the following page.

Safety Members:
Benefits under Section 31664: 2% of final average salary times years of service times factor in the table on the following page.

Benefit Factors

Age	General Tier 1 31676.11	General Tiers 2 & 3 31676.1	General All Tiers 31676.12	Safety 31664
41				.6258
42				.6625
43				.7004
44				.7397
45				.7805
46				.8226
47				.8678
48				.9085
49				.9522
50	.7454	.7091	.6681	1.0000
51	.7882	.7457	.7056	1.0000
52	.8346	.7816	.7454	1.0000
53	.8850	.8181	.7882	1.0000
54	.9399	.8556	.8346	1.0000
55	1.0000	.8954	.8850	1.0000
56	1.0447	.9382	.9399	1.0000
57	1.1048	.9846	1.0000	1.0000
58	1.1686	1.0350	1.0447	1.0000
59	1.2365	1.0899	1.1048	1.0000
60	1.3093	1.1500	1.1686	1.0000
61	1.3608	1.1947	1.2365	1.0000
62	1.4123	1.2548	1.3093	1.0000
63	1.4638	1.3186	1.3093	1.0000
64	1.5153	1.3865	1.3093	1.0000
65	1.5668	1.4593	1.3093	1.0000

Non Service Connected Disability Retirement

20% if 5 years of service plus 2% for each of the next ten years or service retirement benefit (if eligible).

Service Connected Disability Retirement

Greater of 50% of final average salary or service retirement benefit (if eligible).

Integration with Social Security

All members are integrated with Social Security. Benefits based on the first $161.54 of bi-weekly final average salary are reduced by 1/3.

Death Before Retirement	If nonservice connected before eligible to retire, this benefit is a refund of contributions plus 1/12 of last year's salary per year of service up to 6 years. If eligible for nonservice connected disability or service retirement the benefit is 60% of member's accrued allowance. If service connected death, the benefit is 50% of salary.
Death After Retirement	For service retirement or nonservice connected disability, the benefit is 60% of member's allowance payable to an eligible spouse. For service connected disability, the benefit is 100% of member's allowance payable to an eligible spouse. $5,000 lump sum benefit payable to member's beneficiary.
Vesting	After five years of Service Must leave contributions on deposit.
Member Contributions	Based on entry age. Members with 30 or more years of continuous service do not pay member contributions.
Maximum Benefit	100% of final average salary
Cost-Of-Living Benefits	Payable April 1. Up to 3% COLA for Tier 1 members (2% for Tier 2 and Tier 3 members), depending on CPI (Los Angeles–Riverside–Orange) changes for the prior calendar year.

Supplemental Retiree Benefits Reserve

Level One

A monthly benefit of up to $360 is provided for members with 20 or more years of service. For members with less than 20 years of service, the benefit is provided in the following schedule:

Years of Service	% of $360 Full Benefit	Years of Service	% of $360 Full Benefit
Less than 10	0.00%	15	75.0%
10	50.0%	16	80.0%
11	55.0%	17	85.0%
12	60.0%	18	90.0%
13	65.0%	19	95.0%
14	70.0%	20 +	100.0%

Only years of service with Tulare County are considered. After a member's death, a continuance will be paid to an eligible spouse based on the retirement option elected by the retiree.

The changing of the SRBR benefits created the possibility that some of the current retirees would receive a lower benefit. This possibility was avoided by setting the new SRBR benefit to be no less than the prior benefit.

Level Two

In addition to the $360 benefit described above, the Board authorized that the SRBR provide a supplemental COLA for retirees and beneficiaries who have lost at least 15% of their purchasing power as measured by their COLA banks.

This program is designed to maintain retiree purchasing power at a minimum of 85% of its original value. For example, Tier 1 members, who retired on or before April 1, 1974, have lost 66% of their original purchasing power (as measured by their COLA bank). These members would receive a Level Two benefit equal to 51% (66% minus 15%) of their benefit.

The following table provides the benefit increases available under the

Level Two Supplemental COLA:

Initial Retirement Date	Level Two Supplemental COLA Benefit
Tier 1: Section 31870.1	
Maximum Annual COLA – 3%	
On or Before 4/1/1974	51.0%
4/2/1974 to 4/1/1975	48.5
4/2/1975 to 4/1/1976	41.0
4/2/1976 to 4/1/1977	33.5
4/2/1977 to 4/1/1978	30.0
4/2/1978 to 4/1/1979	26.0
4/2/1979 to 4/1/1980	21.5
4/2/1980 to 4/1/1981	13.5
4/2/1981 to 4/1/1982	1.0
4/2/1982 or later	0.0
Tier 2 & 3: Section 31870	
Maximum Annual COLA – 2%	
On or Before 4/1/1981	39.5%
4/2/1981 to 4/1/1982	26.0
4/2/1982 to 4/1/1983	18.0
4/2/1983 to 4/1/1984	14.0
4/2/1984 to 4/1/1985	14.0
4/2/1985 to 4/1/1986	11.5
4/2/1986 to 4/1/1987	9.0
4/2/1987 to 4/1/1988	7.5
4/2/1988 to 4/1/1989	5.0
4/2/1989 to 4/1/1990	2.0
4/2/1990 or later	0.0

Level Three

60% survivor benefits to a spouse not married to the member at retirement. To be eligible this spouse must be at least age 55 at the date of the retired members death, be married for at least two years and the member must have elected the Unmodified Allowance retirement option.

Section 11: Glossary of Terms

Following is a glossary of some of the commonly used actuarial terms.

Actuarial Accrued Liability	The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.
Actuarial Gain (Loss)	A measure of the difference between actual and expected experience based upon a set of actuarial assumptions. Examples include higher than expected salary increases (loss) and a higher return on fund assets than anticipated (gain).
Actuarial Present Value	Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.
Amortization or UAAL Payment	That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion. Equivalently, it is a series of periodic payments required to pay off a debt.
Annual Amount	Estimated contributions due for the year in order to ensure the orderly funding of the pension plan (equal to the contribution rate multiplied by the annual payroll). The annual amount is comprised of normal cost and UAAL payments.
Entry Age Actuarial Cost Method	This method assumes that the annual costs are the level premiums needed from entry age until retirement age to fund the ultimate retirement benefit. These premiums are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.
Final Average Salary	The average amount of compensation earned over a specified number of consecutive months preceding retirement during which compensation was highest.
Funding Policy	The policy for the amounts and timing of contributions to be made by the employer, members and any other sources to provide the benefits promised by the pension plan.

Noneconomic Actuarial Assumptions	Probabilities that members will separate from active service for causes such as retirement, disability, death and withdrawal, as well as rates of post-retirement mortality. The probabilities reflect the experience of the Association membership.
Normal Cost	The ongoing annual cost allocated to the system by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.
Unfunded Actuarial Accrued Liability	The excess of the actuarial accrued liability over the actuarial value of assets.
Vested Benefit	The benefit an employee is entitled to even if the employee separates from active service prior to normal retirement age.