

Tulare County Employees' Retirement Association

Information Required Under Governmental Accounting Standards Board Statements No. 67/68 as of June 30, 2014

December 5, 2014



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December 5, 2014

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

GASB 67/68 Report as of June 30, 2014

Members of the Board:

This actuarial valuation report provides information concerning the Tulare County Employees' Retirement Association (TCERA) in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 67 (GASB 67) and No. 68 (GASB 68).

GASB 67 is an amendment of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans effective for the fiscal year ending June 30, 2014. GASB 68 is an amendment of Statement No. 27, Accounting for Pensions by State and Local Government Employers effective for the fiscal year ending June 30, 2015. TCERA has elected to use the same measurement date for both GASB 67 and GASB 68.

We certify that the information contained in this report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the plan in accordance with the requirements of GASB 67 and GASB 68 as of June 30, 2014.

The Board, TCERA staff and TCERA employers may use this report for the review of the operation of the plan. The report may also be used in the preparation of audited financial statements for the plan and TCERA employers. Use of this report for any other purpose or by anyone other than the Board, TCERA staff or employers, or the auditors may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. No one may make any representations or warranties based on any statements or conclusions contained in this report without Buck Consultants' prior written consent.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

In preparing the actuarial results, we have relied upon information provided by TCERA regarding plan provisions, participants, assets, contributions and other matters used in the actuarial valuation. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

This valuation was prepared based on the actuarial assumptions and methods used in the June 30, 2013 and June 30, 2014 actuarial valuations of the plan, except as noted herein. In our opinion, the actuarial assumptions used are appropriate for purposes of the valuations and are reasonably related to the experience of the plan and to reasonable long-term expectations.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. We are Fellows of the Society of Actuaries, Enrolled Actuaries and Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience.

Buck Consultants, LLC

A handwritten signature in cursive script, appearing to read "Charles E. Chittenden".

Charles E. Chittenden, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in cursive script, appearing to read "David J. Kershner".

David J. Kershner, FSA, EA, MAAA
Principal and Consulting Actuary

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Section I – GASB 67 Information

Notes to the Financial Statements for the Year Ended June 30, 2014

TCERA Description

TCERA is a governmental cost-sharing multiple-employer plan for purposes of GASB 67/68.

TCERA administration: The TCERA Board of Retirement (Board) is responsible for establishing policies governing the administration of the retirement plan, making benefit determinations and managing the investment of the plan's assets. The Board operates under authority granted by Article XVI of the Constitution of the State of California. The plan is governed by the provisions of the County Employees Retirement Law of 1937, Title 3, Division 4, Part 3, Chapter 3 (commencing with Section 31450) of the California Government Code. The TCERA Board is a nine-member Board comprised as follows: Four trustees are appointed by the Tulare County Board of Supervisors, four trustees are elected by TCERA's members, the County Auditor-Controller/Treasurer-Tax Collector is an ex-officio member of the Board.

Eligibility: All regular, permanent employees of Tulare County who are scheduled to work at least 40 hours per pay period (i.e., at least half-time) automatically become members of TCERA. TCERA has two types of members (General and Safety) and four membership tiers.

Benefits provided: Please see Section IV of this report for a summary of plan provisions.

Contributions: The Board establishes contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by TCERA members during the year, with an additional amount to finance a portion of any unfunded accrued liability. TCERA members are required to make regular contributions through payroll deductions.

Net Pension Liability

The components of the net pension liability at June 30, 2014 are as follows:

Total pension liability	\$	1,267,640,448
Plan fiduciary net position		<u>(1,110,960,658)</u>
Plan's net pension liability	\$	156,679,790
Plan fiduciary net position as a percentage of the total pension liability		87.64%

Actuarial Cost Method

Entry Age Normal – Level Percentage of Pay

Asset Valuation Method

Plan invested assets are reported at fair value. Plan assets are net of the Supplemental Retiree Benefits Reserve.

Actuarial Assumptions

The total pension liability as of June 30, 2014 was determined by rolling forward the plan's total pension liability as of June 30, 2013 to June 30, 2014, and adjusting for the change in discount rate and other actuarial assumptions as of June 30, 2014.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

The following table displays the expected long-term rates of return by asset class¹:

<u>Asset Class</u>	<u>Expected Long-Term Real Rate of Return</u>
Domestic Equity	3.40%
Non-US Equity (developed and emerging)	6.30%
Global Equity	4.90%
Fixed Income	1.70%
TIPS	0.70%
Commodities	2.50%
Real Estate	4.10%
Private Equity	5.70%
Hedge Funds	<u>3.90%</u>
Total	6.60%

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2014 was 7.79%². The projection of cash flows used to determine the discount rate assumed that TCERA contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2078. A municipal bond rate of 3.66% was used in the development of the blended GASB discount rate after that point. Based on the June 30, 2014 long-term rate of return of 7.85% and the municipal bond rate of 3.66%, the blended GASB discount rate is 7.79%. The assumed discount rate has been

¹ Provided by TCERA

² A discount rate of 7.9% was used to measure the total pension liability as of June 30, 2013.



determined in accordance with the method prescribed by GASB 67/68. We believe this assumption is reasonable for the purposes of the measurements required by GASB 67/68. Tables 1 and 2 provide additional details regarding the determination of the June 30, 2014 discount rate.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the June 30, 2014 discount rate of 7.79%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.79%) or 1-percentage-point higher (8.79%) than the current rate:

	1% Decrease (6.79%)	Current Discount Rate (7.79%)	1% Increase (8.79%)
Net Pension Liability at June 30, 2014	\$ 333,206,304	\$ 156,679,790	\$ 11,431,742

Schedules of Required Supplementary Information

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

FYE June 30, 2014

Total pension liability	
Service cost	\$ 39,672,236
Interest	94,276,973
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	13,587,893
Benefit payments	<u>(65,954,107)</u>
Net change in total pension liability	\$ 81,582,995
Total pension liability-beginning	\$ 1,186,057,453
Total pension liability-ending (a)	\$ 1,267,640,448
Plan fiduciary net pension	
Contributions - employers	\$ 25,953,288
Contributions - members	18,968,800
Net investment income	176,883,870
Benefit payments, including refunds of member contributions	(65,954,107)
Administrative expenses	(1,638,772)
Other	<u>2,993,705</u>
Net change in Plan fiduciary net position	\$ 157,206,784
Plan fiduciary net position-beginning	\$ 953,753,874
Plan fiduciary net position-ending (b)	\$ 1,110,960,658
Plan's net pension liability-ending (a)-(b)	\$ 156,679,790
Plan fiduciary net position as a percentage of the total pension liability	87.64%
Covered payroll as of June 30, 2013 actuarial valuation	\$ 230,954,756
Net pension liability as a percentage of covered payroll	67.84%

Notes to Schedule:

Benefit changes since June 30, 2013: None

Changes of assumptions since June 30, 2013: The investment rate of return assumption was changed from 7.90% as of June 30, 2013 to 7.85% as of June 30, 2014. In addition, the Board adopted new assumptions to be used beginning June 30, 2014 based on the experience study that was performed for the period July 1, 2011 to June 30, 2014.



Schedule of Employer Contributions

	<u>FYE June 30, 2014</u>
Actuarially determined contribution	\$ 25,953,288
Contributions related to the actuarially determined contribution	<u>25,953,288</u>
Contribution deficiency (excess)	\$ 0
Covered payroll as of June 30, 2013 actuarial valuation ³	\$ 230,954,756
Contributions as a percentage of June 30, 2013 covered payroll	11.24%

Notes to Schedule

Valuation date: Actuarially determined contributions are calculated as of the June 30 preceding by twelve months the start of the fiscal year in which contributions are made. That is, the contribution calculated in the June 30, 2012 actuarial valuation will be made during the fiscal year ending June 30, 2014.

The methods and assumptions used in the June 30, 2013 and June 30, 2014 actuarial valuations are shown in Section III.

Schedule of Investment Returns

	<u>FYE June 30, 2014</u>	<u>FYE June 30, 2013</u>
Annual money-weighted rate of return, net of investment expenses ⁴	17.0%	11.9%

³ This is the covered payroll used to determine the actuarial contribution for the fiscal year ending June 30, 2014. The covered payroll as of June 30, 2014 is shown in Schedule D in the Appendix.

⁴ Provided by TCERA

**Tulare County Employees' Retirement Association
GASB 67/68 Valuation - June 30, 2014**



**Table 1
Projection of Fiduciary Net Position**

Fiscal Year June 30	Beginning Fiduciary Net Plan Position	Member Contributions	Employer Contributions	Benefit Payments	Administrative Expenses	Projected Investment Earnings	Ending Fiduciary Net Plan Position
2014	\$ 953,753,874	\$ 19,665,000	\$ 32,539,000	\$ 58,182,010	\$ -	\$ 79,502,269	\$ 1,027,278,133
2015	1,027,278,133	18,378,000	36,291,000	61,720,610	-	80,368,480	1,100,595,003
2016	1,100,595,003	18,185,000	39,374,000	65,461,496	-	85,542,552	1,178,235,059
2017	1,178,235,059	17,937,000	42,256,000	69,351,660	-	90,963,286	1,260,039,685
2018	1,260,039,685	17,641,000	44,946,000	74,099,680	-	96,585,982	1,345,112,987
2019	1,345,112,987	17,448,000	47,579,000	79,346,600	-	102,360,988	1,433,154,375
2020	1,433,154,375	17,237,000	47,872,000	84,355,404	-	108,198,414	1,522,106,385
2021	1,522,106,385	17,016,000	48,545,000	89,406,825	-	114,031,136	1,612,291,696
2022	1,612,291,696	16,684,000	49,653,000	95,607,345	-	119,839,122	1,702,860,473
2023	1,702,860,473	16,145,000	49,827,000	102,743,797	-	125,511,809	1,791,600,485
2024	1,791,600,485	15,672,000	50,352,000	109,210,455	-	131,001,924	1,879,415,954
2025	1,879,415,954	15,305,000	51,031,000	115,489,528	-	136,354,701	1,966,617,127
2026	1,966,617,127	14,985,000	51,754,000	121,757,454	-	141,581,405	2,053,180,078
2027	2,053,180,078	14,489,000	52,213,000	129,236,175	-	146,618,438	2,137,264,341
2028	2,137,264,341	13,727,000	52,328,000	137,095,448	-	151,358,914	2,217,582,807
2029	2,217,582,807	13,134,000	52,641,000	144,231,289	-	155,788,674	2,294,915,192
2030	2,294,915,192	12,532,000	52,878,000	151,579,331	-	159,919,307	2,368,665,168
2031	2,368,665,168	11,946,000	53,107,000	159,107,289	-	163,717,827	2,438,328,706
2032	2,438,328,706	11,225,000	53,059,000	167,817,250	-	167,105,312	2,501,900,768
2033	2,501,900,768	10,350,000	51,208,000	176,101,351	-	171,174,892	2,558,532,309
2034	2,558,532,309	9,649,000	49,638,000	183,372,778	-	174,809,351	2,609,255,882
2035	2,609,255,882	9,038,000	48,210,000	190,305,750	-	178,049,965	2,654,248,097
2036	2,654,248,097	8,467,000	46,837,000	197,383,057	-	180,887,680	2,693,056,720
2037	2,693,056,720	7,819,000	45,320,000	205,623,785	-	183,244,702	2,723,816,637
2038	2,723,816,637	7,027,000	43,587,000	213,254,287	-	185,046,963	2,746,223,313
2039	2,746,223,313	6,424,000	42,133,000	219,751,308	-	186,319,837	2,761,348,842
2040	2,761,348,842	5,893,000	40,774,000	225,473,076	-	187,115,593	2,769,658,359
2041	2,769,658,359	5,413,000	39,470,000	232,288,769	-	187,400,088	2,769,652,678
2042	2,769,652,678	4,811,000	37,994,000	238,888,727	-	187,099,814	2,760,668,765
2043	2,760,668,765	4,195,000	36,495,000	244,500,119	-	186,203,946	2,743,062,592
2044	2,743,062,592	3,697,000	35,171,000	248,819,749	-	184,759,284	2,717,870,127
2045	2,717,870,127	3,282,000	33,947,000	252,383,168	-	182,816,037	2,685,531,996
2046	2,685,531,996	2,905,000	32,790,000	256,452,417	-	180,358,741	2,645,133,320
2047	2,645,133,320	2,450,000	31,543,000	260,233,082	-	177,341,375	2,596,234,613
2048	2,596,234,613	2,021,000	30,349,000	262,398,310	-	173,787,560	2,539,993,863
2049	2,539,993,863	1,701,000	29,333,000	263,427,602	-	169,768,972	2,477,369,233
2050	2,477,369,233	1,434,000	28,409,000	263,563,934	-	165,339,381	2,408,987,680
2051	2,408,987,680	1,206,000	27,550,000	263,655,366	-	160,511,950	2,334,600,264
2052	2,334,600,264	949,000	26,672,000	263,302,409	-	155,277,806	2,254,196,661
2053	2,254,196,661	721,000	25,848,000	261,448,447	-	149,677,267	2,168,994,481
2054	2,168,994,481	570,000	25,157,000	258,731,746	-	143,777,896	2,079,767,631
2055	2,079,767,631	451,000	24,519,000	255,284,919	-	137,624,967	1,987,077,679
2056	1,987,077,679	354,000	23,925,000	251,692,728	-	131,236,923	1,890,900,874
2057	1,890,900,874	239,000	23,316,000	247,210,013	-	124,634,434	1,791,880,295
2058	1,791,880,295	168,000	22,783,000	241,938,054	-	117,864,300	1,690,757,541
2059	1,690,757,541	125,000	22,299,000	236,062,486	-	110,970,532	1,588,089,587

**Tulare County Employees' Retirement Association
GASB 67/68 Valuation - June 30, 2014**



**Table 1
Projection of Fiduciary Net Position
(continued)**

Fiscal Year June 30	Beginning Fiduciary Net Plan Position	Member Contributions	Employer Contributions	Benefit Payments	Administrative Expenses	Projected Investment Earnings	Ending Fiduciary Net Plan Position
2060	\$ 1,588,089,587	\$ 92,000	\$ 21,841,000	\$ 229,708,949	\$ -	\$ 103,986,361	\$ 1,484,299,999
2061	1,484,299,999	64,000	21,398,000	223,030,444	-	96,935,596	1,379,667,151
2062	1,379,667,151	32,000	20,959,000	215,627,550	-	89,850,836	1,274,881,437
2063	1,274,881,437	19,000	20,554,000	207,702,923	-	82,775,234	1,170,526,748
2064	1,170,526,748	13,000	20,168,000	199,299,968	-	75,747,233	1,067,155,013
2065	1,067,155,013	9,000	19,793,000	190,428,680	-	68,804,671	965,333,004
2066	965,333,004	5,000	19,425,000	181,170,710	-	61,984,195	865,576,489
2067	865,576,489	1,000	19,064,000	171,430,340	-	55,325,214	768,536,363
2068	768,536,363	-	18,717,000	161,340,546	-	48,869,043	674,781,860
2069	674,781,860	-	18,378,000	150,934,438	-	42,654,107	584,879,529
2070	584,879,529	-	18,046,000	140,216,458	-	36,719,842	499,428,913
2071	499,428,913	-	17,723,000	129,341,601	-	31,102,929	418,913,241
2072	418,913,241	-	17,407,000	118,453,772	-	25,832,152	343,698,621
2073	343,698,621	-	17,100,000	107,593,218	-	20,931,818	274,137,221
2074	274,137,221	-	16,800,000	96,841,037	-	16,423,705	210,519,889
2075	210,519,889	-	16,508,000	86,306,647	-	12,324,428	153,045,670
2076	153,045,670	-	16,225,000	76,220,372	-	8,639,996	101,690,294
2077	101,690,294	-	15,949,000	66,687,315	-	5,365,007	56,316,986
2078	56,316,986	-	15,681,000	57,697,248	-	2,490,275	16,791,013
2079	16,791,013	-	15,420,000	49,339,735	-	-	-
2080	-	-	15,167,000	41,727,131	-	-	-
2081	-	-	14,920,000	34,914,974	-	-	-
2082	-	-	14,681,000	28,901,723	-	-	-
2083	-	-	14,448,000	23,616,528	-	-	-
2084	-	-	14,221,000	19,050,449	-	-	-
2085	-	-	14,000,000	15,211,364	-	-	-
2086	-	-	13,784,000	12,026,823	-	-	-
2087	-	-	13,574,000	9,404,041	-	-	-
2088	-	-	13,368,000	7,259,725	-	-	-
2089	-	-	13,166,000	5,551,278	-	-	-
2090	-	-	12,968,000	4,220,529	-	-	-
2091	-	-	12,774,000	3,189,036	-	-	-
2092	-	-	12,584,000	2,393,722	-	-	-
2093	-	-	12,396,000	1,789,004	-	-	-
2094	-	-	12,213,000	1,337,665	-	-	-
2095	-	-	12,032,000	1,001,822	-	-	-
2096	-	-	11,854,000	752,347	-	-	-
2097	-	-	11,678,000	567,649	-	-	-
2098	-	-	11,506,000	431,437	-	-	-
2099	-	-	11,336,000	330,430	-	-	-
2100	-	-	11,169,000	254,995	-	-	-
2101	-	-	11,004,000	197,675	-	-	-
2102	-	-	10,842,000	153,539	-	-	-
2103	-	-	10,682,000	119,765	-	-	-
2104	-	-	10,525,000	93,355	-	-	-
2105	-	-	10,369,000	72,420	-	-	-
2106	-	-	10,217,000	55,719	-	-	-
2107	-	-	10,066,000	42,291	-	-	-
2108	-	-	9,918,000	32,018	-	-	-
2109	-	-	9,772,000	24,049	-	-	-
2110	-	-	9,627,000	17,702	-	-	-
2111	-	-	9,486,000	12,706	-	-	-
2112	-	-	9,346,000	9,005	-	-	-



Table 2
Actuarial Present Values of Projected Benefit Payments

Fiscal Year June 30	Fiduciary Net Plan Position	Benefit Payments	Benefit Payments		Present Value of Benefit Payments		
			Funded Portion	Unfunded Portion	Funded Portion at 7.85%	Unfunded Portion at 3.66%	Using Single Discount Rate of 7.79%
2014	\$ 953,753,874	\$ 58,182,010	\$ 58,182,010	\$ -	\$ 56,024,585	\$ -	\$ 56,040,175
2015	1,027,278,133	61,720,610	61,720,610	-	55,106,139	-	55,152,157
2016	1,100,595,003	65,461,496	65,461,496	-	54,192,047	-	54,267,491
2017	1,178,235,059	69,351,660	69,351,660	-	53,233,661	-	53,337,445
2018	1,260,039,685	74,099,680	74,099,680	-	52,738,243	-	52,870,475
2019	1,345,112,987	79,346,600	79,346,600	-	52,362,154	-	52,522,662
2020	1,433,154,375	84,355,404	84,355,404	-	51,615,714	-	51,802,753
2021	1,522,106,385	89,406,825	89,406,825	-	50,724,708	-	50,936,856
2022	1,612,291,696	95,607,345	95,607,345	-	50,294,441	-	50,532,903
2023	1,702,860,473	102,743,797	102,743,797	-	50,114,591	-	50,380,228
2024	1,791,600,485	109,210,455	109,210,455	-	49,391,549	-	49,680,992
2025	1,879,415,954	115,489,528	115,489,528	-	48,429,601	-	48,740,522
2026	1,966,617,127	121,757,454	121,757,454	-	47,341,683	-	47,672,141
2027	2,053,180,078	129,236,175	129,236,175	-	46,592,078	-	46,943,420
2028	2,137,264,341	137,095,448	137,095,448	-	45,827,996	-	46,199,278
2029	2,217,582,807	144,231,289	144,231,289	-	44,704,081	-	45,091,343
2030	2,294,915,192	151,579,331	151,579,331	-	43,561,971	-	43,963,798
2031	2,368,665,168	159,107,289	159,107,289	-	42,397,228	-	42,812,128
2032	2,438,328,706	167,817,250	167,817,250	-	41,463,297	-	41,892,364
2033	2,501,900,768	176,101,351	176,101,351	-	40,343,147	-	40,783,311
2034	2,558,532,309	183,372,778	183,372,778	-	38,951,286	-	39,398,183
2035	2,609,255,882	190,305,750	190,305,750	-	37,481,650	-	37,932,788
2036	2,654,248,097	197,383,057	197,383,057	-	36,045,953	-	36,500,117
2037	2,693,056,720	205,623,785	205,623,785	-	34,817,681	-	35,275,994
2038	2,723,816,637	213,254,287	213,254,287	-	33,481,439	-	33,941,045
2039	2,746,223,313	219,751,308	219,751,308	-	31,990,252	-	32,447,440
2040	2,761,348,842	225,473,076	225,473,076	-	30,434,119	-	30,886,250
2041	2,769,658,359	232,288,769	232,288,769	-	29,071,946	-	29,520,264
2042	2,769,652,678	238,888,727	238,888,727	-	27,721,798	-	28,164,964
2043	2,760,668,765	244,500,119	244,500,119	-	26,307,808	-	26,743,248
2044	2,743,062,592	248,819,749	248,819,749	-	24,823,916	-	25,248,841
2045	2,717,870,127	252,383,168	252,383,168	-	23,346,710	-	23,759,567
2046	2,685,531,996	256,452,417	256,452,417	-	21,996,417	-	22,397,857
2047	2,645,133,320	260,233,082	260,233,082	-	20,696,052	-	21,085,490
2048	2,596,234,613	262,398,310	262,398,310	-	19,349,328	-	19,724,398
2049	2,539,993,863	263,427,602	263,427,602	-	18,011,338	-	18,370,692
2050	2,477,369,233	263,563,934	263,563,934	-	16,709,003	-	17,051,860
2051	2,408,987,680	263,655,366	263,655,366	-	15,498,191	-	15,825,007
2052	2,334,600,264	263,302,409	263,302,409	-	14,350,898	-	14,661,678
2053	2,254,196,661	261,448,447	261,448,447	-	13,212,657	-	13,506,301
2054	2,168,994,481	258,731,746	258,731,746	-	12,123,658	-	12,399,998
2055	2,079,767,631	255,284,919	255,284,919	-	11,091,466	-	11,350,594
2056	1,987,077,679	251,692,728	251,692,728	-	10,139,448	-	10,382,110
2057	1,890,900,874	247,210,013	247,210,013	-	9,233,993	-	9,460,248
2058	1,791,880,295	241,938,054	241,938,054	-	8,379,296	-	8,589,387
2059	1,690,757,541	236,062,486	236,062,486	-	7,580,715	-	7,775,109



Table 2
 Actuarial Present Values of Projected Benefit Payments
 (Continued)

Fiscal Year June 30	Fiduciary Net Plan Position	Benefit Payments	Benefit Payments		Present Value of Benefit Payments		Using Single Discount Rate of 7.79%
			Funded Portion	Unfunded Portion	Funded Portion at 7.85%	Unfunded Portion at 3.66%	
2060	1,588,089,587	229,708,949	229,708,949	-	\$ 6,839,762	\$ -	7,019,060
2061	1,484,299,999	223,030,444	223,030,444	-	6,157,537	-	6,322,469
2062	1,379,667,151	215,627,550	215,627,550	-	5,519,846	-	5,670,853
2063	1,274,881,437	207,702,923	207,702,923	-	4,929,981	-	5,067,669
2064	1,170,526,748	199,299,968	199,299,968	-	4,386,213	-	4,511,224
2065	1,067,155,013	190,428,680	190,428,680	-	3,885,927	-	3,998,905
2066	965,333,004	181,170,710	181,170,710	-	3,427,916	-	3,529,541
2067	865,576,489	171,430,340	171,430,340	-	3,007,528	-	3,098,414
2068	768,536,363	161,340,546	161,340,546	-	2,624,493	-	2,705,309
2069	674,781,860	150,934,438	150,934,438	-	2,276,513	-	2,347,919
2070	584,879,529	140,216,458	140,216,458	-	1,960,923	-	2,023,556
2071	499,428,913	129,341,601	129,341,601	-	1,677,180	-	1,731,714
2072	418,913,241	118,453,772	118,453,772	-	1,424,197	-	1,471,324
2073	343,698,621	107,593,218	107,593,218	-	1,199,461	-	1,239,840
2074	274,137,221	96,841,037	96,841,037	-	1,001,015	-	1,035,290
2075	210,519,889	86,306,647	86,306,647	-	827,190	-	855,989
2076	153,045,670	76,220,372	76,220,372	-	677,348	-	701,321
2077	101,690,294	66,687,315	66,687,315	-	549,495	-	569,259
2078	56,316,986	57,697,248	57,697,248	-	440,814	-	456,924
2079	16,791,013	49,339,735	-	49,339,735	-	4,684,496	362,499
2080	-	41,727,131	-	41,727,131	-	3,821,848	284,413
2081	-	34,914,974	-	34,914,974	-	3,085,002	220,783
2082	-	28,901,723	-	28,901,723	-	2,463,521	169,550
2083	-	23,616,528	-	23,616,528	-	1,941,947	128,532
2084	-	19,050,449	-	19,050,449	-	1,511,177	96,188
2085	-	15,211,364	-	15,211,364	-	1,164,038	71,254
2086	-	12,026,823	-	12,026,823	-	887,848	52,265
2087	-	9,404,041	-	9,404,041	-	669,716	37,914
2088	-	7,259,725	-	7,259,725	-	498,753	27,153
2089	-	5,551,278	-	5,551,278	-	367,915	19,263
2090	-	4,220,529	-	4,220,529	-	269,842	13,587
2091	-	3,189,036	-	3,189,036	-	196,694	9,524
2092	-	2,393,722	-	2,393,722	-	142,428	6,632
2093	-	1,789,004	-	1,789,004	-	102,688	4,599
2094	-	1,337,665	-	1,337,665	-	74,071	3,190
2095	-	1,001,822	-	1,001,822	-	53,515	2,216
2096	-	752,347	-	752,347	-	38,770	1,544
2097	-	567,649	-	567,649	-	28,219	1,081
2098	-	431,437	-	431,437	-	20,690	762
2099	-	330,430	-	330,430	-	15,287	542
2100	-	254,995	-	254,995	-	11,381	388
2101	-	197,675	-	197,675	-	8,511	279
2102	-	153,539	-	153,539	-	6,377	201
2103	-	119,765	-	119,765	-	4,799	145
2104	-	93,355	-	93,355	-	3,608	105
2105	-	72,420	-	72,420	-	2,700	76
2106	-	55,719	-	55,719	-	2,004	54
2107	-	42,291	-	42,291	-	1,468	38
2108	-	32,018	-	32,018	-	1,072	27
2109	-	24,049	-	24,049	-	777	19
2110	-	17,702	-	17,702	-	551	13
2111	-	12,706	-	12,706	-	382	8
2112	-	9,005	-	9,005	-	261	6

Section II – GASB 68 Information⁵

TCERA Employers

The schedules in the Appendix use the following identifiers for the employers in TCERA:

- Courts – Tulare County Superior Court
- County – County of Tulare
- SPUD – Strathmore Public Utility District

Pension Expense

	<u>FYE June 30, 2014</u>
Service cost	\$ 39,672,236
Interest cost	94,276,973
Expected return on assets	(83,299,027)
Current period effect of benefit changes	0
Current period difference between expected and actual experience	0
Current period effect of changes in assumptions	2,123,108
Current period difference between projected and actual investment earnings	(18,646,874)
Member contributions	(18,968,800)
Administrative expenses	1,674,105
Current period recognition of prior years' deferred outflows of resources	0
Current period recognition of prior years' deferred inflows of resources	<u>0</u>
Total	\$ 16,831,721

The employers' allocation of pension expense for FYE June 30, 2014 is shown in Schedule B in the Appendix.

The pension expense for FYE June 30, 2014 is based on the June 30, 2013 actuarial valuation. The percentage effect of changes in assumptions was determined based on the June 30, 2014 actuarial valuation. This percentage effect was applied to the June 30, 2014 total pension liability to determine the effect of changes in assumptions to be recognized in FYE June 30, 2014 and thereafter.

The effect of changes in assumptions and the change in employers' proportion are recognized over the average expected remaining service lives of active and inactive members as of June 30, 2013 (6.4 years).

⁵ For information that is common to GASB 67 and 68, please see Section I.

The difference between projected and actual investment earnings is recognized over 5 years.

Allocation of Net Pension Liability

The employers' allocation of net pension liability as of June 30, 2013 and June 30, 2014 is shown in Schedule A in the Appendix.

Allocation of Deferred Outflows/Inflows of Resources

The employers' allocation of deferred outflows/inflows of resources is shown in Schedule B in the Appendix. Schedule B also includes the FYE June 30, 2014 recognition of the employers' change in proportion of June 30, 2013 amounts in accordance with paragraph 54 of GASB 68.

Allocation of Future Years' Recognition of Deferred Outflows/Inflows

The employers' allocation of June 30, 2014 deferred outflows/inflows recognition for each of the next five fiscal years and thereafter is shown in Schedule C in the Appendix.

10-Year Contribution History

The 10-year history of employer contributions is shown in Schedule D in the Appendix. Amounts by employer are shown for FY2013 and FY2014 only.



Section III – Actuarial Assumptions and Methods⁶

Investment Rate of Return⁷ 7.9% per annum compounded annually. This rate will be reduced each future year, starting June 30, 2014, by 0.05% until it reaches 7.0%. These same interest rates are used to credit interest on employee contributions.

Inflation 4.0% per annum as of June 30, 2013. 3.0% per annum as of June 30, 2014.

Mortality Rates – Healthy Lives

As of June 30, 2013:

- a. General RP-2000 Generational Mortality Table for Males/Females, with no collar or age adjustment.
- b. Safety RP-2000 Generational Mortality Table for Males, with blue-collar adjustment but no age adjustment.

We assumed the following percentage of deaths were duty-related:

Age	Duty-Related Deaths
20-24	36.59%
25-30	42.22%
31-33	45.83%
34	45.45%
35-36	49.15%
37-38	48.48%
39	50.72%
40	48.28%
41-42	50.33%
43	50.00%
44	52.33%
45	51.61%
46	53.61%
47	53.14%
48	56.11%
49	56.79%
50	57.58%
51	57.14%
52	57.81%
53	57.41%
54	57.99%
55	59.24%
56	60.45%
57	61.36%
58	62.28%
59	62.96%

⁶ Except as noted, the same assumptions and methods were used as of June 30, 2013 and June 30, 2014.

⁷ Selected by TCERA



As of June 30, 2014:

- a. General RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.
 - b. Safety RP-2014 Generational Mortality Table for Males, with blue-collar adjustment and MP-2014 projection.
- Mortality rates are increased by 12.1% for General and 4.5% for Safety members to reflect TCERA experience.

We assumed the following percentage of deaths were duty-related:

Age	Duty-Related Deaths
20-24	37%
25-30	42%
31-34	45%
35-43	50%
44-45	52%
46-47	54%
48-49	56%
50-54	58%
55-56	60%
57-58	62%
59	63%

Mortality Rates – Disabled Lives

As of June 30, 2013:

- a. General RP-2000 Disabled Annuitant Mortality Table for Males/Females, with no age adjustment.
- b. Safety RP-2000 Disabled Annuitant Mortality Table for Males/Females with a 2-year age setback.

As of June 30, 2014:

- a. General RP-2014 Generational Disabled Annuitant Mortality Table for Males/Females, with MP-2014 projection.
- b. Safety RP-2014 Generational Disabled Annuitant Mortality Table for Males/Females, with MP-2014 projection.

Disability Rates (Non-Duty)

Rates at representative ages are as follows:

<u>Age</u>	<u>General Males</u>	<u>General Females</u>	<u>Safety</u>
25	0.00010	0.00010	0.00050
30	0.00020	0.00010	0.00070
35	0.00030	0.00070	0.00090
40	0.00040	0.00120	0.00120
45	0.00080	0.00160	0.00190

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 GASB 67/68 Valuation - June 30, 2014**



50	0.00140	0.00280	0.00400
55	0.00240	0.00420	0.00650
60	0.00340	0.00520	0.00000
64	0.00420	0.00620	0.00000

Disability Rates (Duty)

Rates at representative ages are as follows:

<u>Age</u>	<u>General Males</u>	<u>General Females</u>	<u>Safety</u>
25	0.00010	0.00010	0.00230
30	0.00010	0.00010	0.00500
35	0.00010	0.00010	0.00640
40	0.00040	0.00010	0.00680
45	0.00100	0.00020	0.00980
50	0.00200	0.00060	0.01000
55	0.00450	0.00120	0.02250
60	0.00700	0.00180	0.00000
64	0.00900	0.00260	0.00000

Withdrawal Rates

Rates at representative ages are as follows:

As of June 30, 2013:

General Males:

<u>Age</u>	<u><3 Years of Service</u>	<u>3-4.99 Years of Service</u>	<u>>=5 Years of Service</u>
25	15.00%	9.00%	5.00%
30	15.00%	9.00%	4.00%
35	15.00%	10.00%	3.00%
40	9.00%	10.00%	2.00%
45	9.00%	7.50%	1.00%
50	9.00%	7.50%	0.70%
55	9.00%	7.50%	0.45%
60	9.00%	7.50%	0.30%
65+	0.00%	0.00%	0.00%

General Females:

<u>Age</u>	<u><3 Years of Service</u>	<u>3-4.99 Years of Service</u>	<u>>=5 Years of Service</u>
25	13.00%	10.00%	4.00%
30	13.00%	10.00%	4.00%
35	13.00%	10.00%	2.50%
40	9.00%	9.00%	1.50%
45	9.00%	9.00%	1.50%
50	9.00%	9.00%	1.40%
55	9.00%	9.00%	1.00%
60	9.00%	9.00%	0.00%
65+	0.00%	0.00%	0.00%



Safety:	Age	<3 Years of Service	3-4.99 Years of Service	>=5 Years of Service
	25	20.00%	8.00%	4.50%
	30	20.00%	8.00%	3.50%
	35	20.00%	8.00%	3.40%
	40	20.00%	8.00%	1.00%
	45	10.00%	6.00%	1.00%
	50	10.00%	6.00%	0.00%
	55	5.00%	6.00%	0.00%
	60+	0.00%	0.00%	0.00%

As of June 30, 2014:

General Males:

Age	<3 Years of Service	3-4.99 Years of Service	>=5 Years of Service
25	15.00%	13.00%	10.00%
30	15.00%	13.00%	8.00%
35	15.00%	15.00%	8.00%
40	11.00%	8.00%	8.00%
45	10.00%	7.00%	7.00%
50	10.00%	6.00%	6.00%
55	10.00%	5.00%	5.00%
60	10.00%	5.00%	4.00%
65+	0.00%	0.00%	0.00%

General Females:

Age	<3 Years of Service	3-4.99 Years of Service	>=5 Years of Service
25	15.00%	12.00%	6.00%
30	15.00%	12.00%	6.00%
35	15.00%	12.00%	5.50%
40	12.00%	9.00%	5.00%
45	12.00%	9.00%	5.00%
50	12.00%	9.00%	4.00%
55	12.00%	9.00%	4.00%
60	12.00%	9.00%	0.00%
65+	0.00%	0.00%	0.00%

Safety:

Age	<3 Years of Service	3-4.99 Years of Service	>=5 Years of Service
25	15.00%	7.00%	5.00%
30	15.00%	7.00%	4.00%
35	15.00%	7.00%	3.50%
40	15.00%	7.00%	3.50%
45	10.00%	6.00%	3.50%
50	10.00%	6.00%	0.00%
55	5.00%	6.00%	0.00%
60+	0.00%	0.00%	0.00%

Retirement Rates

As of June 30, 2013:

General Males:

Age	<15 Years of Service	15-19.99 Years of Service	>=20 Years of Service
50-54	3.00%	2.40%	3.30%
55-59	8.00%	6.40%	8.80%
60-64	14.00%	11.20%	15.40%
65-69	20.00%	16.00%	22.00%
70-74	30.00%	24.00%	33.00%
75	100.00%	100.00%	100.00%

General
Females:

Age	<15 Years of Service	>=15 Years of Service
50-54	3.00%	5.00%
55-59	4.20%	7.00%
60-64	7.80%	13.00%
65-69	13.20%	22.00%
70-74	18.00%	30.00%
75	100.00%	100.00%

Safety:

Age	<15 Years of Service	15-19.99 Years of Service	>=20 Years of Service
45-53	3.00%	5.00%	13.00%
54	1.50%	2.50%	6.50%
55	6.00%	10.00%	26.00%
56-58	3.84%	6.40%	16.64%
59	4.50%	7.50%	19.50%
60-63	6.00%	10.00%	26.00%
64-67	15.00%	25.00%	65.00%
68-69	30.00%	50.00%	100.00%
70	100.00%	100.00%	100.00%

Deferred vested members are assumed to retire at age 60 (General) and age 53 (Safety).

As of June 30, 2014:

General Males:

Age	<15 Years of Service	15-19.99 Years of Service	>=20 Years of Service
50-54	5.00%	4.00%	4.50%
55-59	10.00%	5.00%	9.00%
60-64	12.00%	11.00%	15.00%
65-69	30.00%	15.00%	25.00%
70-74	40.00%	20.00%	30.00%
75	100.00%	100.00%	100.00%



General Females:	Age	<15 Years of Service	>=15 Years of Service
	50-54	4.00%	4.00%
	55-59	4.50%	5.00%
	60-64	8.00%	15.00%
	65-69	15.00%	25.00%
	70-74	20.00%	40.00%
	75	100.00%	100.00%

Safety:	Age	<15 Years of Service	15-19.99 Years of Service	>=20 Years of Service
	45-53	3.00%	5.00%	10.00%
	54	3.00%	5.50%	10.00%
	55-59	7.50%	7.50%	15.00%
	60-63	8.00%	8.50%	30.00%
	64-67	20.00%	25.00%	75.00%
	68-69	30.00%	40.00%	100.00%
	70	100.00%	100.00%	100.00%

Deferred vested members are assumed to retire at age 60 (General) and age 53 (Safety).

Salary Scale

As of June 30, 2013:

A select and ultimate salary scale as follows (these rates reflect a 4.0% inflation assumption and a graded merit/longevity assumption):

Years of Service	General Members	Safety Members
<1	6.00%	6.30%
1-2	5.80%	6.15%
3-4	5.75%	6.10%
5-7	5.75%	6.00%
8-12	5.70%	6.00%
13-15	5.70%	5.95%
16-19	4.35%	5.95%
20+	4.35%	4.40%

As of June 30, 2014:

A select and ultimate salary scale as follows (these rates reflect a 3.0% inflation assumption and a graded merit/longevity assumption):

Years of Service	General Members	Safety Members
<1	8.00%	9.00%
1	7.50%	8.75%
2	7.00%	8.50%
3	5.50%	7.50%

4	5.25%	7.25%
5	5.00%	7.00%
6	4.75%	6.50%
7	4.50%	6.00%
8	4.00%	5.50%
9	3.50%	5.00%
10	3.50%	4.50%
11	3.50%	4.00%
12+	3.50%	3.50%

Reciprocity Assumption

65% of members who terminate with a vested benefit are assumed to enter a reciprocal system.

Proportion of Members Who Will Not Withdraw Their Contributions

In addition to the rates of termination, we assume the following percentage of terminated members will elect a deferred pension as opposed to taking a refund of their contributions:

	< 10 Years of Service	10-15 Years of Service	15-20 Years of Service	>=20 Years of Service
General Males	5%	5%	25%	75%
General Females	5%	5%	30%	80%
Safety	5%	10%	50%	100%

Spouse and Dependents

We assume that 85% of General male, 75% of General female, 95% of Safety male, and 80% of Safety female active members are married. We also assume that the husband is three years older than the wife.

Employee Contributions

As of June 30, 2013:

The basic employee contribution rates for General members were calculated on a unisex basis using the RP-2000 Mortality Table projected with Scale AA to 2021 (weighted 30% male and 70% female), with no collar or age adjustment.

The basic employee contribution rates for Safety members were calculated on a unisex basis using the RP-2000 Mortality Table projected with Scale AA to 2021 (weighted 75% male and 25% female), with blue-collar adjustment but no age adjustment.

As of June 30, 2014:

The basic employee contribution rates for General members were calculated on a unisex basis using the RP-2014 Mortality Table (weighted 30% male and 70% female), projected 10 years beyond the most recent experience study date with MP-2014 projection.

The basic employee contribution rates for Safety members were calculated on a unisex basis using the RP-2014 Mortality Table (weighted 75% male and 25% female), with blue-collar adjustment, projected 10 years beyond the most recent experience study date with MP-2014 projection.

Actuarial Value of Assets (funding purposes)

The actuarial value of assets is equal to the market value of assets smoothed over a 10-year period beginning with FY2009. There is no corridor around market value within which the actuarial value is required to fall.

Actuarial Cost Method (funding purposes)

Costs are determined under the Entry Age Normal method on a level percentage of pay basis. The unfunded actuarial accrued liability is amortized as a level percentage of payroll over a 15-year rolling period.

Data for Valuation

In preparing the actuarial valuation as of June 30, 2013, the actuary has relied on data and assets provided by TCERA. While not verifying the data at their source, the actuary has performed tests for consistency and reasonableness.

The following is a summary of plan members as of June 30, 2013:

Retired members or beneficiaries currently receiving benefits	2,542
Terminated vested members entitled to but not yet receiving benefits	1,858
Active members	4,383



Section IV – Summary of Plan Provisions

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. The compensation for Tier 4 members will be limited to the Social Security Wage Base.

Service Retirement Early retirement:

<u>Membership</u>	<u>Tier</u>	<u>Eligibility</u>
General	Tier 1-3	Age 50 and 10 years or 30 years
General	Tier 4	Age 52 and 5 years
Safety	Tier 1-3	Age 50 and 10 years or 20 years
Safety	Tier 4	Age 50 and 5 years

Any Tier 1, 2, or 3 member who reaches age 70 may retire regardless of service.

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 Benefit Factors table.

For service after June 30, 2005:

Benefits under Section 31676.12 (Tiers 1-3): 1/50 of final average salary times years of service times factor in Benefit Factors table.

Safety Members:

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

Tier 4 members:

Benefits required by AB340 of 2% of final average salary times years of service times factor in the table on the following page.

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Benefit Factors	General Tier 1	General Tiers 2&3	General Tiers 1-3	General Tier 4	Safety	Safety Tier 4
Age	<u>31676.11</u>	<u>31676.1</u>	<u>31676.12</u>	<u>AB340</u>	<u>31664</u>	<u>AB340</u>
41					.6258	
42					.6625	
43					.7004	
44					.7397	
45					.7805	
46					.8226	
47					.8678	
48					.9085	
49					.9522	
50	.7454	.7091	.6681		1.0000	1.0000
51	.7882	.7457	.7056		1.0516	1.0500
52	.8346	.7816	.7454	.5000	1.1078	1.1000
53	.8850	.8181	.7882	.5500	1.1692	1.1500
54	.9399	.8556	.8346	.6000	1.2366	1.2000
55	1.0000	.8954	.8850	.6500	1.3099	1.2500
56	1.0447	.9382	.9399	.7000	1.3099	1.3000
57	1.1048	.9846	1.0000	.7500	1.3099	1.3500
58	1.1686	1.0350	1.0447	.8000	1.3099	1.3500
59	1.2365	1.0899	1.1048	.8500	1.3099	1.3500
60	1.3093	1.1500	1.1686	.9000	1.3099	1.3500
61	1.3608	1.1947	1.2365	.9500	1.3099	1.3500
62	1.4123	1.2548	1.3093	1.0000	1.3099	1.3500
63	1.4638	1.3186	1.3093	1.0500	1.3099	1.3500
64	1.5153	1.3865	1.3093	1.1000	1.3099	1.3500
65	1.5668	1.4593	1.3093	1.1500	1.3099	1.3500
66	1.5668	1.4593	1.3093	1.2000	1.3099	1.3500
67	1.5668	1.4593	1.3093	1.2500	1.3099	1.3500

Non Service Connected Disability Retirement 20% of final average salary 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 Tier 1-3 members' benefits 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	<p>If non-service connected before eligible to retire, the benefit is a refund of contributions plus 1/12 of last year's salary per year of service up to 6 years.</p> <p>If eligible for non-service connected disability or service retirement, the benefit is 60% of member's accrued allowance.</p> <p>If service connected death, the benefit is 50% of salary.</p>
Death After Retirement	<p>For service retirement or non-service connected disability, the benefit is 60% of member's allowance payable to an eligible spouse.</p> <p>For service connected disability, the benefit is 100% of member's allowance payable to an eligible spouse.</p> <p>\$5,000 lump sum benefit payable to member's beneficiary.</p>
Vesting	<p>After five years of service.</p> <p>Must leave contributions on deposit.</p>
Member Contributions	<p>Based on entry age. Members of Tiers 1, 2, or 3 who have 30 or more years of service do not pay member contributions.</p>
Maximum Benefit	<p>100% of final average salary</p>
Cost-Of-Living Benefits	<p>Payable April 1. Up to 3% COLA for Tier 1 members (2% for Tier 2, Tier 3, and Tier 4 members), depending on CPI (Los Angeles–Riverside–Orange) changes for the prior calendar year.</p>



Supplemental Retiree
 Benefits Reserve⁸

Level One:

A monthly benefit of up to \$360 is provided for members with 20 or more years of service. The benefit is determined using an \$18 multiplier rate prior to July 1, 2013 with service limited to 20 years. The multiplier will be reduced for all years as follows:

Prior to July 1, 2013	\$18.00
After July 1, 2013	\$17.00
After July 1, 2014	\$16.00
After July 1, 2015	\$15.00
After July 1, 2016	\$14.00
After July 1, 2017	\$12.50

For members with less than 20 years of service, the benefit is provided in the following schedule:

Years of Service	% of Full Benefit	Years of Service	% of 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 at one half of the amount payable to the retired member.

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 60% of their original purchasing power (as measured by their COLA bank). These members would receive a Level Two benefit equal to 45% (60% minus 15%) of their benefit.

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.

⁸ Excluded from GASB 67/68 assets and liabilities

APPENDIX



Schedule A – Net Pension Liability Allocations by Employer⁹

	<u>Courts</u>	<u>County</u>	<u>SPUD</u>	<u>Plan Total</u>
<u>FYE June 30, 2014:</u>				
(1) Total Pension Liability	63,211,394	1,203,557,350	871,704	1,267,640,448
(2) Plan Fiduciary Net Position	55,398,494	1,054,798,202	763,962	1,110,960,658
(3) Net Pension Liability	7,812,900	148,759,148	107,742	156,679,790
(4) Proportion of Net Pension Liability	4.99%	94.94%	0.07%	100.00%
(5) Plan Fiduciary Net Position as % of Total Pension Liability	87.64%	87.64%	87.64%	87.64%
(6) Covered Payroll	10,698,199	223,582,249	158,008	234,438,456
(7) Net Pension Liability as % of Covered Payroll	73.03%	66.53%	68.19%	66.83%
(8) Employer Contributions	1,294,171	24,641,270	17,847	25,953,288
<u>FYE June 30, 2013:</u>				
(1) Total Pension Liability	47,241,107	1,138,158,013	658,333	1,186,057,453
(2) Plan Fiduciary Net Position	37,988,369	915,236,114	529,391	953,753,874
(3) Net Pension Liability	9,252,738	222,921,899	128,942	232,303,579
(4) Proportion of Net Pension Liability	3.98%	95.96%	0.06%	100.00%
(5) Plan Fiduciary Net Position as % of Total Pension Liability	80.41%	80.41%	80.41%	80.41%
(6) Covered Payroll	11,589,955	219,224,277	140,524	230,954,756
(7) Net Pension Liability as % of Covered Payroll	79.83%	101.69%	91.76%	100.58%
(8) Employer Contributions	1,188,826	28,641,832	16,567	29,847,225

⁹ Employer allocations are based on respective contributions for the fiscal year



Schedule B – Pension Amounts Allocated by Employer¹⁰

	<u>Courts</u>	<u>County</u>	<u>SPUD</u>	<u>Plan Total</u>
Net Pension Liability as of 6/30/2014	7,812,900	148,759,148	107,742	156,679,790
Deferred Outflows of Resources:				
- Difference between expected and actual experience	0	0	0	0
- Changes in assumptions	572,093	10,884,667	8,025	11,464,785
- Difference between projected and actual investment earnings	0	0	0	0
- Change in proportion	1,979,662	0	19,601	1,999,263
Deferred Inflows of Resources:				
- Difference between expected and actual experience	0	0	0	0
- Changes in assumptions	0	0	0	0
- Difference between projected and actual investment earnings	(3,721,916)	(70,813,368)	(52,211)	(74,587,495)
- Change in proportion	0	(1,999,263)	0	(1,999,263)
Pension Expense Recognized:				
- Proportionate share of current year's pension expense	839,903	15,980,036	11,782	16,831,721
- Change in proportion	<u>366,604</u>	<u>(370,234)</u>	<u>3,630</u>	<u>0</u>
- Total	1,206,507	15,609,802	15,412	16,831,721

¹⁰ Employer allocations are based on respective contributions for the fiscal year



Schedule C – Employers' Share of 6/30/2014 Deferred Outflows/Inflows

	<u>Courts</u>	<u>County</u>	<u>SPUD</u>	<u>Plan Total</u>
FY2015	(457,932)	(16,057,897)	(7,937)	(16,523,766)
FY2016	(457,932)	(16,057,897)	(7,937)	(16,523,766)
FY2017	(457,932)	(16,057,897)	(7,937)	(16,523,766)
FY2018	(457,932)	(16,057,897)	(7,937)	(16,523,766)
FY2019	472,547	1,645,445	5,116	2,123,108
Thereafter	189,019	658,178	2,046	849,243

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Schedule D – Contribution History¹¹

	<u>FY2014</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>
Actuarially determined contribution					
- Courts	1,294,171	1,188,826	n/a	n/a	n/a
- County	24,641,270	28,641,832	n/a	n/a	n/a
- SPUD	<u>17,847</u>	<u>16,567</u>	n/a	n/a	n/a
- Total	25,953,288	29,847,226	25,257,124	23,434,240	25,339,346
Contributions in relation to actuarially determined contribution					
- Courts	1,294,171	1,188,826	n/a	n/a	n/a
- County	24,641,270	28,641,832	n/a	n/a	n/a
- SPUD	<u>17,847</u>	<u>16,567</u>	n/a	n/a	n/a
- Total	25,953,288	29,847,226	25,257,124	23,434,240	25,339,346
Contribution deficiency(excess)					
- Courts	0	0	n/a	n/a	n/a
- County	0	0	n/a	n/a	n/a
- SPUD	<u>0</u>	<u>0</u>	n/a	n/a	n/a
- Total	0	0	0	0	0
Covered payroll					
- Courts	10,698,199	11,589,955	n/a	n/a	n/a
- County	223,582,249	219,224,277	n/a	n/a	n/a
- SPUD	<u>158,008</u>	<u>140,524</u>	n/a	n/a	n/a
- Total	234,438,456	230,954,756	222,634,628	219,853,614	217,811,354
Contribution as % of covered payroll					
- Courts	12.10%	10.26%	n/a	n/a	n/a
- County	11.02%	13.07%	n/a	n/a	n/a
- SPUD	11.29%	11.79%	n/a	n/a	n/a
- Total	11.07%	12.92%	11.34%	10.66%	11.63%

	<u>FY2009</u>	<u>FY2008</u>	<u>FY2007</u>	<u>FY2006</u>	<u>FY2005</u>
Actuarially determined contribution					
- Courts	n/a	n/a	n/a	n/a	n/a
- County	n/a	n/a	n/a	n/a	n/a
- SPUD	n/a	n/a	n/a	n/a	n/a
- Total	22,430,788	22,691,963	17,975,005	12,442,923	10,502,282
Contributions in relation to actuarially determined contribution					
- Courts	n/a	n/a	n/a	n/a	n/a
- County	n/a	n/a	n/a	n/a	n/a
- SPUD	n/a	n/a	n/a	n/a	n/a
- Total	22,430,788	22,691,963	17,975,005	12,442,923	10,502,282
Contribution deficiency(excess)					
- Courts	n/a	n/a	n/a	n/a	n/a
- County	n/a	n/a	n/a	n/a	n/a
- SPUD	n/a	n/a	n/a	n/a	n/a
- Total	0	0	0	0	0
Covered payroll					
- Courts	n/a	n/a	n/a	n/a	n/a
- County	n/a	n/a	n/a	n/a	n/a
- SPUD	n/a	n/a	n/a	n/a	n/a
- Total	227,305,938	226,836,234	204,802,798	186,948,702	164,777,131
Contribution as % of covered payroll					
- Courts	n/a	n/a	n/a	n/a	n/a
- County	n/a	n/a	n/a	n/a	n/a
- SPUD	n/a	n/a	n/a	n/a	n/a
- Total	9.87%	10.00%	8.78%	6.66%	6.37%

¹¹ Amounts by employer are shown for FYE June 30, 2013 and June 30, 2014 only