



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Agenda _____/September, 2009

August 21, 2009

The Honorable Board of Supervisors
Administration Building
1221 Oak Street, Room 536
Oakland, CA 94612

RE: ADOPTION OF NEW RETIREMENT SYSTEM
CONTRIBUTION RATES

Dear Board Members:

RECOMMENDATION

That the Board of Supervisors adjusts the employer and employee contribution rates as recommended by the Board of Retirement effective not later than 90 days following commencement of fiscal year 2009-10, per California Government Code section 31454.

SUMMARY

The Board of Retirement of the Alameda County Employees' Retirement Association (ACERA) is required by law to perform an actuarial valuation of the retirement system and establish appropriate assumptions and contribution rates to the system to ensure that all current and future liabilities can be paid.

The Board of Retirement retained The Segal Company, an actuarial consulting firm, to perform such a valuation. The results of the valuation were adopted by the Board of Retirement at its regular meeting on August 20, 2009. The aggregate Employer rate will increase from 14.92% to 16.91% of payroll. The reasons for this change are: (a) lower than expected return on investments, (b) higher than expected salary increase, and (c) other actuarial losses. The actuarial losses from these sources were offset somewhat by actuarial gains from the change in the market value corridor from 80%-120% to 60%-140%, and the change in the actuarial assumptions as a result of the triennial experience study. The detailed Employee, Employer, and District rates are set forth in the attached Charts.

The County of Alameda ("County") received a reimbursement of \$4.1 million for the implicit retiree health care subsidy paid by the County for 2008. The \$4.1 million together with the unused credit from prior years' transfer have been amortized over 24 years. Effective with the December 31, 2006 valuation, the employer rates for ACMC, Superior Court and First 5 are higher than the County to reflect that only the County received a reimbursement for the implicit retiree health care subsidy.

On an average rate basis, the combined General and Safety member employee contribution rates remained unchanged at 8.66% of payroll.

The ratio of the valuation value of assets to liabilities decreased from 89.2% to 83.9% during the year, primarily as a result of the recognition of a portion of the investment losses from 2008. Unless ACERA earns more than the assumed rate of 8% per year, this ratio will continue to deteriorate when \$1,522 million of additional investment losses from 2008 are recognized as part of the Board's asset smoothing method. A detailed discussion of the financial impact associated with recognition of these losses is provided in Segal's report.

The December 31, 2008 Actuarial Valuation Report included the review of economic assumptions, which are inflation, investment return, merit and promotional salary increases, and terminal pay assumptions. As a result of this review, the ACERA Board maintained the interest assumption rate at 8.0%, the annual inflation assumption at 3.75%, and the across-the-board salary increase assumption at 0.25%. However, the Board adopted changes to the merit and promotional increases and to the terminal pay assumption as a result of the actuary's triennial experience study.

DISCUSSION/FINDINGS

Section 7504 of the Government Code requires that all state and local public retirement systems secure the services of an enrolled actuary and perform a complete valuation of the system at least once every three years. Section 31611 of the Government Code requires the Board of Retirement to recommend to the Board of Supervisors any appropriate changes in the rates of contributions of the employer or member.

Contribution levels are recommended by the Actuary and adopted by the Board of Retirement each year.

RESOLUTION TO ADOPT NEW RETIREMENT RATES

Section 31454 of the Government Code states: "The Board of Supervisors shall, not later than ninety days after the beginning of the immediately succeeding fiscal year, adjust the rates of interest, the rates of contributions of members, and county and district appropriations in accordance with the recommendation of the Board, but shall not fix them in amounts as to reduce the individual benefits provided in this chapter." The Actuarial Valuation and Review Report was presented and discussed during a public meeting of the Board of Retirement held August 20, 2009.

The adjustment of the rates for fiscal year 2009-10 must, therefore, occur effective pay period 09-19 ending September 5, 2009 for the pay date of September 18, 2009.

FINANCING

Employee contributions are deducted from the employees' salary and therefore, are not a direct charge against the County, except insofar as the salaries relate to a direct charge against the County Fund.

Employer contributions for County employees are an obligation of the County and, therefore, are a direct charge against the County Fund.

Very truly yours,



Charles F. Conrad
Chief Executive Officer

Attachments
CEW/bss

cc:

Alameda County

Susan Muranishi, County Administrator, Alameda County
Patrick O'Connell, Auditor-Controller, Alameda County
Connie Land, Assistant Controller, Alameda County
Richard E. Winnie, County Counsel, Alameda County
Richard Karlsson, Chief Assistant County Counsel, Alameda County
Crystal Hishida-Graff, Clerk, Board of Supervisors, Alameda County

Alameda County Medical Center (ACMC)

Wright Lassiter, III, Chief Executive Officer, ACMC
Jeanette Loudon, Chief Human Resources Officer, ACMC
Geoff Dottery, Chief Financial Officer, ACMC
Jodi De Lucca, Director of HRIS, Compensation and Benefits, ACMC
Dennis Manzo, Administrative Financial Services Manager, ACMC
Carol Whyte, Controller, ACMC
Marylou Lestro Mayo, Payroll Manager, ACMC
Mary Ellyn Gormley, Counsel for ACMC, Alameda County

First 5-Alameda County Children and Families Commission (First 5)

Mark Friedman, Chief Executive Officer, First 5
Patricia Zapanta, Acting Director, Finance & Administration, First 5
Elen Fuentes, Payroll Manager, First 5
Janet Basta, Human Resources Manager, First 5

Housing Authority of Alameda County (Housing Authority)

Christine Gouig, Executive Director, Housing Authority
Thomas Makin, Deputy Director of Operations, Housing Authority
Cathy Leoncio, Finance Manager, Housing Authority
Lisa Gatchallan, Payroll Clerk, Housing Authority

Livermore Area Park and Recreation District (LARPD)

Tim Barry, General Manager, LARPD
Lora Cohen, Fiscal Supervisor, LARPD
Carolyn Ulrich, Human Resources Manager, LARPD
Sally Swanson, Payroll Manager, LARPD

Alameda County Office of Education (Office of Education)

Sheila Jordan, Superintendent of Schools, Office of Education
Bert Padua, Director of Internal Business Services, Office of Education
Lynne Van Landingham, Director of Human Resources, Office of Education
Maria Pascual, Payroll Manager, Office of Education
Vickie Chang, Controller of Internal Business Services, Office of Education

Superior Court of California, Alameda County (Superior Court)

Patricia Sweeten, Executive Officer, Superior Court
Matthew McDonald, Finance Director, Superior Court
Doug Bailey, Assistant Finance Director, Superior Court
Jean Shapiro, Payroll Manager, Superior Court

All Other

Alameda County Retired Employees Organization (ACRE)
Retired Employees of Alameda County Organization (REAC)
Andy Yeung, The Segal Company
Members of The Board of Retirement
ACERA Administration Department
ACERA Accounting Department
ACERA Benefits Department
ACERA Legal Department
ACERA PRISM Department

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

General Tier 1 Members' Contribution Rates Based on the December 31, 2008 Actuarial Valuation

as a percentage of payroll

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	4.43%	6.65%	1.63%	2.45%	6.06%	9.10%
16	4.43%	6.65%	1.63%	2.45%	6.06%	9.10%
17	4.47%	6.70%	1.65%	2.47%	6.12%	9.17%
18	4.50%	6.75%	1.66%	2.49%	6.16%	9.24%
19	4.53%	6.80%	1.67%	2.51%	6.20%	9.31%
20	4.56%	6.84%	1.68%	2.52%	6.24%	9.36%
21	4.58%	6.87%	1.69%	2.53%	6.27%	9.40%
22	4.61%	6.91%	1.70%	2.55%	6.31%	9.46%
23	4.63%	6.95%	1.71%	2.56%	6.34%	9.51%
24	4.66%	7.00%	1.72%	2.58%	6.38%	9.58%
25	4.70%	7.04%	1.73%	2.60%	6.43%	9.64%
26	4.73%	7.10%	1.75%	2.62%	6.48%	9.72%
27	4.77%	7.15%	1.76%	2.64%	6.53%	9.79%
28	4.81%	7.21%	1.77%	2.66%	6.58%	9.87%
29	4.85%	7.28%	1.79%	2.68%	6.64%	9.96%
30	4.90%	7.35%	1.81%	2.71%	6.71%	10.06%
31	4.95%	7.42%	1.82%	2.73%	6.77%	10.15%
32	5.00%	7.49%	1.84%	2.76%	6.84%	10.25%
33	5.05%	7.57%	1.86%	2.79%	6.91%	10.36%
34	5.10%	7.66%	1.88%	2.82%	6.98%	10.48%
35	5.16%	7.74%	1.90%	2.85%	7.06%	10.59%
36	5.22%	7.83%	1.93%	2.89%	7.15%	10.72%
37	5.28%	7.92%	1.95%	2.92%	7.23%	10.84%
38	5.34%	8.02%	1.97%	2.95%	7.31%	10.97%
39	5.41%	8.12%	1.99%	2.99%	7.40%	11.11%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	5.48%	8.22%	2.02%	3.03%	7.50%	11.25%
41	5.55%	8.32%	2.05%	3.07%	7.60%	11.39%
42	5.62%	8.43%	2.07%	3.11%	7.69%	11.54%
43	5.69%	8.54%	2.10%	3.15%	7.79%	11.69%
44	5.77%	8.65%	2.13%	3.19%	7.90%	11.84%
45	5.84%	8.77%	2.15%	3.23%	7.99%	12.00%
46	5.92%	8.89%	2.18%	3.27%	8.10%	12.16%
47	6.00%	9.01%	2.21%	3.32%	8.21%	12.33%
48	6.09%	9.13%	2.24%	3.36%	8.33%	12.49%
49	6.17%	9.26%	2.27%	3.41%	8.44%	12.67%
50	6.26%	9.39%	2.31%	3.46%	8.57%	12.85%
51	6.34%	9.52%	2.34%	3.51%	8.68%	13.03%
52	6.43%	9.65%	2.37%	3.55%	8.80%	13.20%
53	6.52%	9.78%	2.40%	3.60%	8.92%	13.38%
54	6.60%	9.90%	2.43%	3.65%	9.03%	13.55%
55	6.68%	10.02%	2.46%	3.69%	9.14%	13.71%
56	6.75%	10.13%	2.49%	3.73%	9.24%	13.86%
57	6.81%	10.21%	2.51%	3.76%	9.32%	13.97%
58	6.82%	10.23%	2.51%	3.77%	9.33%	14.00%
59 & Over	6.67%	10.00%	2.45%	3.68%	9.12%	13.68%

* Use these rates for Non-Integrated Members

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Combined Healthy Mortality Table set back one year weighted 30% male and 70% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 36.85%
 Terminal Pay: 8.0%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2008 Actuarial Valuation

as a percentage of payroll

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	3.36%	5.04%	0.75%	1.12%	4.11%	6.16%
16	3.36%	5.04%	0.75%	1.12%	4.11%	6.16%
17	3.39%	5.09%	0.75%	1.13%	4.14%	6.22%
18	3.42%	5.12%	0.76%	1.14%	4.18%	6.26%
19	3.44%	5.16%	0.77%	1.15%	4.21%	6.31%
20	3.46%	5.19%	0.77%	1.16%	4.23%	6.35%
21	3.48%	5.21%	0.77%	1.16%	4.25%	6.37%
22	3.50%	5.24%	0.78%	1.17%	4.28%	6.41%
23	3.52%	5.27%	0.79%	1.18%	4.31%	6.45%
24	3.54%	5.31%	0.79%	1.18%	4.33%	6.49%
25	3.56%	5.34%	0.79%	1.19%	4.35%	6.53%
26	3.59%	5.38%	0.80%	1.20%	4.39%	6.58%
27	3.62%	5.43%	0.81%	1.21%	4.43%	6.64%
28	3.65%	5.47%	0.81%	1.22%	4.46%	6.69%
29	3.68%	5.52%	0.82%	1.23%	4.50%	6.75%
30	3.72%	5.57%	0.83%	1.24%	4.55%	6.81%
31	3.75%	5.63%	0.83%	1.25%	4.58%	6.88%
32	3.79%	5.69%	0.85%	1.27%	4.64%	6.96%
33	3.83%	5.75%	0.85%	1.28%	4.68%	7.03%
34	3.87%	5.81%	0.86%	1.29%	4.73%	7.10%
35	3.91%	5.87%	0.87%	1.31%	4.78%	7.18%
36	3.96%	5.94%	0.88%	1.32%	4.84%	7.26%
37	4.01%	6.01%	0.89%	1.34%	4.90%	7.35%
38	4.05%	6.08%	0.91%	1.36%	4.96%	7.44%
39	4.10%	6.16%	0.91%	1.37%	5.01%	7.53%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A
Member Contribution Rates (Continued)

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	4.16%	6.23%	0.93%	1.39%	5.09%	7.62%
41	4.21%	6.31%	0.94%	1.41%	5.15%	7.72%
42	4.26%	6.39%	0.95%	1.43%	5.21%	7.82%
43	4.32%	6.48%	0.96%	1.44%	5.28%	7.92%
44	4.37%	6.56%	0.97%	1.46%	5.34%	8.02%
45	4.43%	6.65%	0.99%	1.48%	5.42%	8.13%
46	4.49%	6.74%	1.00%	1.50%	5.49%	8.24%
47	4.55%	6.83%	1.01%	1.52%	5.56%	8.35%
48	4.62%	6.92%	1.03%	1.54%	5.65%	8.46%
49	4.68%	7.02%	1.04%	1.56%	5.72%	8.58%
50	4.74%	7.12%	1.06%	1.59%	5.80%	8.71%
51	4.81%	7.21%	1.07%	1.61%	5.88%	8.82%
52	4.87%	7.31%	1.09%	1.63%	5.96%	8.94%
53	4.94%	7.41%	1.10%	1.65%	6.04%	9.06%
54	5.00%	7.50%	1.11%	1.67%	6.11%	9.17%
55	5.06%	7.59%	1.13%	1.69%	6.19%	9.28%
56	5.11%	7.66%	1.14%	1.71%	6.25%	9.37%
57	5.15%	7.72%	1.15%	1.72%	6.30%	9.44%
58	5.35%	8.02%	1.19%	1.79%	6.54%	9.81%
59 & Over.	5.56%	8.33%	1.24%	1.86%	6.80%	10.19%

* Use these rates for Non-Integrated Members

Interest: 8.00% per annum
 COLA: 2.00%
 Mortality: RP-2000 Combined Healthy Mortality Table set back one year weighted 30% male and 70% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 22.29%
 Terminal Pay: 3 0%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

General Tier 3 Members' Contribution Rates Based on the December 31, 2008 Actuarial Valuation

as a percentage of payroll

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	5.23%	7.85%	1.91%	2.87%	7.14%	10.72%
16	5.23%	7.85%	1.91%	2.87%	7.14%	10.72%
17	5.27%	7.91%	1.93%	2.89%	7.20%	10.80%
18	5.31%	7.96%	1.94%	2.91%	7.25%	10.87%
19	5.34%	8.01%	1.95%	2.93%	7.29%	10.94%
20	5.37%	8.05%	1.96%	2.94%	7.33%	10.99%
21	5.39%	8.09%	1.97%	2.95%	7.36%	11.04%
22	5.42%	8.12%	1.98%	2.97%	7.40%	11.09%
23	5.44%	8.17%	1.99%	2.98%	7.43%	11.15%
24	5.47%	8.21%	2.00%	3.00%	7.47%	11.21%
25	5.51%	8.26%	2.01%	3.02%	7.52%	11.28%
26	5.54%	8.32%	2.03%	3.04%	7.57%	11.36%
27	5.58%	8.37%	2.04%	3.06%	7.62%	11.43%
28	5.63%	8.44%	2.05%	3.08%	7.68%	11.52%
29	5.67%	8.51%	2.07%	3.11%	7.74%	11.62%
30	5.72%	8.58%	2.09%	3.14%	7.81%	11.72%
31	5.77%	8.66%	2.11%	3.16%	7.88%	11.82%
32	5.83%	8.74%	2.13%	3.19%	7.96%	11.93%
33	5.88%	8.82%	2.15%	3.22%	8.03%	12.04%
34	5.94%	8.91%	2.17%	3.26%	8.11%	12.17%
35	6.00%	9.00%	2.19%	3.29%	8.19%	12.29%
36	6.07%	9.10%	2.21%	3.32%	8.28%	12.42%
37	6.13%	9.20%	2.24%	3.36%	8.37%	12.56%
38	6.20%	9.30%	2.27%	3.40%	8.47%	12.70%
39	6.27%	9.41%	2.29%	3.44%	8.56%	12.85%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	6.34%	9.52%	2.32%	3.48%	8.66%	13.00%
41	6.42%	9.63%	2.35%	3.52%	8.77%	13.15%
42	6.50%	9.74%	2.37%	3.56%	8.87%	13.30%
43	6.57%	9.86%	2.40%	3.60%	8.97%	13.46%
44	6.65%	9.98%	2.43%	3.65%	9.08%	13.63%
45	6.73%	10.10%	2.46%	3.69%	9.19%	13.79%
46	6.82%	10.23%	2.49%	3.74%	9.31%	13.97%
47	6.90%	10.35%	2.52%	3.78%	9.42%	14.13%
48	6.98%	10.48%	2.55%	3.83%	9.53%	14.31%
49	7.07%	10.60%	2.58%	3.87%	9.65%	14.47%
50	7.15%	10.72%	2.61%	3.92%	9.76%	14.64%
51	7.22%	10.83%	2.64%	3.96%	9.86%	14.79%
52	7.28%	10.92%	2.66%	3.99%	9.94%	14.91%
53	7.29%	10.93%	2.66%	3.99%	9.95%	14.92%
54 & over	7.11%	10.67%	2.60%	3.90%	9.71%	14.57%

* Use these rates for Non-Integrated Members

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Combined Healthy Mortality Table set back one year weighted 30% male and 70% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 36.54%
 Terminal Pay: 8.0%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

Safety Tier 1 Members' Contribution Rates Based on the December 31, 2008 Actuarial Valuation

as a percentage of payroll

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	6.22%	9.33%	3.00%	3.00%	3.31%	4.97%	12.53%	17.30%
16	6.22%	9.33%	3.00%	3.00%	3.31%	4.97%	12.53%	17.30%
17	6.25%	9.38%	3.00%	3.00%	3.33%	5.00%	12.58%	17.38%
18	6.27%	9.41%	3.00%	3.00%	3.34%	5.01%	12.61%	17.42%
19	6.29%	9.43%	3.00%	3.00%	3.35%	5.03%	12.64%	17.46%
20	6.30%	9.44%	3.00%	3.00%	3.35%	5.03%	12.65%	17.47%
21	6.30%	9.44%	3.00%	3.00%	3.35%	5.03%	12.65%	17.47%
22	6.30%	9.45%	3.00%	3.00%	3.36%	5.04%	12.66%	17.49%
23	6.31%	9.46%	3.00%	3.00%	3.36%	5.04%	12.67%	17.50%
24	6.33%	9.49%	3.00%	3.00%	3.37%	5.06%	12.70%	17.55%
25	6.35%	9.52%	3.00%	3.00%	3.38%	5.07%	12.73%	17.59%
26	6.37%	9.56%	3.00%	3.00%	3.39%	5.09%	12.76%	17.65%
27	6.40%	9.61%	3.00%	3.00%	3.41%	5.12%	12.81%	17.73%
28	6.44%	9.66%	3.00%	3.00%	3.43%	5.15%	12.87%	17.81%
29	6.49%	9.73%	3.00%	3.00%	3.45%	5.18%	12.94%	17.91%
30	6.53%	9.80%	3.00%	3.00%	3.48%	5.22%	13.01%	18.02%
31	6.59%	9.88%	3.00%	3.00%	3.51%	5.27%	13.10%	18.15%
32	6.65%	9.97%	3.00%	3.00%	3.54%	5.31%	13.19%	18.28%
33	6.71%	10.06%	3.00%	3.00%	3.57%	5.36%	13.28%	18.42%
34	6.78%	10.17%	3.00%	3.00%	3.61%	5.42%	13.39%	18.59%
35	6.85%	10.27%	3.00%	3.00%	3.65%	5.47%	13.50%	18.74%
36	6.92%	10.38%	3.00%	3.00%	3.69%	5.53%	13.61%	18.91%
37	7.00%	10.50%	3.00%	3.00%	3.73%	5.60%	13.73%	19.10%
38	7.08%	10.62%	3.00%	3.00%	3.77%	5.66%	13.85%	19.28%
39	7.16%	10.74%	3.00%	3.00%	3.81%	5.72%	13.97%	19.46%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

**Appendix A
Member Contribution Rates (Continued)**

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	7.24%	10.86%	3.00%	3.00%	3.86%	5.79%	14.10%	19.65%
41	7.32%	10.98%	3.00%	3.00%	3.90%	5.85%	14.22%	19.83%
42	7.40%	11.11%	3.00%	3.00%	3.95%	5.92%	14.35%	20.03%
43	7.48%	11.22%	3.00%	3.00%	3.99%	5.98%	14.47%	20.20%
44	7.55%	11.33%	3.00%	3.00%	4.03%	6.04%	14.58%	20.37%
45	7.62%	11.43%	3.00%	3.00%	4.06%	6.09%	14.68%	20.52%
46	7.68%	11.52%	3.00%	3.00%	4.09%	6.14%	14.77%	20.66%
47	7.71%	11.57%	3.00%	3.00%	4.11%	6.17%	14.82%	20.74%
48	7.69%	11.53%	3.00%	3.00%	4.10%	6.15%	14.79%	20.68%
49 & Over	7.44%	11.16%	3.00%	3.00%	3.97%	5.95%	14.41%	20.11%

* Use these rates for Non-Integrated Members

Interest: 8.00% per annum
 COLA: 3.00%
 Mortality: RP-2000 Combined Healthy Mortality Table set back two years weighted 75% male and 25% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 53.30%
 Terminal Pay: 9.5%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates (Continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2008 Actuarial Valuation

as percentage of payroll

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	5.61%	8.41%	3.00%	3.00%	1.79%	2.68%	10.40%	14.09%
16	5.61%	8.41%	3.00%	3.00%	1.79%	2.68%	10.40%	14.09%
17	5.63%	8.45%	3.00%	3.00%	1.79%	2.69%	10.42%	14.14%
18	5.65%	8.48%	3.00%	3.00%	1.80%	2.70%	10.45%	14.18%
19	5.67%	8.50%	3.00%	3.00%	1.81%	2.71%	10.48%	14.21%
20	5.67%	8.51%	3.00%	3.00%	1.81%	2.71%	10.48%	14.22%
21	5.67%	8.51%	3.00%	3.00%	1.81%	2.71%	10.48%	14.22%
22	5.68%	8.52%	3.00%	3.00%	1.81%	2.71%	10.49%	14.23%
23	5.69%	8.53%	3.00%	3.00%	1.81%	2.72%	10.50%	14.25%
24	5.70%	8.55%	3.00%	3.00%	1.81%	2.72%	10.51%	14.27%
25	5.72%	8.58%	3.00%	3.00%	1.82%	2.73%	10.54%	14.31%
26	5.74%	8.61%	3.00%	3.00%	1.83%	2.74%	10.57%	14.35%
27	5.77%	8.66%	3.00%	3.00%	1.84%	2.76%	10.61%	14.42%
28	5.80%	8.71%	3.00%	3.00%	1.85%	2.77%	10.65%	14.48%
29	5.84%	8.76%	3.00%	3.00%	1.86%	2.79%	10.70%	14.55%
30	5.89%	8.83%	3.00%	3.00%	1.87%	2.81%	10.76%	14.64%
31	5.93%	8.90%	3.00%	3.00%	1.89%	2.84%	10.82%	14.74%
32	5.99%	8.98%	3.00%	3.00%	1.91%	2.86%	10.90%	14.84%
33	6.04%	9.07%	3.00%	3.00%	1.93%	2.89%	10.97%	14.96%
34	6.10%	9.16%	3.00%	3.00%	1.95%	2.92%	11.05%	15.08%
35	6.17%	9.25%	3.00%	3.00%	1.97%	2.95%	11.14%	15.20%
36	6.23%	9.35%	3.00%	3.00%	1.99%	2.98%	11.22%	15.33%
37	6.30%	9.45%	3.00%	3.00%	2.01%	3.01%	11.31%	15.46%
38	6.37%	9.56%	3.00%	3.00%	2.03%	3.05%	11.40%	15.61%
39	6.44%	9.66%	3.00%	3.00%	2.05%	3.08%	11.49%	15.74%

SECTION 4: Reporting Information for the Alameda County Employees' Retirement Association

Appendix A
Member Contribution Rates (Continued)

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	6.51%	9.77%	3.00%	3.00%	2.07%	3.11%	11.58%	15.88%
41	6.59%	9.88%	3.00%	3.00%	2.10%	3.15%	11.69%	16.03%
42	6.66%	9.98%	3.00%	3.00%	2.12%	3.18%	11.78%	16.16%
43	6.72%	10.08%	3.00%	3.00%	2.14%	3.21%	11.86%	16.29%
44	6.78%	10.18%	3.00%	3.00%	2.16%	3.24%	11.94%	16.42%
45	6.84%	10.26%	3.00%	3.00%	2.18%	3.27%	12.02%	16.53%
46	6.88%	10.32%	3.00%	3.00%	2.19%	3.29%	12.07%	16.61%
47	6.89%	10.34%	3.00%	3.00%	2.20%	3.30%	12.09%	16.64%
48	7.16%	10.74%	3.00%	3.00%	2.28%	3.42%	12.44%	17.16%
49 & Over	7.44%	11.16%	3.00%	3.00%	2.37%	3.56%	12.81%	17.72%

* Use these rates for Non-Integrated Members

Interest: 8.00% per annum
 COLA: 2.00%
 Mortality: RP-2000 Combined Healthy Mortality Table set back two years weighted 75% male and 25% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 31.87%
 Terminal Pay: 4.0%

Alameda County Employees' Retirement Association
Recommended County Contribution Rates*
After Pension Obligation Bond Credit
Calculated as of December 31, 2008

	General Tier 1 (31676.12)			General Tier 2 (31676.1)		
	<u>Integrated</u>			<u>Integrated</u>		
	1st \$350	Over \$350	Non	1st \$350	Over \$350	Non
	<u>Per Month</u>	<u>Per Month</u>	<u>Integrated</u>	<u>Per Month</u>	<u>Per Month</u>	<u>Integrated</u>
Basic	8.41%	12.62%	12.62%	8.13%	12.20%	12.20%
COLA	<u>1.48%</u>	<u>2.22%</u>	<u>2.22%</u>	<u>0.74%</u>	<u>1.11%</u>	<u>1.11%</u>
Total	9.89%	14.84%	14.84%	8.87%	13.31%	13.31%

	Safety Tier 1 (31664.1)			Safety Tier 2 (31664.1)		
	<u>Integrated</u>			<u>Integrated</u>		
	1st \$350	Over \$350	Non	1st \$350	Over \$350	Non
	<u>Per Month</u>	<u>Per Month</u>	<u>Integrated</u>	<u>Per Month</u>	<u>Per Month</u>	<u>Integrated</u>
Basic	22.36%	33.54%	33.54%	18.71%	28.06%	28.06%
COLA	<u>6.65%</u>	<u>9.98%</u>	<u>9.98%</u>	<u>3.63%</u>	<u>5.45%</u>	<u>5.45%</u>
Total	29.01%	43.52%	43.52%	22.34%	33.51%	33.51%

The following percentages should be used to credit the employer's contributions to the Employer Advance and Cost-of-Living Reserves:

	General		Safety	
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>
Employer Advance	85.1%	91.6%	77.1%	83.7%
Cost-of-Living	<u>14.9%</u>	<u>8.4%</u>	<u>22.9%</u>	<u>16.3%</u>
Total	100.0%	100.0%	100.0%	100.0%

* Based on 8.00% interest, 3.75% inflation, 0.25% across-the-board salary increase and merit and longevity increases.

**Alameda County Employees' Retirement Association
Recommended County Contribution Rates*
Before Pension Obligation Bond Credit
Calculated as of December 31, 2008**

	General Tier 1 (31676.12)			General Tier 2 (31676.1)		
	<u>Integrated</u>			<u>Integrated</u>		
	<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>	<u>Non Integrated</u>	<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>	<u>Non Integrated</u>
Basic	10.59%	15.88%	15.88%	10.31%	15.46%	15.46%
COLA	<u>2.53%</u>	<u>3.80%</u>	<u>3.80%</u>	<u>1.80%</u>	<u>2.70%</u>	<u>2.70%</u>
Total	13.12%	19.68%	19.68%	12.11%	18.16%	18.16%

	Safety Tier 1 (31664.1)			Safety Tier 2 (31664.1)		
	<u>Integrated</u>			<u>Integrated</u>		
	<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>	<u>Non Integrated</u>	<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>	<u>Non Integrated</u>
Basic	24.13%	36.20%	36.20%	20.48%	30.72%	30.72%
COLA	<u>7.71%</u>	<u>11.57%</u>	<u>11.57%</u>	<u>4.69%</u>	<u>7.04%</u>	<u>7.04%</u>
Total	31.84%	47.77%	47.77%	25.17%	37.76%	37.76%

The following percentages should be used to credit the employer's contributions to the Employer Advance and Cost-of-Living Reserves:

	General		Safety	
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>
Employer Advance	80.7%	85.1%	75.8%	81.4%
Cost-of-Living	<u>19.3%</u>	<u>14.9%</u>	<u>24.2%</u>	<u>18.6%</u>
Total	100.0%	100.0%	100.0%	100.0%

* Based on 8.00% interest, 3.75% inflation, 0.25% across-the-board salary increase and merit and longevity increases.

Alameda County Employees' Retirement Association
Recommended APMC, Court & First 5 Contribution Rates*
After Pension Obligation Bond Credit
Calculated as of December 31, 2008

	General Tier 1 (31676.12)			General Tier 2 (31676.1)		
	<u>Integrated</u>			<u>Integrated</u>		
	1st \$350 <u>Per Month</u>	Over \$350 <u>Per Month</u>	Non <u>Integrated</u>	1st \$350 <u>Per Month</u>	Over \$350 <u>Per Month</u>	Non <u>Integrated</u>
Basic	8.52%	12.78%	12.78%	8.21%	12.32%	12.32%
COLA	<u>1.48%</u>	<u>2.22%</u>	<u>2.22%</u>	<u>0.74%</u>	<u>1.11%</u>	<u>1.11%</u>
Total	10.00%	15.00%	15.00%	8.95%	13.43%	13.43%

The following percentages should be used to credit the employer's contributions to the Employer Advance and Cost-of-Living Reserves:

	General	
	<u>Tier 1</u>	<u>Tier 2</u>
Employer Advance	85.2%	91.7%
Cost-of-Living	<u>14.8%</u>	<u>8.3%</u>
Total	100.0%	100.0%

* Based on 8.00% interest, 3.75% inflation, 0.25% across-the-board salary increase and merit and longevity increases.

**Alameda County Employees' Retirement Association
Recommended APMC, Court & First 5 Contribution Rates*
Before Pension Obligation Bond Credit
Calculated as of December 31, 2008**

	General Tier 1 (31676.12)			General Tier 2 (31676.1)		
	<u>Integrated</u>		Non <u>Integrated</u>	<u>Integrated</u>		Non <u>Integrated</u>
	<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>		<u>1st \$350 Per Month</u>	<u>Over \$350 Per Month</u>	
Basic	10.69%	16.04%	16.04%	10.39%	15.58%	15.58%
COLA	<u>2.54%</u>	<u>3.81%</u>	<u>3.81%</u>	<u>1.80%</u>	<u>2.70%</u>	<u>2.70%</u>
Total	13.23%	19.85%	19.85%	12.19%	18.28%	18.28%

The following percentages should be used to credit the employer's contributions to the Employer Advance and Cost-of-Living Reserves:

	General	
	<u>Tier 1</u>	<u>Tier 2</u>
Employer Advance	80.8%	85.2%
Cost-of-Living	<u>19.2%</u>	<u>14.8%</u>
Total	100.0%	100.0%

* Based on 8.00% interest, 3.75% inflation, 0.25% across-the-board salary increase and merit and longevity increases.

**Alameda County Employees' Retirement Association
Recommended Other Districts Contribution Rates*
Calculated as of December 31, 2008**

	General Tier 1 (31676.12)			General Tier 3 (31676.18)		
	<u>Integrated</u>			<u>Integrated</u>		
	1st \$350 Per Month	Over \$350 Per Month	Non Integrated	1st \$350 Per Month	Over \$350 Per Month	Non Integrated
Basic	10.70%	16.05%	16.05%	11.84%	17.76%	17.76%
COLA	2.54%	3.81%	3.81%	3.26%	4.89%	4.89%
Total	13.24%	19.86%	19.86%	15.10%	22.65%	22.65%

The following percentages should be used to credit the employer's contributions to the Employer Advance and Cost-of-Living Reserves:

	General	
	<u>Tier 1</u>	<u>Tier 3</u>
Employer Advance	80.8%	78.4%
Cost-of-Living	19.2%	21.6%
Total	100.0%	100.0%

* Based on 8.00% interest, 3.75% inflation, 0.25% across-the-board salary increase and merit and longevity increases.

**BOARD OF RETIREMENT
ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

RESOLUTION NUMBER 09-90

Adoption of Actuarial Valuation of ACERA for Fiscal Year 2009-2010

WHEREAS:

1. Government Code section §31611 requires actuarial valuations, conducted under the supervision of an actuary, that cover the mortality, service, and compensation experience of the members and beneficiaries and evaluate the assets and liabilities of the retirement fund and that the Retirement Board recommend to the Board of Supervisors such changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary, and appropriate mortality tables; and
2. The actuarial valuation of the Alameda County Employees' Retirement Association (ACERA) as of December 31, 2008, was conducted by The Segal Company and presented to the Board; and
3. The Board of Retirement met on August 20, 2009 and considered Actuarial Valuation of ACERA for Fiscal Year 2009-2010 and Employer and Member Contribution Rates based on the valuation summaries prepared by the Segal Company.

NOW THEREFORE, BE IT RESOLVED: The Board of Retirement hereby adopts the Actuarial Valuation of ACERA for Fiscal Year 2009-2010 and Employer and Member Contribution rates based on the valuation summaries prepared by the Segal Company utilizing an 8% assumed rate of return and other approved assumptions.

THE FOREGOING was PASSED and ADOPTED by the following vote of the ACERA Board of Retirement on August 20, 2009:

MOTION OF MEMBER: BASGAL

SECONDED BY MEMBER: KOPPENHAVER

**AYES: BASGAL, CAIN-DARNES, CARSON, DEWEY,
 KOPPENHAVER, ROGERS, WALKER, WOOD**


NOES: NONE

ABSTENTIONS: NONE

EXCUSED: AMARAL, SAFER, WHITE

ABSENT:

NONE



**ELIZABETH ROGERS
CHAIRPERSON, BOARD OF RETIREMENT**

Executed this 20th day of August, 2009