

San Diego County Employees
Retirement Association

*Actuarial Valuation and Review
as of June 30, 2011*

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October 26, 2011

*Board of Retirement
San Diego County Employees Retirement Association
2275 Rio Bonito Way, Suite 200
San Diego, CA 92108-1685*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2011. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2012-2013 and analyzes the preceding year's experience.


The census information on which our calculations were based was prepared by SDCERA and the financial information was provided by the Retirement Association. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, Enrolled Actuary.

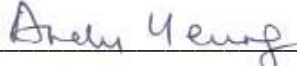
This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board of Retirement are reasonably related to the experience of and the expectations for the Plan. The undersigned are Members of the American Academy of Actuaries and meet the qualification standards to render the actuarial opinion herein.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: 
*Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Actuary*

By: 
*Andy Yeung, ASA, EA, MAAA, FCA
Vice President and Associate Actuary*

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SECTION 1: Valuation Summary for the San Diego County Employees Retirement Association

Purpose

This report has been prepared by The Segal Company to present a valuation of the San Diego County Employees Retirement Association as of June 30, 2011. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, deferred terminated members, retired members and beneficiaries as of June 30, 2011, provided by the Retirement Association;
- The assets of the Plan as of June 30, 2011, provided by the Retirement Association;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions that fully fund the Association's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association's staff. This information has not been audited by us, but it has been reviewed and found to be reasonably consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. Effective with the June 30, 2004 valuation, we have modified our calculations to reflect the Board's new funding policy to amortize the Association's unfunded actuarial accrued liability as 20-year fixed (i.e., decreasing) layered amortization periods.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2012 through June 30, 2013.

SECTION 1: Valuation Summary for the San Diego County Employees Retirement Association

Significant Issues in This Valuation

The following key findings were the result of this actuarial valuation:

Reference: Pg. 33

- The ratio of the valuation value of assets to actuarial accrued liabilities decreased from 84.3% to 81.5%. Note that on a market value of assets basis the funded ratio increased from 67.4% to 77.0%. The Association's unfunded actuarial accrued liability increased from \$1,565.9 million as of June 30, 2010 to \$1,940.4 million as of June 30, 2011. This increase in the UAAL is primarily due to lower than expected returns on the valuation value of assets after "smoothing". Also contributing to this increase in the UAAL was the effect of greater than expected number of retirements during the year. The increase in the UAAL was offset to some degree by lower than expected salary increases, lower than expected cost-of-living increases in benefits and data changes made by SDCERA to reclassify a number of retirees reported as having beneficiaries eligible for automatic continuance benefits to being single and hence eligible for a benefit payable for only the retirees' lifetime during 2010-2011. A complete reconciliation of the Association's unfunded actuarial accrued liability is provided in Section 3, Exhibit H.

Reference: Pg. 18

- The total employer contribution rate calculated in this valuation has increased from 27.02% of payroll to 29.96% of payroll primarily due to lower than expected returns on the valuation value of assets after "smoothing" and the effect of greater than expected number of retirements during the year. The increase in the employer contribution rate was offset to some degree by lower than expected actual salary increases, lower than expected cost-of-living increases in benefits, data changes made by SDCERA as described above and excess contributions made by the employer during 2010-2011. A complete reconciliation of the Association's aggregate employer rate is provided in Section 2, Subsection D (see Chart 15).

Reference: Pg. 19

- The average member rate calculated in this valuation decreased from 10.94% of payroll to 10.80% of payroll. A complete reconciliation of the Association's average member rate is provided in Section 2, Subsection D (see Chart 16).

Reference: Pg. 6

- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total unrecognized investment loss as of June 30, 2011 was \$467.9 million (versus an unrecognized loss of \$1,690.0 million in the June 30, 2010 valuation). This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years, to the extent it is not offset by recognition of investment gains derived from future experience. This implies that earning the assumed rate of investment return of 8.00% per year (net of expenses) on a **market value** basis will result in investment losses on the actuarial value of assets in the next few years. Therefore, if the actual market return is equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements would increase in each of the next few years as those losses are recognized.

The unrecognized investment losses represent 5.7% of the market value of assets as of June 30, 2011 (versus 24.6% as of June 30, 2010). Unless offset by future investment gains or other favorable experience, the recognition of the \$467.9 million market losses is expected to have a significant impact on the Association's future funded ratio and the aggregate employer contributions. This potential impact may be illustrated as follows:

SECTION 1: Valuation Summary for the San Diego County Employees Retirement Association

- If the deferred losses were recognized immediately in the valuation value of assets, the funded percentage would decrease from 81.5% to 77.0%.

For comparison purposes, the funded percentage developed in the June 30, 2010 valuation if all the deferred losses were to be recognized immediately in that valuation was 67.4%.

- If the deferred losses were recognized immediately in the valuation value of assets, the aggregate employer contribution rate would increase from 29.96% of payroll to 33.02% of payroll.

For comparison purposes, the aggregate employer contribution rate developed in the June 30, 2010 valuation if all the deferred losses were to be recognized immediately in that valuation was 38.00%.

- The actuarial valuation report as of June 30, 2011 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.

Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- difference between actual experience and anticipated experience;
- changes in actuarial assumptions or methods;
- changes in statutory provisions; and
- difference between the contribution rates determined by the valuation and those adopted by the Board.

SECTION 1: Valuation Summary for the San Diego County Employees Retirement Association

Summary of Key Valuation Results (Dollar amounts in thousands)

	June 30, 2011		June 30, 2010	
Employer Contribution Rates:⁽¹⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽²⁾	Total Rate	Annual Amount ⁽²⁾
General Combined	26.79%	\$227,162	24.11%	\$204,437
Safety Combined	41.04%	99,513	37.17%	90,129
All Categories combined	29.96%	326,675	27.02%	294,566
Average Member Contribution Rates:⁽¹⁾		Estimated		Estimated
	Total Rate	Annual Amount ⁽²⁾	Total Rate	Annual Amount ⁽²⁾
General Tier 1	8.83%	\$186	9.07%	\$191
General Tier A	10.24%	83,294	10.33%	84,002
General Tier B	7.95%	2,576	8.08%	2,620
Safety Tier A	13.13%	31,284	13.20%	31,453
Safety Tier B	11.33%	477	11.40%	480
All Categories combined	10.80%	117,817	10.94%	118,746
Funded Status:				
Actuarial accrued liability	\$10,482,657		\$9,999,161	
Valuation value of assets	8,542,291		8,433,310	
Funded percentage	81.5%		84.3%	
Unfunded Actuarial Accrued Liability	\$1,940,366		\$1,565,851	
Key Assumptions:				
Interest rate	8.00%		8.00%	
Inflation rate	3.50%		3.50%	
Across the board inflation	0.75%		0.75%	

⁽¹⁾ Before reflection of any member rate that may be "picked-up" by the employer.

⁽²⁾ Based on June 30, 2011 projected annual compensation.

SECTION 1: Valuation Summary for the San Diego County Employees Retirement Association

Summary of Key Valuation Demographic and Financial Data

	June 30, 2011	June 30, 2010	Percentage Change
Active Members:			
Number of members	16,523	16,981	-2.7%
Average age	45.8	45.5	N/A
Average service	11.7	11.3	N/A
Projected total compensation	\$1,090,413,350	\$1,095,581,953	-0.5%
Average projected compensation	\$65,994	\$64,518	2.3%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	11,483	10,919	5.2%
Disability retired	1,598	1,610	-0.7%
Beneficiaries	1,415	1,393	1.6%
Total	14,496	13,922	4.1%
Average age	68.8	68.8	N/A
Average monthly benefit	\$2,617	\$2,540	3.0%
Deferred Terminated Members:			
Number of deferred terminated members ⁽¹⁾	5,125	5,254	-2.5%
Average age	45.8	45.6	N/A
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$8,182,869	\$6,878,165	19.0%
Return on market value of assets	20.91%	13.39%	N/A
Actuarial value of assets	\$8,650,728	\$8,568,142	1.0%
Return on actuarial value of assets	2.39%	1.52%	N/A
Valuation value of assets	\$8,542,291	\$8,433,310	1.3%
Return on valuation value of assets	2.42%	1.53%	N/A

⁽¹⁾ Includes members who choose to leave their contributions on deposit even though they have less than five years of service.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, deferred terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the member population has changed over the past ten valuations can be seen in this chart.

CHART 1
Member Population: 2002– 2011

Year Ended June 30	Active Members	Deferred Terminated Members	Retired Members and Beneficiaries	Ratio of Non-Actives to Actives
2002	18,276	3,323	9,657	0.71
2003	18,466	3,910	10,253	0.77
2004	17,717	4,280	10,770	0.85
2005	16,980	4,673	11,436	0.95
2006	17,451	4,687	12,049	0.96
2007	17,733	4,908	12,504	0.98
2008	18,041	5,147	12,991	1.01
2009	17,699	5,238	13,453	1.06
2010	16,981	5,254	13,922	1.13
2011	16,523	5,125	14,496	1.19

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 16,523 active members with an average age of 45.8, average years of service of 11.7 years and average projected compensation of \$65,994. The 16,981 active members in the prior valuation had an average age of 45.5, average service of 11.3 years and average projected compensation of \$64,518.

Among the active members, there were none with unknown age.

Deferred Terminated Members

In this year's valuation, there were 5,125 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 5,254 in the prior valuation.

These graphs show a distribution of active members by age and by years of service.

CHART 2
Distribution of Active Members by Age as of June 30, 2011

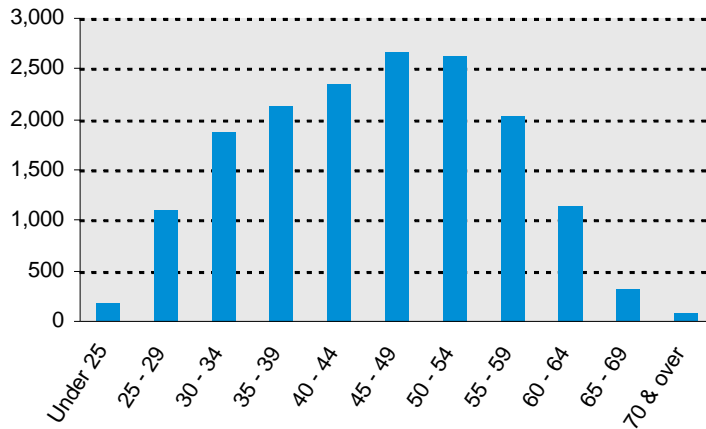
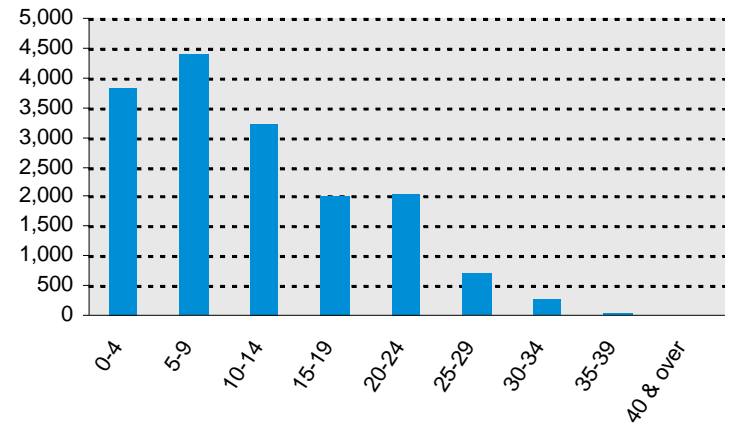


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2011



SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Retired Members and Beneficiaries

As of June 30, 2011, 13,081 retired members and 1,415 beneficiaries were receiving total monthly benefits of \$37,940,227. For comparison, in the previous valuation, there were 12,529 retired members and 1,393 beneficiaries receiving monthly benefits of \$35,361,061.

These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.

CHART 4
Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2011

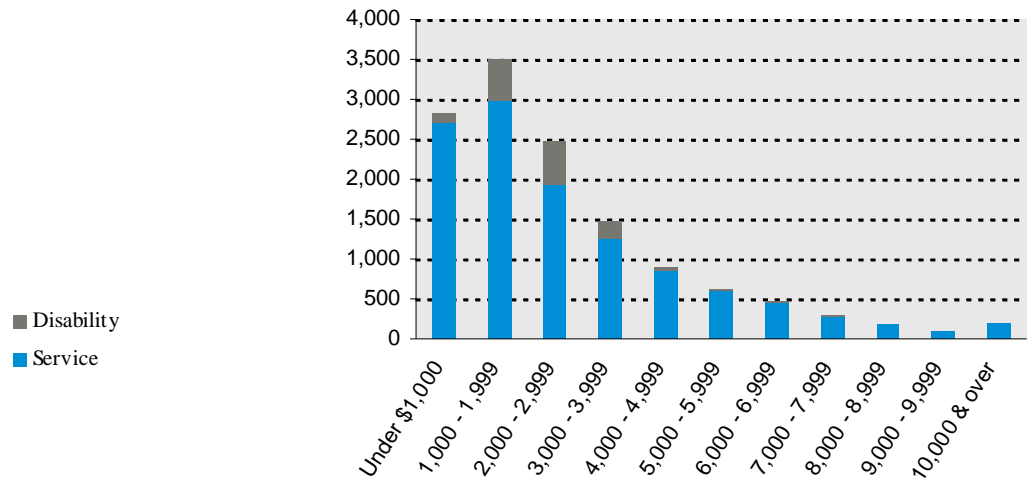
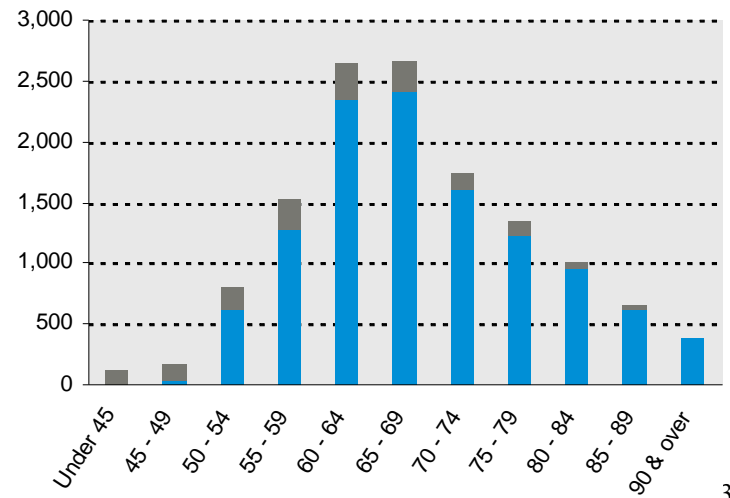


CHART 5
Distribution of Retired Members by Type and by Age as of June 30, 2011



SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

B. FINANCIAL INFORMATION

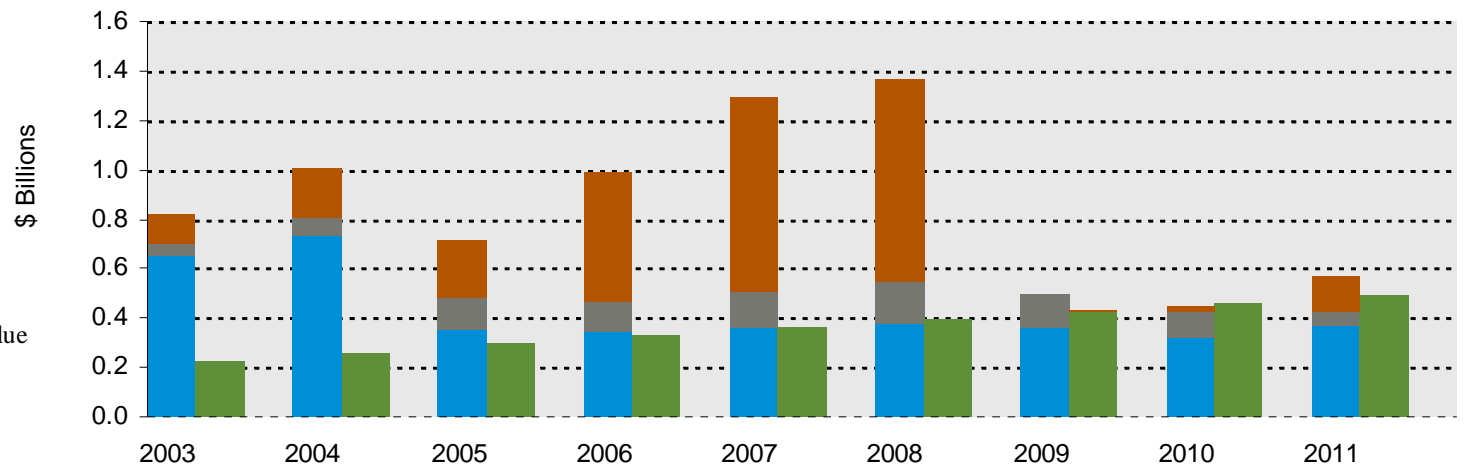
Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D, E and F.

The chart depicts the components of changes in the actuarial value of assets over the last nine years. Note: The first bar represents increases in assets during each year while the second bar details the decreases. The net contributions in 2003-2004 include \$450 million from issuance of Pension Obligation Bonds.

- Adjustment toward market value
- Benefits paid
- Net interest and dividends
- Net contributions

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2003 – 2011



SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The determination of the actuarial and valuation value of assets is provided on the following page.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

The chart shows the determination of the actuarial and valuation value of assets as of the valuation date.

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2011

Six Month Period		Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
From	To					
7/2006	12/2006	\$556,128,897	\$302,680,212	\$253,448,686	0.0	\$0
1/2007	6/2007	552,867,341	325,757,782	227,109,559	0.1	22,710,956
7/2007	12/2007	311,315,142	348,358,000	(37,042,857)	0.2	(7,408,571)
1/2008	6/2008	(326,670,408)	360,831,645	(687,502,053)	0.3	(206,250,616)
7/2008	12/2008	(2,499,382,909)	346,476,271	(2,845,859,180)	0.4	(1,138,343,672)
1/2009	6/2009	345,409,043	242,171,217	103,237,826	0.5	51,618,913
7/2009	12/2009	977,086,049	254,188,608	722,897,441	0.6	433,738,465
1/2010	6/2010	(156,710,097)	291,649,269	(448,359,366)	0.7	(313,851,556)
7/2010	12/2010	957,426,830	274,046,127	683,380,703	0.8	546,704,563
1/2011	6/2011	469,046,670	309,910,021	159,136,649	0.9	143,222,985
1. Total Deferred Return						\$(467,858,535)
2. Net Market Value of Assets						8,182,869,202
3. a. Actuarial Value of Assets (Item 2 – Item 1)						8,650,727,737
b. Ratio of Actuarial Value of Assets to Net Market Value of Assets (Item 3a / Item 2)						105.7%
4. Non-valuation reserves						
a. Supplemental Benefit Reserve						\$90,472,592
b. 401(h) Reserve						6,033,816
c. Disability Supplemental Benefit Reserve						11,930,524
d. Contingency Reserve						0
e. Undistributed Reserve						0
f. Subtotal						\$108,436,932
5. Valuation Value of Assets (Item 3a – Item 4f)						8,542,290,805
6. Amount of Deferred Returns to be recognized in the following valuations:						
a. June 30, 2012						\$(447,311,211)
b. June 30, 2013						(393,863,390)
c. June 30, 2014						233,734,868
d. June 30, 2015						123,667,534
e. June 30, 2016						15,913,665

Note: Results may not add due to rounding.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2011

The allocation of the valuation reserves between General and Safety is provided below:

	General	Safety	Total
1 Beginning of Year Asset Allocation	\$6,118,285,157	\$2,315,025,263	\$8,433,310,421
2 Percentage of Total Employee Contributions Excluding Pickups	77.39%	22.61%	100.00%
3 Employee Contributions *	\$34,045,270	\$9,949,035	\$43,994,305
4 Employer Contributions Including Pickups *	\$219,882,658	\$83,926,710	\$303,809,368
5 Annual Allowances for Retired Members (From Last Year's Valuation Report)	\$319,292,568	\$105,066,480	\$424,359,048
6.1 Benefit Payments Allocated in Proportion to (5)	\$330,083,446	\$108,617,329	\$438,700,775
6.2 Refunds, Allocated in Proportion to (2)	\$2,405,571	\$702,803	\$3,108,374
7 Subtotal = (1) + (3) + (4) – (6.1) – (6.2)	\$6,039,724,068	\$2,299,580,876	\$8,339,304,945
8 Total Valuation Value of Assets			\$8,542,290,805
9 Residual to Allocate = (8) – (7)			\$202,985,860
10 Allocate Residual in Proportion to (7)	\$147,012,082	\$55,973,778	\$202,985,860
11 End of Year Asset Allocation = (7) + (10)	\$6,186,736,151	\$2,355,554,654	\$8,542,290,805

* Breakdown between General and Safety was provided by SDCERA.

Note: Results may not add due to rounding.

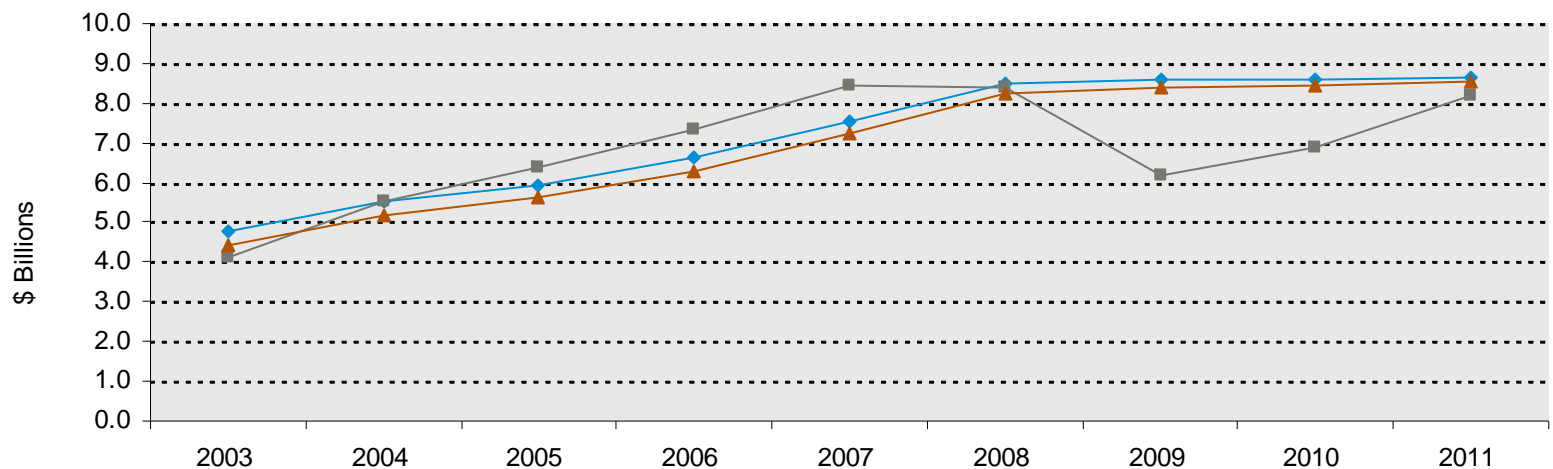
SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

The market value, actuarial value, and valuation value of assets are representations of SDCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation asset value is significant because SDCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in market value, actuarial value and valuation value over the past nine years.

CHART 9

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2003 –2011



SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience loss was \$318.4 million, a loss of \$467.9 million from investments and a gain of \$149.5 million from all other sources. The gain from all other sources was 1.4% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 10

Actuarial Experience for Year Ended June 30, 2011

1. Net gain/(loss) from investments on valuation value of assets ⁽¹⁾	(\$467,919,000)
2. Net gain/(loss) from other experience ⁽²⁾	<u>149,495,000</u>
3. Net experience gain/(loss): (1) + (2)	(\$318,424,000)

⁽¹⁾ Details in Chart 11

⁽²⁾ See Section 3, Exhibit H. Does not include the effect of plan or assumption changes, if any.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on SDCERA’s investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets used in the June 30, 2010 valuation was 8.00%. The actual rate of return on a valuation basis for the 2010/2011 plan year was 2.42%.

Since the actual return for the year was less than the assumed return, SDCERA experienced an actuarial loss during the year ended June 30, 2011 with regard to its investments.

CHART 11

Investment Experience for Year Ended June 30, 2011 – Valuation Value and Actuarial Value of Assets

This chart shows the gain/(loss) due to investment experience.

	Valuation Value	Actuarial Value
1. Actual return	\$202,986,000	\$203,518,000
2. Average value of assets	8,386,308,000	8,507,676,000
3. Actual rate of return: (1) ÷ (2)	2.42%	2.39%
4. Assumed rate of return	8.00%	8.00%
5. Expected return: (2) x (4)	670,905,000	680,614,000
6. Actuarial gain/(loss): (1) – (5)	<u>(\$467,919,000)</u>	<u>(\$477,096,000)</u>

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation and market basis for the last nine years.

Based on this experience, future expectations and discussions with the Board, we have maintained the assumed rate of return at 8.00%.

CHART 12

Investment Return – Actuarial Value, Valuation Value and Market Value: 2003 – 2011 (Dollar amount in thousands)

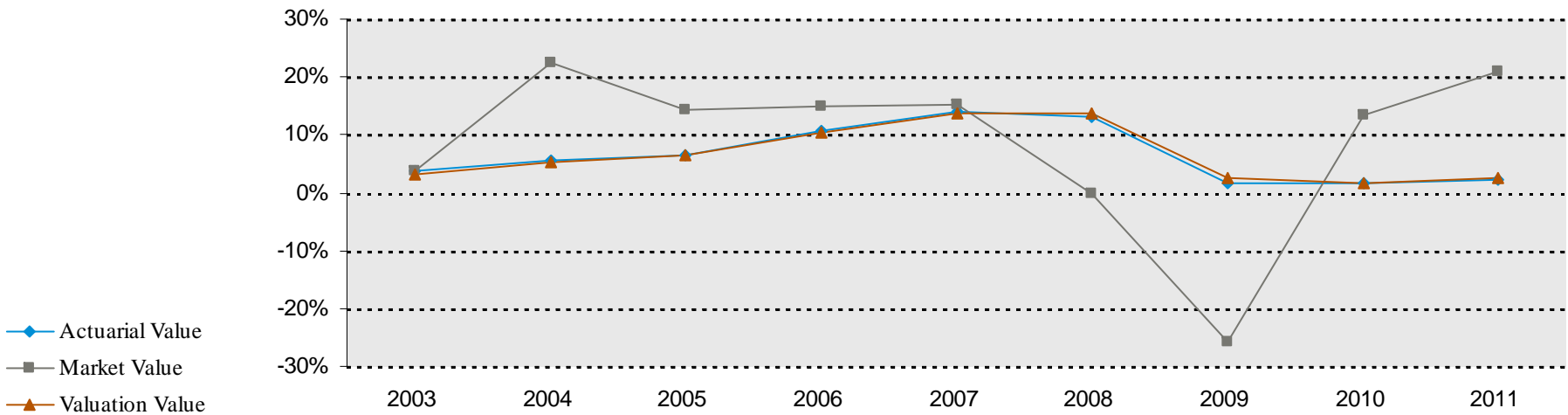
Year Ended June 30	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2003	\$128,191	3.05%	\$167,213	3.69%	\$142,954	3.68%
2004	235,037	5.28%	272,339	5.69%	929,064	22.57%
2005	339,407	6.50%	359,888	6.48%	787,268	14.21%
2006	588,807	10.43%	642,588	10.79%	954,171	14.98%
2007	866,669	13.78%	926,575	14.02%	1,108,996	15.12%
2008	989,464	13.65%	988,906	13.14%	-15,355	-0.18%
2009	217,866	2.65%	128,063	1.51%	-2,153,974	-25.71%
2010	127,686	1.53%	129,275	1.52%	820,376	13.39%
2011	202,986	2.42%	203,518	2.39%	1,425,637	20.91%
Total	\$3,696,113		\$3,818,365		\$3,999,137	
Average Last 9 Years		6.49%		6.48%		7.72%

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 2003 - 2011.

CHART 13
Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2003 - 2011



SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation.

These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),

- the number of disability retirements,
- salary increases different than assumed, and
- data adjustments for retiree benefits and active pay for performance.

The net gain from this other experience for the year ended June 30, 2011 amounted to \$149.5 million, which was 1.4% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

Contribution to the Unfunded

Actuarial Accrued Liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the combined annual inflation and across-the-board salary increase rate of 4.25%. Effective with the June 30, 2004 actuarial valuation, the Association's UAAL will be amortized over 20-year fixed (i.e. decreasing) layered amortization periods.

The recommended employer contributions are provided on Charts 14a and 14b.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

Member Contributions

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/100 of Final Average Compensation for General and Safety members. A One-Year Final Average Compensation is used for General Tier 1, General Tier A and Safety Tier A. A Three-Year Final Average Compensation is used for General Tier B and Safety Tier B. That age is 60 for General Tier 1 and Tier B members, 55 for General Tier A members and 50 for Safety Tier A and Tier B members. It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions, members pay one-half of the total normal cost necessary to fund their cost-of-living benefits. Accumulation includes semi-annual crediting of interest at half of the assumed investment earning rate. The member contribution rates are provided in Appendix A. Please note that the member rates provided in the report are the full rate before reflecting any employer pickup.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

CHART 14a

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

	June 30, 2011 Actuarial Valuation		June 30, 2010 Actuarial Valuation	
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
General Members				
Normal Cost – Basic Only	9.92%	\$84,115	10.06%	\$85,302
Normal Cost – COLA Only	2.95%	\$25,014	3.00%	\$25,438
Normal Cost – Total **	12.87%	\$109,129	13.06%	\$110,740
UAAL (Basic and COLA)**	13.92%	\$118,033	11.05%	\$93,697
Total Contribution	26.79%	\$227,162	24.11%	\$204,437
Safety Members				
Normal Cost – Basic Only	15.92%	\$38,602	15.96%	\$38,699
Normal Cost – COLA Only	4.94%	\$11,979	4.96%	\$12,027
Normal Cost – Total **	20.86%	\$50,581	20.92%	\$50,726
UAAL (Basic and COLA)**	20.18%	\$48,932	16.25%	\$39,403
Total Contribution	41.04%	\$99,513	37.17%	\$90,129
All Categories Combined				
Normal Cost – Basic Only	11.25%	\$122,717	11.37%	\$124,001
Normal Cost – COLA Only	3.40%	\$36,993	3.44%	\$37,465
Normal Cost – Total **	14.65%	\$159,710	14.81%	\$161,466
UAAL (Basic and COLA)**	15.31%	\$166,965	12.21%	\$133,100
Total Contribution	29.96%	\$326,675	27.02%	\$294,566

* Amounts are in thousands and are based on June 30, 2011 projected annual payroll (Also in thousands):

General Tier 1	\$2,110
General Tier A	813,418
General Tier B	<u>32,407</u>
General Subtotal	\$847,935
Safety Tier A	\$238,265
Safety Tier B	<u>4,213</u>
Safety Subtotal	\$242,478
Total	\$1,090,413

** A breakdown of the employer's total Normal Cost and UAAL to fund for each type of benefit is provided in Chart 14b.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

CHART 14b

Breakdown of the Employer's Normal Cost and UAAL Contributions to Fund for Each Type of Benefit (% of Payroll)

Normal Cost	Elements of Normal Cost		
	General	Safety	Overall
Service Retirement*	7.56%	9.65%	8.02%
Vested Termination and Ordinary Withdrawal	3.24%	3.14%	3.22%
Non Service and Service Connected Disability	1.71%	7.31%	2.96%
Non Service and Service Connected Death	0.36%	0.76%	0.45%
Total Employer Normal Cost	12.87%	20.86%	14.65%
Total Employee Normal Cost*	10.15%	13.10%	10.80%
Employer Plus Employee Normal Cost	23.02%	33.96%	25.45%

* Assuming that employee normal cost is only used to fund service retirement benefit.

Unfunded Actuarial Accrued Liability**	Elements of UAAL**		
	General	Safety	Overall
Service Retirement	13.29%	17.80%	14.29%
Vested Termination and Ordinary Withdrawal	0.08%	0.08%	0.08%
Non Service and Service Connected Disability	0.40%	2.07%	0.77%
Non Service and Service Connected Death	0.15%	0.23%	0.17%
Total Employer Unfunded Actuarial Accrued Liability	13.92%	20.18%	15.31%

** Assuming that the liability for all inactive members is fully funded.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

The contribution rates as of June 30, 2011 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Contribution

The chart below details the changes in the recommended employer contribution from the prior valuation to the current year's valuation.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 15

Reconciliation of Recommended Employer Contribution from June 30, 2010 to June 30, 2011 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Employer Contribution Rate as of June 30, 2010, Before Reflecting Any Employer Pickups	27.02%	\$294,566
Effect of investment loss ⁽²⁾	3.07%	\$33,476
Effect of difference in actual versus expected total and individual salary increases	-0.18%	-\$1,981
Effect of difference in actual versus expected cost-of-living benefit increases for retirees and beneficiaries	-0.45%	-\$4,907
Effect of one-year delay in implementation of contribution rates calculated in June 30, 2010 valuation	0.47%	\$5,125
Effect of greater number of retirements than expected	0.31%	\$3,380
Effect of changes in data for retirees ⁽³⁾	-0.21%	-\$2,290
Effect of \$29.6 million in additional contributions made by the employer	-0.19%	-\$2,072
Effect of other actuarial gains or losses	0.12%	\$1,378
Subtotal	2.94%	\$32,109
Recommended Average Employer Contribution Rate as of June 30, 2011, Before Reflecting Any Employer Pickups	29.96%	\$326,675

⁽¹⁾ Based on June 30, 2011 projected annual payroll of \$1,090,413,350.

⁽²⁾ Return on valuation value of assets was 2.42% and less than the 8.00% assumed in the June 30, 2010 valuation.

⁽³⁾ Reclassification of retired members from retired with beneficiaries eligible for the automatic continuance benefits to retired with only single lifetime benefits.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

The individual entry age based member contribution rates as of June 30, 2011 have remained unchanged from those calculated in the June 30, 2010 valuation.

Reconciliation of Recommended Contribution Rate
 The chart below details the changes in the aggregate member contribution rate from the prior valuation to the current year’s valuation.

The chart reconciles the member contribution from the prior valuation to the amount determined in this valuation.

CHART 16
Reconciliation of Recommended Member Contribution from June 30, 2010 to June 30, 2011 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Member Contribution Rate as of June 30, 2010, Before Reflecting Any Employer Pickups	10.94%	\$118,746
Effect of change in demographics of members	-0.14%	-\$929
Recommended Average Member Contribution Rate as of June 30, 2011, Before Reflecting Any Employer Pickups	10.80%	\$117,817

⁽¹⁾ Based on June 30, 2011 projected annual payroll of \$1,090,413,350.

SECTION 2: Valuation Results for the San Diego County Employees Retirement Association

E. INFORMATION REQUIRED BY GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes for governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the plan as calculated under GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits I, II, and III.

These graphs show key GASB factors.

CHART 17
Required Versus Actual Contributions

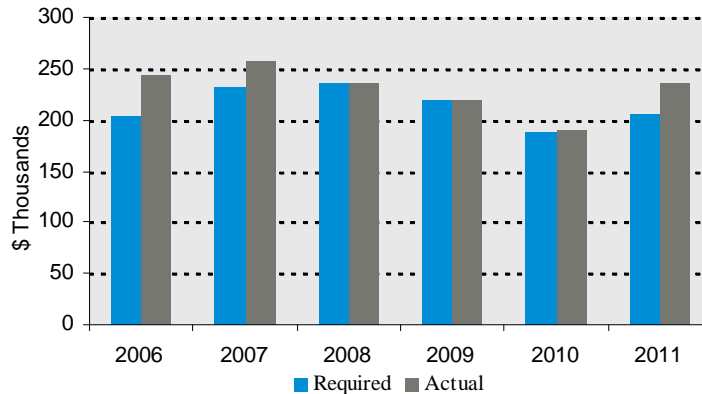
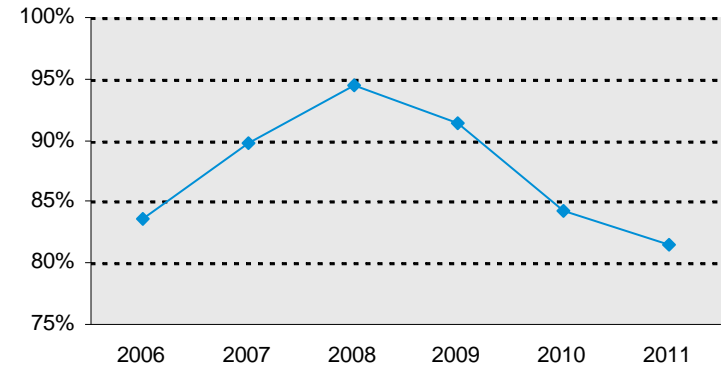


CHART 18
Funded Ratio



SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT A

Table of Plan Coverage

i. General

Category	Year Ended June 30		Change From Prior Year
	2011	2010	
Active members in valuation			
Number	13,290	13,673	-2.8%
Average age	46.8	46.6	N/A
Average service	11.5	11.2	N/A
Projected total compensation	\$847,935,808	\$855,012,657	-0.8%
Projected average compensation	\$63,803	\$62,533	2.0%
Account balances	\$315,131,212	\$300,211,592	5.0%
Total active vested members	10,206	9,890	3.2%
Deferred terminated members	4,526	4,632	-2.3%
Retired members			
Number in pay status	10,146	9,670	4.9%
Average age	69.6	69.8	N/A
Average monthly benefit	\$2,470	\$2,403	2.8%
Disabled members			
Number in pay status	950	968	-1.9%
Average age	63.9	63.5	N/A
Average monthly benefit	\$1,862	\$1,803	3.3%
Beneficiaries			
Number in pay status	1,270	1,260	0.8%
Average age	76.7	76.6	N/A
Average monthly benefit	\$1,364	\$1,290	5.7%

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT A

Table of Plan Coverage

ii. Safety

Category	Year Ended June 30		Change From Prior Year
	2011	2010	
Active members in valuation			
Number	3,233	3,308	-2.3%
Average age	41.8	41.2	N/A
Average service	12.6	12.0	N/A
Projected total compensation	\$242,477,542	\$240,569,296	0.8%
Projected average compensation	\$75,001	\$72,723	3.1%
Account balances	\$97,189,595	\$91,374,658	6.4%
Total active vested members	2,516	2,446	2.9%
Deferred terminated members			
	599	622	-3.7%
Retired members			
Number in pay status	1,337	1,249	7.0%
Average age	63.4	63.2	N/A
Average monthly benefit	\$5,042	\$4,998	0.9%
Disabled members			
Number in pay status	648	642	0.9%
Average age	58.4	57.9	N/A
Average monthly benefit	\$3,439	\$3,348	2.7%
Beneficiaries			
Number in pay status	145	133	9.0%
Average age	68.9	67.7	N/A
Average monthly benefit	\$2,827	\$2,734	3.4%

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service**

i. General Tier 1

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
25 - 29	--	--	--	--	--	--	--	--	--	--
30 - 34	2	--	2	--	--	--	--	--	--	--
35 - 39	\$65,513	--	\$65,513	--	--	--	--	--	--	--
40 - 44	9	--	4	5	--	--	--	--	--	--
45 - 49	76,977	--	58,112	\$92,069	--	--	--	--	--	--
50 - 54	2	--	--	2	--	--	--	--	--	--
55 - 59	87,439	--	--	87,439	--	--	--	--	--	--
60 - 64	3	--	2	--	1	--	--	--	--	--
65 - 69	49,721	--	49,994	--	\$49,176	--	--	--	--	--
70 & over	1	--	--	--	--	1	--	--	--	--
Total	49,176	--	--	--	--	\$49,176	--	--	--	--
	10	--	5	4	1	--	--	--	--	--
	47,599	--	55,583	37,225	49,176	--	--	--	--	--
	7	1	3	3	--	--	--	--	--	--
	45,297	\$16,502	38,918	61,275	--	--	--	--	--	--
	2	--	--	2	--	--	--	--	--	--
	41,234	--	--	41,234	--	--	--	--	--	--
	1	--	1	--	--	--	--	--	--	--
	37,357	--	37,357	--	--	--	--	--	--	--
	37	1	17	16	2	1	--	--	--	--
	\$57,025	\$16,502	\$52,676	\$65,651	\$49,176	\$49,176	--	--	--	--

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service**

ii. General Tier A

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	43	37	6	--	--	--	--	--	--	--
	\$39,888	\$39,558	\$41,919	--	--	--	--	--	--	--
25 - 29	586	409	174	3	--	--	--	--	--	--
	50,813	51,014	50,258	\$55,627	--	--	--	--	--	--
30 - 34	1,332	547	673	111	1	--	--	--	--	--
	59,470	57,018	60,884	62,922	\$66,231	--	--	--	--	--
35 - 39	1,498	370	655	424	46	3	--	--	--	--
	63,677	58,961	65,382	65,725	58,699	\$59,898	--	--	--	--
40 - 44	1,644	272	530	439	272	127	4	--	--	--
	66,896	58,540	64,727	72,338	71,896	64,337	\$66,474	--	--	--
45 - 49	1,994	263	475	401	358	403	82	12	--	--
	65,932	56,829	61,536	65,173	70,194	73,905	66,792	\$63,974	--	--
50 - 54	2,221	256	452	459	330	462	189	68	5	--
	66,889	56,196	57,793	63,880	69,476	78,848	75,913	68,441	\$75,063	--
55 - 59	1,837	162	396	365	267	340	169	117	21	--
	67,461	57,427	59,409	65,298	65,773	74,207	83,179	76,292	70,862	--
60 - 64	1,076	110	255	232	187	189	65	28	10	--
	64,327	60,054	58,141	60,968	64,676	75,043	76,126	62,412	66,580	--
65 - 69	295	18	91	57	54	47	14	13	1	--
	64,436	54,500	60,687	62,392	66,800	64,079	77,974	79,899	199,444	--
70 & over	85	7	22	20	12	15	4	3	--	2
	60,801	26,248	64,800	50,221	61,570	78,823	89,587	49,574	--	\$63,039
Total	12,611	2,451	3,729	2,511	1,527	1,586	527	241	37	2
	\$64,501	\$56,166	\$61,076	\$65,619	\$68,357	\$74,508	\$76,937	\$71,713	\$73,747	\$63,039

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service**

iii. General Tier B

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	76	76	--	--	--	--	--	--	--	--
	\$36,416	\$36,416	--	--	--	--	--	--	--	--
25 - 29	198	198	--	--	--	--	--	--	--	--
	44,276	44,276	--	--	--	--	--	--	--	--
30 - 34	115	115	--	--	--	--	--	--	--	--
	50,075	50,075	--	--	--	--	--	--	--	--
35 - 39	61	61	--	--	--	--	--	--	--	--
	56,541	56,541	--	--	--	--	--	--	--	--
40 - 44	57	57	--	--	--	--	--	--	--	--
	58,446	58,446	--	--	--	--	--	--	--	--
45 - 49	48	47	--	1	--	--	--	--	--	--
	57,862	54,477	--	\$216,940	--	--	--	--	--	--
50 - 54	50	49	1	--	--	--	--	--	--	--
	61,154	61,371	\$50,546	--	--	--	--	--	--	--
55 - 59	26	26	--	--	--	--	--	--	--	--
	66,759	66,759	--	--	--	--	--	--	--	--
60 - 64	11	11	--	--	--	--	--	--	--	--
	69,406	69,406	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	642	640	1	1	--	--	--	--	--	--
	\$50,479	\$50,219	\$50,546	\$216,940	--	--	--	--	--	--

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service**

iv. Safety Tier A

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	43	43	--	--	--	--	--	--	--
	\$55,566	\$55,566	--	--	--	--	--	--	--
25 – 29	280	216	64	--	--	--	--	--	--
	60,624	59,299	\$65,095	--	--	--	--	--	--
30 – 34	417	152	206	59	--	--	--	--	--
	65,531	61,507	66,609	\$72,133	--	--	--	--	--
35 – 39	565	91	148	258	68	--	--	--	--
	71,419	63,792	66,510	74,435	\$80,867	--	--	--	--
40 – 44	646	62	88	192	220	84	--	--	--
	78,419	66,059	69,499	75,427	84,645	\$87,420	--	--	--
45 – 49	615	37	78	89	129	222	60	--	--
	82,567	76,251	70,035	77,392	80,276	87,480	\$97,177	--	--
50 – 54	357	20	38	57	45	102	82	13	--
	84,823	65,819	66,331	74,973	83,631	89,541	95,083	\$113,686	--
55 – 59	154	13	22	31	25	25	27	11	--
	83,452	83,616	65,505	71,458	83,569	86,646	91,907	124,669	--
60 – 64	60	2	8	16	9	12	5	8	--
	87,110	89,707	98,807	77,907	85,543	86,518	90,862	93,473	--
65 – 69	15	2	3	2	3	1	3	--	1
	83,997	62,254	75,428	89,486	87,612	84,479	87,618	--	\$120,023
70 & over	2	--	--	--	1	1	--	--	--
	82,461	--	--	--	68,090	96,832	--	--	--
Total	3,154	638	655	704	500	447	177	32	1
	\$75,544	\$62,659	\$67,615	\$74,921	\$82,860	\$87,881	\$95,063	\$112,408	\$120,023

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2011
By Age and Years of Service**

v. Safety Tier B

Age	Total	Years of Service							
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	14	14	--	--	--	--	--	--	--
	\$50,107	\$50,107	--	--	--	--	--	--	--
25 - 29	33	33	--	--	--	--	--	--	--
	52,695	52,695	--	--	--	--	--	--	--
30 - 34	9	9	--	--	--	--	--	--	--
	55,084	55,084	--	--	--	--	--	--	--
35 - 39	8	8	--	--	--	--	--	--	--
	54,455	54,456	--	--	--	--	--	--	--
40 - 44	8	8	--	--	--	--	--	--	--
	53,648	53,648	--	--	--	--	--	--	--
45 - 49	2	2	--	--	--	--	--	--	--
	52,887	52,886	--	--	--	--	--	--	--
50 - 54	4	4	--	--	--	--	--	--	--
	63,836	63,836	--	--	--	--	--	--	--
55 - 59	1	1	--	--	--	--	--	--	--
	50,817	50,817	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total	79	79	--	--	--	--	--	--	--
	\$53,328	\$53,328	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT C

Reconciliation of Member Data – June 30, 2010 to June 30, 2011

	Active Members	Deferred Terminated Members	Disabled Pensioners	Retired Members	Beneficiaries	Total
Number as of June 30, 2010	16,981	5,254	1,610	10,919	1,393	36,157
New members	565	25	N/A	N/A	N/A	590
Terminations – with vested rights	-322	322	0	0	0	0
Contribution refunds	-128	-164	N/A	N/A	N/A	-292
Retirements	-554	-267	-20	841	N/A	0
New disabilities	-37	-5	47	-5	N/A	0
Return to work	38	-35	0	-3	N/A	0
Died with or without beneficiary	-20	-5	-40	-291	24	-332
Data adjustments	<u>0</u>	<u>0</u>	<u>1</u>	<u>22</u>	<u>-2</u>	<u>21</u>
Number as of June 30, 2011	16,523	5,125	1,598	11,483	1,415	36,144

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2011	Year Ended June 30, 2010
Contribution income:		
Employer contributions	\$321,837,013	\$276,685,579
Employee contributions	<u>43,994,305</u>	<u>46,416,076</u>
Net contribution income	\$365,831,318	\$323,101,655
Investment income:		
Interest, dividends and other income	\$157,654,617	\$173,860,927
Recognition of capital appreciation	146,356,652	25,057,504
Less investment fees and administrative expenses	<u>-100,492,928</u>	<u>-69,642,935</u>
Net investment income	<u>203,518,341</u>	<u>129,275,496</u>
Total income available for benefits	\$569,349,659	\$452,377,151
Less benefit payments:		
Service retirement and disability benefits	-\$437,455,288	-\$407,765,636
Death benefits	-1,245,487	-1,395,482
Health benefits	-22,081,927	-23,605,403
Supplemental retirement benefits	-22,872,705	-21,906,589
Member refunds	<u>-3,108,374</u>	<u>-2,592,661</u>
Net benefit payments	-\$486,763,781	-\$457,265,771
Change in assets held for future benefits	\$82,585,878	-\$4,888,620

Note: Results may not add due to rounding.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT E

Summary Statement of Plan Assets

	Year Ended June 30, 2011	Year Ended June 30, 2010
Cash equivalents	\$2,108,779,799	\$1,502,074,118
Accounts receivable:		
Contributions	\$2,888,756	\$12,960,965
Accrued interest and dividends	14,321,329	7,933,660
Settlement of securities sold	<u>13,178,545</u>	<u>726,182,034</u>
Total accounts receivable	30,388,630	747,076,659
Investments:		
Domestic equity securities and cash	\$715,595,345	\$315,303,610
International equity securities and cash	435,451,452	362,266,192
Bonds and cash	1,856,334,992	1,321,922,825
Securities lending collateral	283,039,064	210,106,421
Other investments	<u>3,096,593,593</u>	<u>2,897,501,132</u>
Total investments at market value	<u>6,387,014,446</u>	<u>5,107,100,180</u>
Total assets	\$8,526,182,875	\$7,356,250,957
Less accounts payable:		
Securities lending & settlement of securities purchased	-\$333,724,707	-\$460,779,130
Professional service	-5,470,936	-5,262,088
Cash in transit	-399,919	-474,497
Others	<u>-3,718,111</u>	<u>-11,570,131</u>
Total accounts payable	-\$343,313,673	-\$478,085,846
Net assets at market value	<u>\$8,182,869,202</u>	<u>\$6,878,165,111</u>
Net assets at actuarial value	<u>\$8,650,727,737</u>	<u>\$8,568,141,859</u>
Net assets at valuation value	<u>\$8,542,290,805</u>	<u>\$8,433,310,421</u>

Note: Results may not add due to rounding.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT F

Actuarial Balance Sheet

An overview of the Plan’s funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that are anticipated to be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the “liability” of the Plan.

Second, we determine how this liability will be met. These actuarial “assets” include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments.

Actuarial Balance Sheet (Dollar Amounts in Thousands)

	General	Safety	Total
Assets			
1 Total valuation assets	\$6,186,736	\$2,355,555	\$8,542,291
2 Present value of future contributions by members	\$654,832	\$263,445	\$918,277
3 Present value of future employer contributions for:			
a Entry age normal cost	\$773,732	\$393,634	\$1,167,366
b Unfunded actuarial accrued liability	<u>\$1,361,977</u>	<u>\$578,389</u>	<u>\$1,940,366</u>
4 Total current and future assets	\$8,977,277	\$3,591,023	\$12,568,300
Liabilities			
5 Present value of benefits for retirees and beneficiaries	\$3,927,658	\$1,566,418	\$5,494,076
6 Present value of benefits for deferred terminated members	\$301,151	\$64,127	\$365,278
7 Present value of benefits for active members	<u>\$4,748,468</u>	<u>\$1,960,478</u>	<u>\$6,708,946</u>
8 Total liabilities	\$8,977,277	\$3,591,023	\$12,568,300

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT G

Summary of Reported Reserve Information as of June 30, 2011

Reserves	
(Dollar Amounts in Thousands)	
Member contributions ⁽¹⁾	\$454,649
County contributions ⁽¹⁾	2,245,971
Retired member reserve ⁽¹⁾	5,264,562
Transition reserves ⁽¹⁾	577,109
Total valuation reserve ⁽¹⁾	<u>\$8,542,291</u>
Supplemental benefit, disability supplemental benefit and 401(h) health reserves ⁽²⁾	108,437
Undistributed reserve ⁽²⁾	0
Contingency reserve ⁽²⁾	0
Total reserves	<u>\$8,650,728</u>
Net deferred gains (losses) ⁽²⁾	<u>(467,859)</u>
Net market value	<u>\$8,182,869</u>

⁽¹⁾ Included in development of valuation value of assets.

⁽²⁾ Not included in development of valuation value of assets.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2011

		(Amounts in Thousands)
1	Unfunded Actuarial Accrued Liability as of June 30, 2010	\$1,565,851
2	Normal Cost	281,288
3	Total employer and member contributions ⁽¹⁾	-347,804
4	Interest	122,607
5	Expected Unfunded Actuarial Accrued Liability	\$1,621,942
6	Changes due to:	
	(a) Investment return less than expected	\$467,919
	(b) Lower than expected salary increase	-116,085
	(c) Lower than expected cost-of-living benefit increase for retirees and beneficiaries	-68,835
	(d) Greater number of retirements than expected	46,678
	(e) Changes in data for retirees ⁽²⁾	-31,591
	(f) Other experience gains/losses	<u>20,338</u>
	(g) Total changes	<u>\$318,424</u>
7	Unfunded Actuarial Accrued Liability as of June 30, 2011	\$1,940,366

Note: Net gain from other non-investment experience of \$149.5 million (as shown on page 9) is equal to: 6(b) + 6(c) + 6(d) + 6(e) + 6(f).

⁽¹⁾ Includes \$29.6 million in additional contributions made by the employer.

⁽²⁾ Reclassification of retired members from retired with beneficiaries eligible for the automatic continuance benefits to retired with only single lifetime benefits.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT I

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar amount indexed for inflation. The amount of that limit is \$195,000 for 2011. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances for such things as age at retirement, form of benefits chosen and after-tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contributions rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

EXHIBIT J

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age; and
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount of contributions required to fund the level cost allocated to the current year of service.

Actuarial Accrued Liability For Actives:

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability For Pensioners:

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Unfunded Actuarial Accrued Liability:

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan. There are many approaches to recognizing the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

SECTION 3: Supplemental Information for the San Diego County Employees Retirement Association

**Amortization of the Unfunded
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

EXHIBIT I

Supplementary Information Required by GASB – Schedule of Employer Contributions (Dollar Amounts in Thousands)

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions⁽¹⁾	Percentage Contributed
2006	\$203,700	\$243,700	119.6%
2007	231,300	258,200	111.6%
2008	236,763	236,763	100.0%
2009	219,635	219,635	100.0%
2010	188,414	189,470	100.6%
2011	205,799	235,392	114.4%

⁽¹⁾ Excludes employer pickup of member contributions and proceeds from Pension Obligation Bonds.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

EXHIBIT II

Supplementary Information Required by GASB – Schedule of Funding Progress

Actuarial Valuation Date	Valuation Value of Assets⁽¹⁾ (a)	Actuarial Accrued Liability (AAL)⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
06/30/2006	\$6,263,019,000	\$7,495,294,000	\$1,232,275,000	83.56%	\$979,368,000	125.82%
06/30/2007	7,250,404,000	8,082,517,000	832,113,000	89.70%	1,062,396,000	78.32%
06/30/2008	8,236,926,000	8,722,294,000	485,368,000	94.44%	1,135,432,000	42.75%
06/30/2009	8,413,065,000	9,198,636,000	785,571,000	91.46%	1,129,171,000	69.57%
06/30/2010	8,433,310,000	9,999,161,000	1,565,851,000	84.34%	1,095,582,000	142.92%
06/30/2011	8,542,291,000	10,482,657,000	1,940,366,000	81.49%	1,090,413,000	177.95%

⁽¹⁾ Excludes assets for Supplemental Benefit and Health Benefit Reserves. Excludes assets for STAR COLA on June 30, 2006.

⁽²⁾ Excludes liabilities held for Supplemental Benefit and Health Benefit Reserves. Excludes liabilities for STAR COLA on June 30, 2006.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

EXHIBIT III

Supplementary Information Required by GASB

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of payroll for total unfunded liability (assuming a 4.25% payroll increase)
Remaining amortization period	20-year fixed (decreasing or closed) layered amortization periods for all UAAL
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on market value (valuation value before July 1, 2004) and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations.

Actuarial assumptions:

Investment rate of return	8.00%
Inflation rate	3.50%
Across the board salary increase	0.75%
Projected salary increases (5+ years of service)	General: 5.00%; Safety: 5.50%*
Cost of living adjustments	3.00% of retirement income for General Tier 1, General Tier A and Safety Tier A 2.00% of retirement income for General Tier B and Safety Tier B

Plan membership:

Retired members and beneficiaries receiving benefits	14,496
Deferred terminated members entitled to, but not yet receiving benefits	5,125
Active members	<u>16,523</u>
Total	36,144

* Includes inflation at 3.50%, across the board increase of 0.75%, plus merit and longevity increases. See Exhibit IV for increases during the first 5 years of employment.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**EXHIBIT IV
Actuarial Assumptions and Actuarial Cost Method**

Post-Retirement Mortality Rates:

Healthy Retirement: For General: RP-2000 Combined Healthy Mortality Table set back two years.
For Safety: RP-2000 Combined Healthy Mortality Table set back three years.

Disabled Retirement: For General: RP-2000 Combined Healthy Mortality Table set forward six years.
For Safety: RP-2000 Combined Healthy Mortality Table set back two years.

The tables shown above were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a review of mortality experience as of the measurement date.

The following are sample rates (%).

Age	Healthy Life Mortality				Disabled Life Mortality			
	General		Safety		General		Safety	
	Male	Female	Male	Female	Male	Female	Male	Female
30	0.04	0.02	0.04	0.02	0.08	0.05	0.04	0.02
35	0.06	0.04	0.06	0.04	0.11	0.08	0.06	0.04
40	0.10	0.06	0.09	0.06	0.16	0.12	0.10	0.06
45	0.13	0.09	0.12	0.09	0.24	0.19	0.13	0.09
50	0.19	0.14	0.17	0.13	0.42	0.31	0.19	0.14
55	0.29	0.22	0.27	0.20	0.77	0.58	0.29	0.22
60	0.53	0.39	0.47	0.35	1.44	1.10	0.53	0.39
65	1.00	0.76	0.88	0.67	2.46	1.86	1.00	0.76
70	1.79	1.34	1.61	1.22	4.22	3.10	1.79	1.34

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Employee Contribution Rates: For General – RP-2000 Combined Healthy Mortality Table for Males set back two years weighted 30% and RP-2000 Combined Healthy Mortality Table for Females set back two years weighted 70%.

For Safety – RP-2000 Combined Healthy Mortality Table for Males set back three years weighted 75% and RP-2000 Combined Healthy Mortality Table for Females set back three years weighted 25%.

Termination Rates Before Retirement:

Mortality Rates:

For General – Same as Post-Retirement Healthy Mortality Rates for retired General members (i.e., RP-2000 Combined Healthy Mortality Table set back two years).

For Safety – Same as Post-Retirement Healthy Mortality Rates for retired Safety members (i.e., RP-2000 Combined Healthy Mortality Table set back three years).

For General members, out of the total probability of mortality before retirement, 100% are assumed to be non-service connected deaths.

For Safety and Probation members, 100% are assumed to be service connected deaths.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Disability Rates:	Rate (%)					
	Non Service Connected Disability			Service Connected Disability		
	General		Safety	General		Safety
	Age	Male		Female	Males	
20	0.00	0.00	0.00	0.01	0.00	0.05
25	0.00	0.00	0.00	0.01	0.02	0.10
30	0.01	0.01	0.02	0.02	0.05	0.24
35	0.02	0.02	0.05	0.04	0.10	0.61
40	0.04	0.07	0.08	0.10	0.13	0.81
45	0.07	0.12	0.10	0.17	0.21	0.81
50	0.12	0.15	0.10	0.21	0.25	1.18
55	0.19	0.18	0.10	0.31	0.30	2.07
60	0.22	0.26	0.10	0.38	0.33	2.56
65	0.22	0.30	0.04	0.16	0.13	1.04

SECTION 4: Report Information for the San Diego County Employees Retirement Association

Withdrawal Rates:

		Rate (%)		
		Ordinary Withdrawals (< 5 Years of Service)		
		General		Safety
Years of Service		Male	Female	
0		12.25	13.00	11.00
1		7.50	8.25	7.50
2		5.75	6.00	3.75
3		4.50	5.25	3.25
4		4.25	5.00	3.25

		Ordinary Withdrawal (5+ Years of Service) *		
		General		Safety
Age		Male	Female	
20		1.00	1.25	0.86
25		1.00	1.25	0.72
30		1.00	1.16	0.66
35		0.83	0.83	0.58
40		0.60	0.55	0.41
45		0.51	0.34	0.33
50		0.50	0.25	0.31
55		0.50	0.25	0.30
60		0.38	0.25	0.12
65		0.30	0.25	0.00

* No withdrawal is assumed after a member is eligible for retirement.

SECTION 4: Report Information for the San Diego County Employees Retirement Association

Withdrawal Rates (continued):

Years of Service	Rate (%)		
	Vested Termination (<5 Years of Service) *		
	General		Safety
	Male	Female	
0	3.00	3.00	2.50
1	2.00	2.00	1.25
2	1.50	1.50	1.25
3	1.00	1.50	1.00
4	1.00	1.50	1.00

Age	Vested Termination (5+ Years of Service) *		
	General		Safety
	Male	Female	
20	6.16	6.48	3.42
25	5.76	5.28	3.12
30	4.94	4.50	2.58
35	3.72	3.76	1.94
40	3.02	2.92	1.34
45	2.67	2.36	1.04
50	2.50	2.08	0.88
55	2.50	1.94	0.80
60	2.50	1.90	0.32

* No vested termination is assumed after a member is eligible for retirement.

SECTION 4: Report Information for the San Diego County Employees Retirement Association

Retirement Rates:

Age	Rate (%)			
	General		Safety	
	Tier 1 and Tier A	Tier B	Tier A	Tier B
48	-	-	4.0	3.0
49	50.0	-	7.0	3.0
50	8.0	-	15.0	12.0
51	5.0	-	13.0	12.0
52	5.0	-	13.0	12.0
53	5.0	-	15.0	12.0
54	7.0	-	15.0	12.0
55	12.0	6.0	16.0	19.0
56	12.0	7.0	20.0	23.0
57	13.0	9.0	24.0	27.0
58	14.0	9.0	30.0	32.0
59	16.0	9.0	30.0	32.0
60	20.0	10.0	30.0	45.0
61	21.0	14.0	30.0	45.0
62	25.0	20.0	35.0	45.0
63	26.0	20.0	35.0	45.0
64	30.0	20.0	35.0	45.0
65	30.0	30.0	75.0	100.0
66	30.0	30.0	75.0	100.0
67	30.0	30.0	75.0	100.0
68	35.0	30.0	75.0	100.0
69	40.0	30.0	75.0	100.0
70	75.0	100.0	100.0	100.0
71	75.0	100.0	100.0	100.0
72	75.0	100.0	100.0	100.0
73	75.0	100.0	100.0	100.0
74	75.0	100.0	100.0	100.0
75 and later	100.0	100.0	100.0	100.0

SECTION 4: Report Information for the San Diego County Employees Retirement Association

Retirement Age and Benefit for Deferred Vested Members:	<u>Reciprocal and Non-reciprocal Members</u> General: Age 57; Safety: Age 52. 30% of General and 35% of Safety future deferred vested members are assumed to be reciprocal. For reciprocals, we assume 5.00% compensation increases per annum for General members and 5.50% compensation increases per annum for Safety members.
Future Benefit Accruals:	1.0 year of service per year.
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Definition of Active Members:	First day of pay period following employment.
Percent Married:	80% of male members and 55% of female members are assumed to be married at retirement or pre-retirement death.
Age of Spouse:	Females (or male) spouses are 3 years younger (older) than their spouses
Net Investment Return:	8.00%; net of administration and investment expenses.
Employee Contribution Crediting Rate:	½ of the net investment return credited semi-annually.

SECTION 4: Report Information for the San Diego County Employees Retirement Association

Consumer Price Index: Increase of 3.50% per year; benefit increases due to CPI subject to 3.0% maximum for General Tier 1, General Tier A and Safety Tier A. Benefit increases due to CPI subject to 2.0% maximum for General Tier B and Safety Tier B.

Salary Scale:

Annual Rate of Compensation Increase

Inflation: 3.50% per year; plus “Across the Board” salary increases of 0.75% per year; plus Merit and Longevity as follows:

Years of Service	General	Safety
0	6.00%	8.00%
1	4.75	6.50
2	3.75	5.50
3	2.75	4.75
4	2.25	4.25
5+	0.75	1.25

Pay for Performance and Other Premium Pays: General members are assumed to be eligible for an average annual pay for performance and other premium pays of 4%.

Safety members are assumed to be eligible for an average annual pay for performance and other premium pays of 3%.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period.
Valuation Value of Assets	The actuarial value of assets reduced by the following reserves: (1) 401(h) Health Benefit Reserve; (2) Undistributed Reserve; (3) Contingency Reserve; (4) Supplemental Benefit Reserve; and (5) Disability Supplemental Benefit Reserve.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an aggregate basis by taking the Present Value of Future Normal Costs divided by the Present Value of Future Salaries to obtain a normal cost rate. This normal cost rate is then multiplied by the total of current salaries.
Changes in Assumptions:	There have been no changes in actuarial assumptions since the previous valuation.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the SDCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership Eligibility:	All permanent employees of the County of San Diego or contracting district, scheduled to work 20 or more hours weekly, are eligible to become a member of the Retirement Association subject to classification below:
<i>General Tier 1</i>	All General members hired before March 8, 2002 who made a specific and irrevocable election to opt out of Tier A. This also included those General Members in deferred status on March 8, 2002.
<i>General Tier A</i>	All General members hired or continuing employment on or after March 8, 2002 and before August 28, 2009, except as noted above.
<i>General Tier B</i>	All General members hired on or after August 28, 2009.
<i>Safety Tier A</i>	All Safety members hired before August 28, 2009.
<i>Safety Tier B</i>	All Safety members hired on or after August 28, 2009.

Final Average Compensation for Benefit Determination:

<i>General Tier 1 and Tier A and Safety Tier A</i>	Highest consecutive 26 bi-weekly pay periods of compensation earnable (§31462.1)(FAC).
<i>General Tier B and Safety Tier B</i>	Three-year average of highest consecutive 78 bi-weekly pay periods of compensation earnable (§31462)(F3AC).

Service: Years of service. (Yrs)

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Service Retirement Eligibility:

<i>General Tier 1 and Tier A</i>	Age 50 with 10 years of service credit, or age 70 regardless of service credit, or after 30 years of service credit, regardless of age (§31672).
<i>General Tier B</i>	Age 55 with 10 years of service credit, or age 70 regardless of service credit, or after 30 years of service credit, regardless of age (§31672)
<i>Safety Tier A and Tier B</i>	Age 50 with 10 years of service credit, or age 70 regardless of service credit, or after 20 years of service credit, regardless of age (§31663.25).

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1 (§31676.12)</i>	50	$(1.34\% \times \text{FAC} - 1/3 \times 1.34\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.77\% \times \text{FAC} - 1/3 \times 1.77\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.34\% \times \text{FAC} - 1/3 \times 2.34\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.62\% \times \text{FAC} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
	65	$(2.62\% \times \text{FAC} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
<i>General Tier A (§31676.17)</i>	Retirement Age	Benefit Formula
	50	$(2.00\% \times \text{FAC} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(2.50\% \times \text{FAC} - 1/3 \times 2.50\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(3.00\% \times \text{FAC} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(3.00\% \times \text{FAC} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
<i>General Tier B (§31676.12)</i>	Retirement Age	Benefit Formula
	50	$(1.34\% \times \text{F3AC} - 1/3 \times 1.34\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.77\% \times \text{F3AC} - 1/3 \times 1.77\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.34\% \times \text{F3AC} - 1/3 \times 2.34\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.62\% \times \text{F3AC} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
	65	$(2.62\% \times \text{F3AC} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$

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	Retirement Age	Benefit Formula
<i>Safety Tier A (Non-Integrated) (§31664.1)</i>	50	(3.00% x FAC x Yrs)
	55	(3.00% x FAC x Yrs)
	60	(3.00% x FAC x Yrs)

	Retirement Age	Benefit Formula
<i>Safety Tier B (Non-Integrated) (§31664.2)</i>	50	(2.29% x F3AC x Yrs)
	55	(3.00% x F3AC x Yrs)
	60	(3.00% x F3AC x Yrs)

Maximum Benefit: 100% of Final Average Compensation (§31676.12, §31676.17, §31664.1, §31664.2)

Non Service Connected Disability:

General Members

Eligibility

Five years of service (§31720).

Benefit Formula

1.8% of FAC (F3AC for Tier B) per year of service. If the benefit does not exceed one-third of Final Average Compensation, the service is projected to 62, and the total benefit cannot be more than one-third of Final Average Compensation (§31727.1).

Safety Members

Eligibility

Five years of service (§31720).

Benefit Formula

1.8% of FAC (F3AC for Tier B) per year of service. If the benefit does not exceed one-third of Final Average Compensation, the service is projected to 55, and the total benefit cannot be more than one-third of Final Average Compensation (§31727.2).

Service Connected Disability:

All Members

Eligibility

No age or service requirements (§31720).

Benefit Formula

50% of FAC (F3AC for Tier B) or 100% of Service Retirement benefit, if larger (§31727.4).

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Pre-Retirement Death:

Non Service Connected (Not Vested) Before Eligible to Retire

Eligibility None.

Benefit Refund of employee contributions with interest plus one month's eligible compensation for each year of service to a maximum of six month's compensation (§31781).

OR

Non Service Connected (Vested)

Eligibility Five years of service.

Benefit 60% of the greater of Service or Non Service Connected Disability Retirement benefit payable to surviving eligible spouse or eligible children (§31765.1, §31781.1), in lieu of above. Additionally, the spouse may choose a combined benefit of:

- A lump sum payment of up to 6 month's compensation (see above), and
- A monthly (60%) benefit reduced by actuarial equivalent of the lump sum payment (§31781.3).

Service Connected Death 50% of FAC (F3AC for Tier B) or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787). In addition, safety members are entitled to benefits under sections 31787.5 and 31787.6.

Death After Retirement:

All Members

Service or Non Service Connected Disability Retirement

Unless another option was selected at retirement, 60% of member's unmodified allowance continued to eligible spouse (§31760.1) and \$3,500 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the day of retirement (§31760.1), or, at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).

Service Connected Disability Retirement

Unless another option was selected at retirement, 100% of member's unmodified allowance continued to eligible spouse (§31786).

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Withdrawal Benefits:

*Less than Five Years of SDCERA/
Reciprocal Service Credit*

Refund of accumulated employee contributions with interest or eligible for a retirement benefit at age 70 if actively working (§31628, §31629.5).

*Five or More Years of SDCERA/
Reciprocal Service Credit*

If accumulated employee contributions left on deposit, eligible for retirement benefits at any time after meeting eligibility criteria to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

*General Tier 1 and Tier A
and Safety Tier A*

Future changes based on changes to the Consumer Price Index for the San Diego area to a maximum of 3% per year, excess “banked.” (§31870.1)

General Tier B and Safety Tier B

Future changes based on changes to the Consumer Price Index for the San Diego area to a maximum of 2% per year, excess “banked.” (§31870)

County Contributions:

Effective with the June 30, 2004 actuarial valuation, the amortization period for Unfunded Actuarial Accrued Liability has changed to a 20-year fixed (decreasing) layered amortization period.

**Supplemental Benefit Allowance
and Health Insurance Allowance:**

The Association provides a supplemental benefit allowance and a health insurance allowance for eligible retirees. These benefits have been excluded from this valuation.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Member Contributions:

Please refer to Appendix A for the specific rates.

General Tier 1

Basic

Provide for an average annuity at age 60 equal to 1/100 of FAC. (§31621.2)

Cost-of-Living

Provide for one-half of future Cost-of-Living costs.

General Tier A

Basic

Provide for an average annuity at age 55 equal to 1/100 of FAC. (§31621.8)

Cost-of-Living

Provide for one-half of future Cost-of-Living costs.

General Tier B

Basic

Provide for an average annuity at age 60 equal to 1/100 of F3AC. (§31621.2)

Cost-of-Living

Provide for one-half of future Cost-of-Living costs.

Safety Tier A

Basic

Provide for an average annuity at age 50 equal to 1/100 of FAC. (§31639.25)

Cost-of-Living

Provide for one-half of future Cost-of-Living costs.

Safety Tier B

Basic

Provide for an average annuity at age 50 equal to 1/100 of F3AC. (§31639.25)

Cost-of-Living

Provide for one-half of future Cost-of-Living costs.

Other Information:

General and Safety members with 30 or more years of qualifying service credit are exempt from paying member contributions (§31625.2 and §31625.3).

NOTE: *The summary of major plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Appendix A

Member Contribution Rates

**i. General Tier 1 Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	3.51%	5.27%	1.17%	1.75%	4.68%	7.02%
16	3.51%	5.27%	1.17%	1.75%	4.68%	7.02%
17	3.57%	5.36%	1.19%	1.78%	4.76%	7.14%
18	3.63%	5.45%	1.21%	1.81%	4.84%	7.26%
19	3.69%	5.54%	1.23%	1.84%	4.92%	7.38%
20	3.75%	5.63%	1.24%	1.86%	4.99%	7.49%
21	3.82%	5.73%	1.27%	1.90%	5.09%	7.63%
22	3.89%	5.83%	1.29%	1.93%	5.18%	7.76%
23	3.95%	5.93%	1.31%	1.96%	5.26%	7.89%
24	4.02%	6.03%	1.33%	2.00%	5.35%	8.03%
25	4.09%	6.13%	1.35%	2.03%	5.44%	8.16%
26	4.15%	6.23%	1.37%	2.06%	5.52%	8.29%
27	4.22%	6.33%	1.40%	2.10%	5.62%	8.43%
28	4.29%	6.44%	1.42%	2.13%	5.71%	8.57%
29	4.37%	6.55%	1.45%	2.17%	5.82%	8.72%
30	4.43%	6.65%	1.47%	2.20%	5.90%	8.85%
31	4.51%	6.76%	1.49%	2.24%	6.00%	9.00%
32	4.58%	6.87%	1.52%	2.28%	6.10%	9.15%
33	4.66%	6.99%	1.55%	2.32%	6.21%	9.31%
34	4.73%	7.10%	1.57%	2.35%	6.30%	9.45%
35	4.81%	7.22%	1.59%	2.39%	6.40%	9.61%
36	4.89%	7.34%	1.62%	2.43%	6.51%	9.77%
37	4.97%	7.46%	1.65%	2.47%	6.62%	9.93%
38	5.05%	7.58%	1.67%	2.51%	6.72%	10.09%

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**i. General Tier 1 Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
39	5.13%	7.70%	1.70%	2.55%	6.83%	10.25%
40	5.22%	7.83%	1.73%	2.59%	6.95%	10.42%
41	5.31%	7.96%	1.76%	2.64%	7.07%	10.60%
42	5.39%	8.09%	1.79%	2.68%	7.18%	10.77%
43	5.48%	8.22%	1.81%	2.72%	7.29%	10.94%
44	5.57%	8.35%	1.85%	2.77%	7.42%	11.12%
45	5.66%	8.49%	1.87%	2.81%	7.53%	11.30%
46	5.75%	8.63%	1.91%	2.86%	7.66%	11.49%
47	5.85%	8.78%	1.94%	2.91%	7.79%	11.69%
48	5.95%	8.93%	1.97%	2.96%	7.92%	11.89%
49	6.06%	9.09%	2.01%	3.01%	8.07%	12.10%
50	6.17%	9.25%	2.04%	3.06%	8.21%	12.31%
51	6.28%	9.42%	2.08%	3.12%	8.36%	12.54%
52	6.41%	9.61%	2.12%	3.18%	8.53%	12.79%
53	6.54%	9.81%	2.17%	3.25%	8.71%	13.06%
54	6.69%	10.03%	2.21%	3.32%	8.90%	13.35%
55	6.77%	10.15%	2.24%	3.36%	9.01%	13.51%
56	6.83%	10.25%	2.27%	3.40%	9.10%	13.65%
57	6.85%	10.28%	2.27%	3.41%	9.12%	13.69%
58	6.83%	10.25%	2.27%	3.40%	9.10%	13.65%
59 & Over	6.77%	10.15%	2.24%	3.36%	9.01%	13.51%

Interest: 8.00%

Inflation: 3.50%

Across the board increase: 0.75%

COLA: 3.00%

COLA Loading Factor: 33.12%

Mortality: RP-2000 Combined Healthy Mortality Table set back two years weighted 30% male and 70% female

Salary Increase: 5 Year Select and Ultimate Salary Increase Assumptions (see Exhibit IV)

Note: These rates are determined before any pickups by the employer.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**ii. General Tier A Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	4.06%	6.09%	1.55%	2.32%	5.61%	8.41%
16	4.06%	6.09%	1.55%	2.32%	5.61%	8.41%
17	4.13%	6.19%	1.57%	2.36%	5.70%	8.55%
18	4.20%	6.30%	1.60%	2.40%	5.80%	8.70%
19	4.27%	6.40%	1.63%	2.44%	5.90%	8.84%
20	4.34%	6.51%	1.65%	2.48%	5.99%	8.99%
21	4.41%	6.62%	1.68%	2.52%	6.09%	9.14%
22	4.49%	6.73%	1.71%	2.56%	6.20%	9.29%
23	4.56%	6.84%	1.73%	2.60%	6.29%	9.44%
24	4.64%	6.96%	1.77%	2.65%	6.41%	9.61%
25	4.71%	7.07%	1.79%	2.69%	6.50%	9.76%
26	4.79%	7.19%	1.83%	2.74%	6.62%	9.93%
27	4.87%	7.31%	1.85%	2.78%	6.72%	10.09%
28	4.95%	7.43%	1.89%	2.83%	6.84%	10.26%
29	5.03%	7.55%	1.91%	2.87%	6.94%	10.42%
30	5.11%	7.67%	1.95%	2.92%	7.06%	10.59%
31	5.20%	7.80%	1.98%	2.97%	7.18%	10.77%
32	5.28%	7.92%	2.01%	3.01%	7.29%	10.93%
33	5.37%	8.05%	2.04%	3.06%	7.41%	11.11%
34	5.46%	8.19%	2.08%	3.12%	7.54%	11.31%
35	5.55%	8.32%	2.11%	3.17%	7.66%	11.49%
36	5.64%	8.46%	2.15%	3.22%	7.79%	11.68%
37	5.73%	8.59%	2.18%	3.27%	7.91%	11.86%
38	5.82%	8.73%	2.21%	3.32%	8.03%	12.05%
39	5.92%	8.88%	2.25%	3.38%	8.17%	12.26%
40	6.02%	9.03%	2.29%	3.44%	8.31%	12.47%
41	6.12%	9.18%	2.33%	3.49%	8.45%	12.67%
42	6.22%	9.33%	2.37%	3.55%	8.59%	12.88%

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**ii. General Tier A Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
43	6.33%	9.49%	2.41%	3.61%	8.74%	13.10%
44	6.44%	9.66%	2.45%	3.68%	8.89%	13.34%
45	6.55%	9.83%	2.49%	3.74%	9.04%	13.57%
46	6.68%	10.02%	2.54%	3.81%	9.22%	13.83%
47	6.81%	10.21%	2.59%	3.89%	9.40%	14.10%
48	6.95%	10.42%	2.65%	3.97%	9.60%	14.39%
49	7.11%	10.66%	2.71%	4.06%	9.82%	14.72%
50	7.19%	10.79%	2.74%	4.11%	9.93%	14.90%
51	7.26%	10.89%	2.76%	4.14%	10.02%	15.03%
52	7.28%	10.92%	2.77%	4.16%	10.05%	15.08%
53	7.26%	10.89%	2.76%	4.14%	10.02%	15.03%
54 & Over	7.19%	10.78%	2.73%	4.10%	9.92%	14.88%
Interest:	8.00%					
Inflation:	3.50%					
Across the board increase:	0.75%					
COLA:	3.00%					
COLA Loading Factor:	38.05%					
Mortality:	RP-2000 Combined Health Mortality Table set back two years weighted 30% male and 70% female					
Salary Increase:	5 Year Select and Ultimate Salary Increase Assumptions (see Exhibit IV)					
Note:	These rates are determined before any pickups by the employer.					

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**iii. General Tier B Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	3.35%	5.02%	0.63%	0.94%	3.98%	5.96%
16	3.35%	5.02%	0.63%	0.94%	3.98%	5.96%
17	3.40%	5.10%	0.63%	0.95%	4.03%	6.05%
18	3.46%	5.19%	0.65%	0.97%	4.11%	6.16%
19	3.52%	5.28%	0.66%	0.99%	4.18%	6.27%
20	3.58%	5.37%	0.67%	1.00%	4.25%	6.37%
21	3.64%	5.46%	0.68%	1.02%	4.32%	6.48%
22	3.70%	5.55%	0.69%	1.04%	4.39%	6.59%
23	3.77%	5.65%	0.71%	1.06%	4.48%	6.71%
24	3.83%	5.74%	0.71%	1.07%	4.54%	6.81%
25	3.89%	5.84%	0.73%	1.09%	4.62%	6.93%
26	3.96%	5.94%	0.74%	1.11%	4.70%	7.05%
27	4.03%	6.04%	0.75%	1.13%	4.78%	7.17%
28	4.09%	6.14%	0.77%	1.15%	4.86%	7.29%
29	4.16%	6.24%	0.78%	1.17%	4.94%	7.41%
30	4.23%	6.34%	0.79%	1.18%	5.02%	7.52%
31	4.30%	6.45%	0.80%	1.20%	5.10%	7.65%
32	4.37%	6.55%	0.81%	1.22%	5.18%	7.77%
33	4.44%	6.66%	0.83%	1.24%	5.27%	7.90%
34	4.51%	6.77%	0.84%	1.26%	5.35%	8.03%
35	4.59%	6.88%	0.85%	1.28%	5.44%	8.16%
36	4.66%	6.99%	0.87%	1.31%	5.53%	8.30%
37	4.74%	7.11%	0.89%	1.33%	5.63%	8.44%
38	4.81%	7.22%	0.90%	1.35%	5.71%	8.57%
39	4.89%	7.34%	0.91%	1.37%	5.80%	8.71%
40	4.97%	7.46%	0.93%	1.39%	5.90%	8.85%
41	5.05%	7.58%	0.95%	1.42%	6.00%	9.00%
42	5.14%	7.71%	0.96%	1.44%	6.10%	9.15%

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**iii. General Tier B Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
43	5.22%	7.83%	0.97%	1.46%	6.19%	9.29%
44	5.31%	7.96%	0.99%	1.49%	6.30%	9.45%
45	5.39%	8.09%	1.01%	1.51%	6.40%	9.60%
46	5.49%	8.23%	1.03%	1.54%	6.52%	9.77%
47	5.58%	8.37%	1.04%	1.56%	6.62%	9.93%
48	5.67%	8.51%	1.06%	1.59%	6.73%	10.10%
49	5.77%	8.66%	1.08%	1.62%	6.85%	10.28%
50	5.88%	8.82%	1.10%	1.65%	6.98%	10.47%
51	5.99%	8.98%	1.12%	1.68%	7.11%	10.66%
52	6.11%	9.16%	1.14%	1.71%	7.25%	10.87%
53	6.21%	9.31%	1.16%	1.74%	7.37%	11.05%
54	6.28%	9.42%	1.17%	1.76%	7.45%	11.18%
55	6.31%	9.47%	1.18%	1.77%	7.49%	11.24%
56	6.32%	9.48%	1.18%	1.77%	7.50%	11.25%
57	6.28%	9.42%	1.17%	1.76%	7.45%	11.18%
58	6.51%	9.77%	1.21%	1.82%	7.72%	11.59%
59 & Over	6.77%	10.15%	1.27%	1.90%	8.04%	12.05%
Interest:	8.00%					
Inflation:	3.50%					
Across the board increase:	0.75%					
COLA:	2.00%					
COLA Loading Factor:	18.68%					
Mortality:	RP-2000 Combined Healthy Mortality Table set back two years weighted 30% male and 70% female					
Salary Increase:	5 Year Select and Ultimate Salary Increase Assumptions (see Exhibit IV)					
Note:	These rates are determined before any pickups by the employer.					

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**iv. Safety Tier A Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic	COLA	Total
15	8.14%	4.47%	12.61%
16	8.14%	4.47%	12.61%
17	8.14%	4.47%	12.61%
18	8.14%	4.47%	12.61%
19	8.14%	4.47%	12.61%
20	8.14%	4.47%	12.61%
21	8.14%	4.47%	12.61%
22	8.25%	4.53%	12.78%
23	8.36%	4.59%	12.95%
24	8.48%	4.66%	13.14%
25	8.59%	4.72%	13.31%
26	8.71%	4.79%	13.50%
27	8.83%	4.85%	13.68%
28	8.95%	4.92%	13.87%
29	9.08%	4.99%	14.07%
30	9.20%	5.05%	14.25%
31	9.33%	5.13%	14.46%
32	9.46%	5.20%	14.66%
33	9.60%	5.27%	14.87%
34	9.74%	5.35%	15.09%
35	9.88%	5.43%	15.31%
36	10.03%	5.51%	15.54%
37	10.18%	5.59%	15.77%
38	10.34%	5.68%	16.02%
39	10.51%	5.77%	16.28%
40	10.69%	5.87%	16.56%
41	10.88%	5.98%	16.86%
42	11.09%	6.09%	17.18%
43	11.33%	6.22%	17.55%
44	11.62%	6.38%	18.00%
45	11.64%	6.40%	18.04%

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**iv. Safety Tier A Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic	COLA	Total
46	11.63%	6.39%	18.02%
47	11.58%	6.36%	17.94%
48	11.46%	6.30%	17.76%
49 & Over	11.25%	6.18%	17.43%

Interest:	8.00%
Inflation:	3.50%
Across the board increase:	0.75%
COLA:	3.00%
COLA Loading Factor:	54.94%
Mortality:	RP-2000 Combined Healthy Mortality Table set back three years weighted 75% male and 25% female
Salary Increase:	5 Year Select and Ultimate Salary Increase Assumptions (see Exhibit IV)
Note:	These rates are determined before any pickups by the employer.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**v. Safety Tier B Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic	COLA	Total
15	7.72%	2.30%	10.02%
16	7.72%	2.30%	10.02%
17	7.72%	2.30%	10.02%
18	7.72%	2.30%	10.02%
19	7.72%	2.30%	10.02%
20	7.72%	2.30%	10.02%
21	7.72%	2.30%	10.02%
22	7.83%	2.33%	10.16%
23	7.93%	2.36%	10.29%
24	8.04%	2.40%	10.44%
25	8.15%	2.43%	10.58%
26	8.27%	2.46%	10.73%
27	8.38%	2.50%	10.88%
28	8.50%	2.53%	11.03%
29	8.61%	2.57%	11.18%
30	8.73%	2.60%	11.33%
31	8.86%	2.64%	11.50%
32	8.98%	2.68%	11.66%
33	9.11%	2.71%	11.82%
34	9.24%	2.75%	11.99%
35	9.37%	2.79%	12.16%
36	9.51%	2.83%	12.34%
37	9.66%	2.88%	12.54%
38	9.81%	2.92%	12.73%
39	9.97%	2.97%	12.94%
40	10.14%	3.02%	13.16%
41	10.32%	3.07%	13.39%
42	10.52%	3.13%	13.65%
43	10.66%	3.18%	13.84%
44	10.71%	3.19%	13.90%
45	10.68%	3.18%	13.86%

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

**v. Safety Tier B Members' Contribution Rates from the June 30, 2011 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Adopted Assumptions

Entry Age	Basic	COLA	Total
46	10.60%	3.16%	13.76%
47	10.45%	3.11%	13.56%
48	10.84%	3.23%	14.07%
49 & Over	11.25%	3.35%	14.60%

Interest: 8.00%
 Inflation: 3.50%
 Across the board increase: 0.75%
 COLA: 2.00%
 COLA Loading Factor: 29.79%
 Mortality: RP-2000 Combined Healthy Mortality Table set back three years weighted 75% male and 25% female
 Salary Increase: 5 Year Select and Ultimate Salary Increase Assumptions (see Exhibit IV)
 Note: These rates are determined before any pickups by the employer.

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Appendix B

Unfunded Actuarial Accrued Liability (UAAL) Amortization Schedule as of June 30, 2011

	Date Established	Description	Initial Amount	Outstanding Balance	Years Remaining	Payment
General	June 30, 2004	Reamortize UAAL	\$898,323,000	\$877,310,000	13	\$86,216,000
	June 30, 2005	Actuarial loss	128,924,000	128,036,000	14	11,875,000
	June 30, 2006	Actuarial gain	(122,837,000)	(123,250,000)	15	(10,843,000)
	June 30, 2007	Actuarial gain	(319,377,000)	(322,354,000)	16	(27,018,000)
	June 30, 2008	Actuarial gain	(252,322,000)	(255,217,000)	17	(20,457,000)
	June 30, 2009	Actuarial loss	229,764,000	232,116,000	18	17,852,000
	June 30, 2010	Actuarial loss	275,738,000	277,393,000	19	20,533,000
	June 30, 2010	Assumption change	273,446,000	275,088,000	19	20,362,000
	June 30, 2011	Actuarial loss	272,855,000	<u>272,855,000</u>	20	<u>19,490,000</u>
Subtotal				\$1,361,977,000		\$118,010,000
Safety	June 30, 2004	Reamortize UAAL	\$304,408,000	\$297,286,000	13	\$29,215,000
	June 30, 2005	Actuarial loss	40,271,000	39,993,000	14	3,709,000
	June 30, 2006	Actuarial gain	(29,564,000)	(29,664,000)	15	(2,610,000)
	June 30, 2007	Actuarial gain	(81,955,000)	(82,719,000)	16	(6,933,000)
	June 30, 2008	Actuarial gain	(88,653,000)	(89,670,000)	17	(7,187,000)
	June 30, 2009	Actuarial loss	82,198,000	83,040,000	18	6,387,000
	June 30, 2010	Actuarial loss	103,299,000	103,919,000	19	7,692,000
	June 30, 2010	Assumption change	140,579,000	141,423,000	19	10,468,000
	June 30, 2011	Actuarial loss	114,781,000	<u>114,781,000</u>	20	<u>8,199,000</u>
Subtotal				\$578,389,000		\$48,940,000

SECTION 4: Reporting Information for the San Diego County Employees Retirement Association

Appendix B

Unfunded Actuarial Accrued Liability (UAAL) Amortization Schedule as of June 30, 2011 (continued)

	Date Established	Description	Initial Amount	Outstanding Balance	Years Remaining	Payment
General and Safety	June 30, 2004	Reamortize UAAL	\$1,202,731,000	\$1,174,596,000	13	\$115,431,000
	June 30, 2005	Actuarial loss	169,195,000	168,029,000	14	15,584,000
	June 30, 2006	Actuarial gain	(152,401,000)	(152,914,000)	15	(13,453,000)
	June 30, 2007	Actuarial gain	(401,332,000)	(405,073,000)	16	(33,951,000)
	June 30, 2008	Actuarial gain	(340,974,000)	(344,887,000)	17	(27,644,000)
	June 30, 2009	Actuarial loss	311,963,000	315,156,000	18	24,239,000
	June 30, 2010	Actuarial loss	379,037,000	381,312,000	19	28,225,000
	June 30, 2010	Assumption change	414,025,000	416,511,000	19	30,830,000
	June 30, 2011	Actuarial loss	387,636,000	<u>387,636,000</u>	20	<u>27,689,000</u>
Grand Total				\$1,940,366,000		\$166,950,000

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