



*Strength. Service. Commitment.*

## Press Release

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For immediate release  
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### **County pension fund gets high marks from independent actuary**

SAN DIEGO COUNTY –San Diego County Employees Retirement Association (SDCERA) received high marks from independent actuary, Milliman, Inc., who performed an actuarial audit of the June 30, 2007 Valuation and the 2006 Experience Study, which were performed by SDCERA’s retained actuary, The Segal Company.

The valuation and experience study are based on a complex mathematical formula, which utilizes multiple assumptions and demographic data for over 35,000 members, to project results over 50 years to determine the proper funding requirements to pay the pension promise. Reliable, accurate actuarial information is the foundation that enables the Board of Retirement to make sound decisions and properly fund the plan.

Conducting a replication audit to verify the results are accurate and the assumptions are sound is becoming a best practice in the pension industry. Milliman’s conclusion that the results and assumptions are on target is further confirmation that SDCERA is well managed and financially sound.

In particular, Nick Collier, Principal and Consulting Actuary, complimented SDCERA on making, “good progress toward paying of the unfunded actuarially accrued liability. We compliment you on this [funding] policy,” which he noted is fully compliant with Governmental Accounting Standards Board (GASB) requirements. He praised the fact that Milliman’s calculation of actuarial liabilities and contribution rates were an

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excellent match with Segal's calculations, and commented that all assumptions, including the investment return assumption of 8.25% and the smoothing policy, are reasonable. He further noted that several assumptions are more conservative than SDCERA's actual experience or Milliman's practice.

"This is the fourth in a series of positive financial indicators for SDCERA. The S&P recently awarded us their highest rating of AAA, we had our fourth straight year of double-digit gains, our actuarial report determined the fund had improved to 89.7% funded as of June 30, 2007, and finally, this report confirms the accuracy and reasonableness of that actuarial valuation," stated Brian White, chief executive officer.

SDCERA is an independent association established by the County Employees Retirement law of 1937, which governs 20 California county retirement systems. SDCERA provides retirement benefits for approximately 35,000 eligible employees, former employees who are vested, and retirees of the County of San Diego.

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