

Alameda County Employees' Retirement Association

*Actuarial Valuation and Review
as of December 31, 2005*

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June 22, 2006

Board of Retirement
Alameda County Employees' Retirement Association
475 - 14th Street, Suite 1000
Oakland, CA 94612

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of December 31, 2005. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2006-2007 and analyzes the preceding year's experience.

The census and financial information were prepared by ACERA. 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. In our opinion, the combined operation of the assumptions and the methods applied in this valuation fairly represent past and anticipated future experience of the Association and meet the parameters required by GASB Statement 25. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate.

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

Sincerely,

THE SEGAL COMPANY

By:

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AYY/hy

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SECTION 1: Valuation Summary for the Alameda County Employees' Retirement Association

Purpose

This report has been prepared by The Segal Company to present a valuation of the Alameda County Employees' Retirement Association as of December 31, 2005. 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. In particular, benefits for all active Safety members (including Group Counselors) have been updated to reflect the Section 31664.1 (3% at 50) formula improvement. As part of this valuation, the Association has also provided us with the higher benefits for some Safety retirees who retired before December 31, 2004 but are also eligible for the improvement.
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of November 30, 2005, provided by the Retirement Association;
- The assets of the Plan as of December 31, 2005, provided by the Retirement Association;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. that the Board has adopted for the December 31, 2005 valuation.

The Alameda County Employees' Retirement Association's basic financial goal is to establish contributions that fully fund the Association's liabilities, and which, 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 consistent, both internally and with prior year's information.

SECTION 1: Valuation Summary for the Alameda County Employees' Retirement Association

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a payment or credit to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have continued with the Board's funding policy to amortize the Association's entire unfunded actuarial accrued liability as of December 31, 2005 over a declining 27-year period. The aggregate employer contribution rate calculated using the declining 27-year amortization period is 17.32% of payroll. In this valuation, we have applied the 7.9% net interest rate and 3.75% inflation assumptions adopted by the Board. Except for the interest rate and inflation assumptions, the other assumptions used in this valuation are the same as those that we used in the December 31, 2004 valuation.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2006 through June 30, 2007.

Significant Issues in Valuation Year

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

- In the December 31, 2004 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities was 83.9% before the Safety benefit improvement. After reflecting the benefit improvement for all active Safety members employed on December 31, 2004, the funding ratio was 82.1%. In this December 31, 2005 valuation (which reflects the Safety improvement for all affected members), the funding ratio has improved to 83.2%.
- The Association's unfunded actuarial accrued liability (UAAL) as of December 31, 2004 was \$682.6 million before the Safety benefit improvement. After reflecting the benefit improvement for all active Safety members employed on December 31, 2004 the UAAL was \$778.2 million. In this year's valuation, the UAAL has decreased to \$766.4 million.
- Even though the Plan has a net actuarial experience loss of about \$7.6 million (primarily as a result of the actuarial investment return less than the 7.8% assumed in the valuation), the UAAL decreased in total as a result of the new assumptions adopted by the Board for the December 31, 2005 valuation. A reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.
- The aggregate employer rate calculated in this valuation has decreased from 17.87% of payroll (which reflected the benefit improvement for all active Safety members as of December 31, 2004) to 17.32% of payroll. The reasons for this change are: (i) lower than expected return on investments, (ii) lower than expected salary increases, (iii) higher UAAL rate due to payroll increasing by less than 4.25%, (iv) reflection of additional improved Safety benefits, (v) actuarial losses, and (vi) changes in actuarial assumptions. A reconciliation of the Association's aggregate employer rate is provided in Section 2,

SECTION 1: Valuation Summary for the Alameda County Employees' Retirement Association

Subsection D (see Chart 15). A schedule of the projected contributions by each participating employer is provided in Appendix B.

- The aggregate member rate calculated in this valuation has decreased from 9.24% of payroll to 8.81% of payroll. The change in member rate is due to the changes in actuarial assumptions. A reconciliation of the Association's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).
- The results of this valuation reflect the changes in economic actuarial assumptions adopted by the Board for the December 31, 2005 valuation. The impact of the assumption changes is provided in Section 2, Subsection D (see Charts 15 and 16). The specific assumption changes can be found in Section 4, Exhibit IV.
- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total unrecognized investment gains as of December 31, 2005 is \$272.7 million. These investment gains will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, and will offset any investment losses that may occur after December 31, 2005. This implies that if the Association earns the assumed net rate of investment return of 7.90% per year on a **market value** basis, it will result in investment gains on the actuarial value of assets in the next few years. So, if the actual market return is equal to the assumed 7.90% rate and all other actuarial assumptions are met, the contribution requirements would decrease in each of the next few years.

Impact of Future Experience on Contribution Rates

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

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

SECTION 1: Valuation Summary for the Alameda County Employees' Retirement Association

Summary of Key Valuation Results (Dollar amounts in thousands)

	December 31, 2005		December 31, 2004	
Employer Contribution Rates: ⁽¹⁾				
<u>County</u>	Total Rate	Estimated Annual Amount ⁽⁴⁾	Total Rate	Estimated Annual Amount ⁽⁴⁾
General Tier 1	16.46%	\$14,848	17.91%	\$16,156
General Tier 2	14.30%	71,318	14.96%	74,610
Safety Tier 1	37.05%	6,685	36.81%	6,641
Safety Tier 2	29.84%	28,466	29.09%	27,750
<u>County Combined</u>	17.26%	121,317	17.82%	125,157
District – General Tier 1	21.53%	1,595	22.74%	1,685
<u>County and District Combined</u>	17.32%	122,912	17.87%	126,842
Average Member Contribution Rates: ⁽¹⁾				
	Total Rate	Estimated Annual Amount ⁽⁴⁾	Total Rate ⁽⁶⁾	Estimated Annual Amount ⁽⁴⁾
General Tier 1	9.31%	\$9,088	9.93%	\$9,693
General Tier 2	7.52%	37,504	7.91%	39,449
Safety Tier 1	15.32%	2,764	15.51%	2,798
Safety Tier 2	13.78%	13,145	14.32%	13,660
All Categories combined	8.81%	62,501	9.24%	65,600
Funded Status:				
Actuarial accrued liability ⁽²⁾	\$4,548,213		\$4,336,123 ⁽⁵⁾	
Valuation value of assets ⁽³⁾	3,781,843		3,557,918	
Funded percentage	83.2%		82.1% ⁽⁵⁾	
Unfunded Actuarial Accrued Liability	\$766,370		\$778,205 ⁽⁵⁾	
Key Economic Assumptions:				
Interest rate	7.90%		7.80%	
Inflation rate	3.75%		4.00%	
Across-the-board salary increase	0.25%		0.25%	

⁽¹⁾ December 31, 2004 employer and member rates reflect the Safety benefit improvement for all the active Safety members employed on December 31, 2004.

⁽²⁾ Excludes liabilities held for SRBR and other non-valuation reserves.

⁽³⁾ Excludes assets for SRBR and other non-valuation reserves.

⁽⁴⁾ Based on December 31, 2005 projected annual compensation.

⁽⁵⁾ After reflecting Safety benefit improvement for all the active Safety members employed on December 31, 2004.

⁽⁶⁾ Average rates have been recalculated by applying the individual entry age based member rates determined in the December 31, 2004 valuation to the Association membership as of December 31, 2005.

SECTION 1: Valuation Summary for the Alameda County Employees' Retirement Association

Summary of Key Valuation Demographic and Financial Data

	December 31, 2005	December 31, 2004	Percentage Change
Active Members:			
Number of members	10,503	10,556	-0.5%
Average age	46.5	46.3	N/A
Average service	11.1	11.0	N/A
Projected total compensation	\$709,783,000	\$694,626,000	2.2%
Average projected compensation	\$67,579	\$65,804	2.7%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,961	4,786	3.7%
Disability retired	701	658	6.5%
Beneficiaries	1,056	1,031	2.4%
Total	6,718	6,475	3.8%
Average age	70.8	71.0	N/A
Average monthly benefit ⁽¹⁾	\$2,348	\$2,143	9.6%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	1,522	1,361	11.8%
Average age	47.3	47.5	N/A
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$4,619,171	\$4,322,442	6.9%
Return on market value of assets	8.09%	11.49%	N/A
Actuarial value of assets	\$4,346,479	\$4,111,739	5.7%
Return on actuarial value of assets	6.99%	5.87%	N/A
Valuation value of assets	\$3,781,843	\$3,557,918	6.3%
Return on valuation value of assets	6.97%	5.79%	N/A

(1) Excludes monthly benefits payable from the SRBR.

(2) Includes members who left their contributions on deposit even though they have less than five years of service.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested 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 five valuations can be seen in this chart.

CHART 1
Member Population: 2001 – 2005

Year Ended December 31	Active Members	Vested Terminated Members*	Retired Members and Beneficiaries	Ratio of Non-Actives to Actives
2001	10,974	1,025	5,867	0.63
2002	11,338	1,141	5,996	0.63
2003	11,220	1,224	6,287	0.67
2004	10,556	1,361	6,475	0.74
2005	10,503	1,522	6,718	0.78

**Includes terminated members due a refund of member contributions*

SECTION 2: Valuation Results for the Alameda 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 10,503 active members with an average age of 46.5 years, average years of service of 11.1 and average compensation of \$67,579. The 10,556 active members in the prior valuation had an average age of 46.3 years, average service of 11.0 and average compensation of \$65,804.

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

Inactive Members

In this year's valuation, there were 1,522 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 1,361 in the prior valuation.

These graphs show a distribution of active members by age and by years of service. Age and years of service have been projected to December 31, 2005 based on census data collected as of November 30, 2005.

CHART 2
Distribution of Active Members by Age as of December 31, 2005

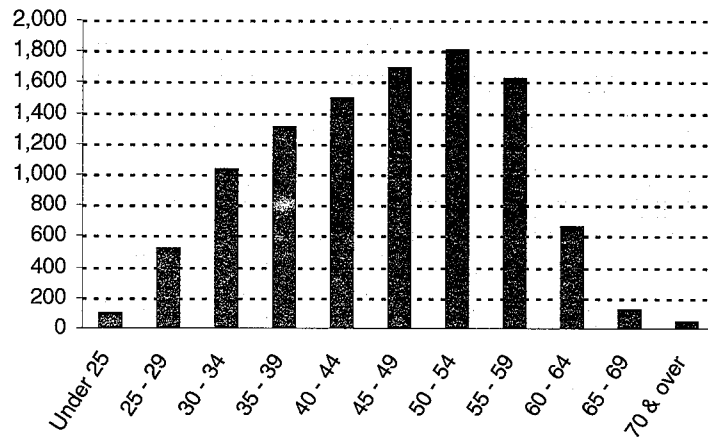
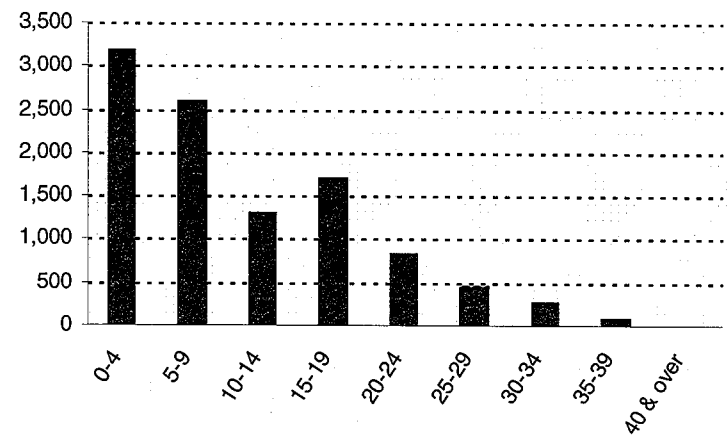


CHART 3
Distribution of Active Members by Years of Service as of December 31, 2005



SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

Retired Members and Beneficiaries

As of December 31, 2005, 5,662 retired members and 1,056 beneficiaries were receiving total monthly benefits of \$15,778,105. For comparison, in the previous valuation, there were 5,444 retired members and 1,031 beneficiaries receiving monthly benefits of \$13,876,385. These monthly benefits exclude supplemental COLA benefits payable from the Supplemental Retiree Benefit Reserve (SRBR). The December 31, 2005 data reflects a benefit improvement for some Safety retirees.

These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension. Age has been projected to December 31, 2005 based on census data collected as of November 30, 2005.

CHART 4

Distribution of Retired Members (Excl. Beneficiaries) by Type and by Monthly Amount as of December 31, 2005

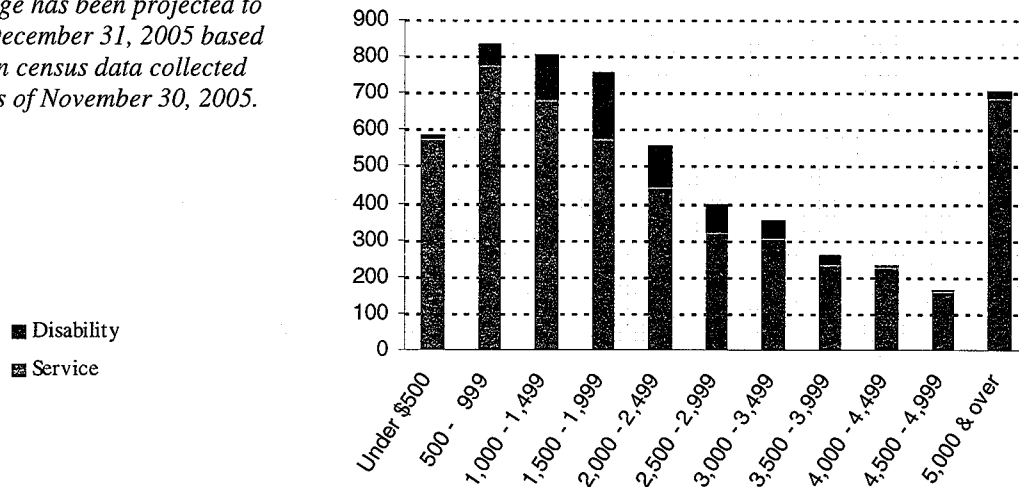
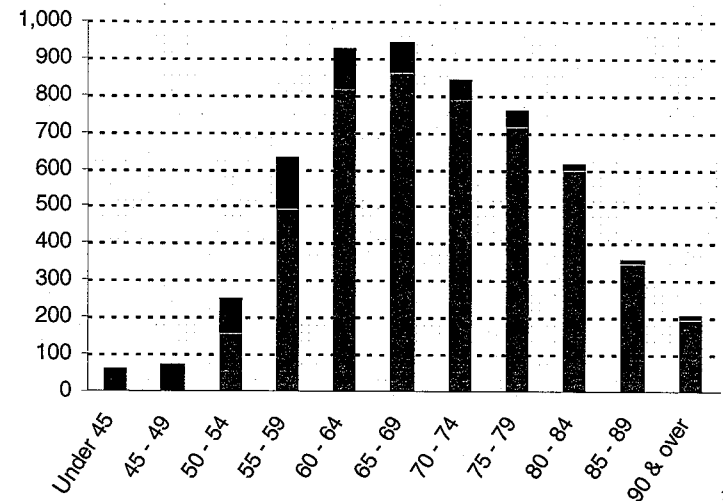


CHART 5

Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of December 31, 2005



SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

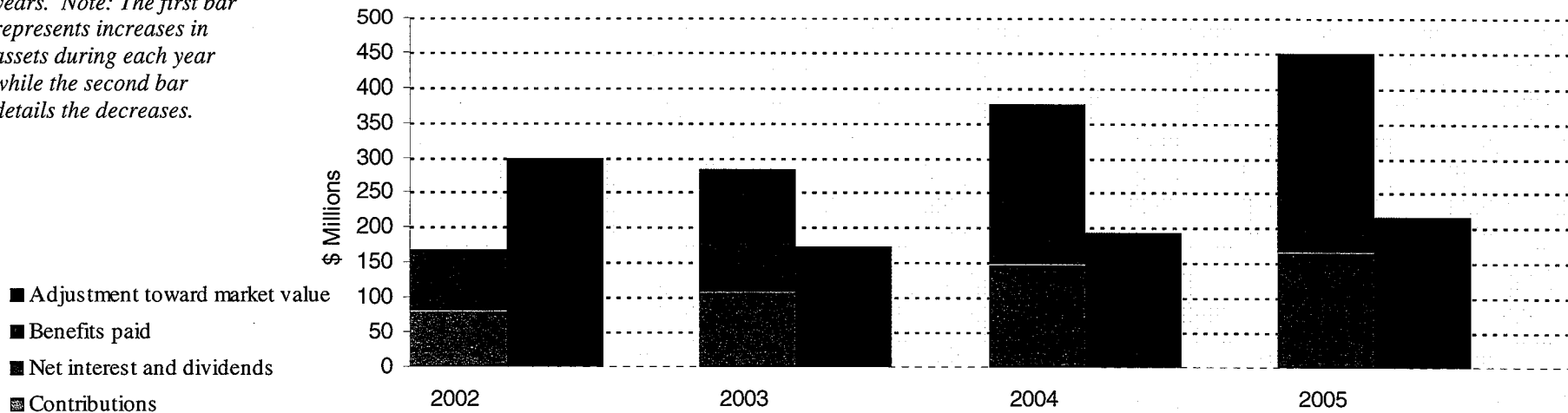
B. FINANCIAL INFORMATION

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 and E.

The chart depicts the components of changes in the actuarial value of assets over the last four years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2002 through 2005



SECTION 2: Valuation Results for the Alameda 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 valuation 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 of assets.

The determination of the Actuarial Value of Assets is provided on the following page.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

CHART 7

Determination of Actuarial Value of Assets for Year Ended December 31, 2005

Six Month Period		Total Actual	Expected Market	Investment	Deferred	Deferred
From	To	Market	Return (net)	Gain (Loss)	Factor	Return
		Return (net)				
07/01/2001	12/31/2001	\$ (52,912,745)	\$148,172,548	\$(201,085,293)	0.1	\$(20,108,529)
01/01/2002	06/30/2002	(111,719,793)	144,243,116	(255,962,909)	0.2	(51,192,582)
07/01/2002	12/31/2002	(140,700,812)	137,930,598	(66,464,719) ⁽¹⁾	0.3	(19,939,416)
01/01/2003	06/30/2003	343,293,215	130,468,435	212,824,779	0.4	85,129,912
07/01/2003	12/31/2003	458,724,045	138,808,857	319,915,188	0.5	159,957,594
01/01/2004	06/30/2004	94,823,439	156,374,705	(61,551,266)	0.6	(36,930,760)
07/01/2004	12/31/2004	352,972,448	159,211,156	193,607,452 ⁽²⁾	0.7	135,525,216
01/01/2005	06/30/2005	33,986,034	172,336,225	(138,350,191)	0.8	(110,680,153)
07/01/2005	12/31/2005	313,736,548	168,257,993	145,478,556	0.9	130,930,700

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

1. Total Deferred Return	\$272,691,982
2. Net Market Value	4,619,170,513
3. Actuarial Value of Assets (Item 2 – Item 1)	4,346,478,531
4. Actuarial Value of Assets – Corridor Limits:	
a. Lower Limit – 80% of Net Market Value	3,695,336,410
b. Upper Limit – 120% of Net Market Value	5,543,004,615
5. Actuarial Value of Assets (within corridor)	4,346,478,531
6. Non-valuation reserves and designations:	
a. Reserve for Interest Fluctuations (Contingency Reserve)	52,720,663
b. Supplemental Retirees Benefits Reserve	503,529,951
c. Other Non-Valuation Reserves (Death Benefit-Burial & 401(h) Reserves)	8,385,296
d. Subtotal	\$564,635,910
7. Valuation Value of Assets (Item 5 – Item 6)	\$3,781,842,621

⁽¹⁾ Limited so that total deferred losses would be no greater than 20% of market value as of 12/31/2002.

⁽²⁾ After adjustment for change in accounting principle made by ACERA to the market value of assets as of 12/31/2004.

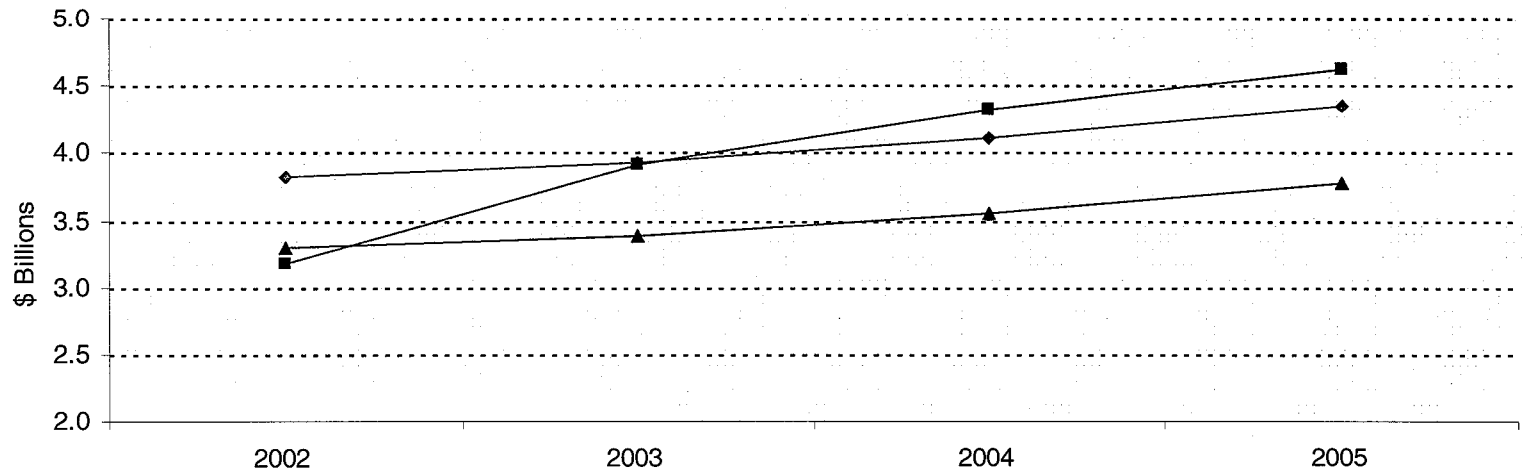
SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

The market value, actuarial value, and valuation value of assets are representations of the ACERA'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 the ACERA'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 four years.

CHART 8

Market Value, Actuarial Value and Valuation Value of Assets as of December 31, 2002 – 2005



◆ Actuarial Value
■ Market Value
▲ Valuation Value

SECTION 2: Valuation Results for the Alameda 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 \$7.6 million, a loss of \$29.5 million from investments and a gain of \$21.9 million from all other sources. The net experience variation from individual sources other than investments was 0.48% 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 9

Actuarial Experience for Year Ended December 31, 2005

1. Net gain/(loss) from investments ⁽¹⁾	-\$29,547,000
2. Net gain/(loss) from other experience ⁽²⁾	<u>21,914,000</u>
3. Net experience gain/(loss): (1) + (2)	-\$7,633,000

⁽¹⁾ Details in Chart 10.

⁽²⁾ See Section 3, Exhibit H.

SECTION 2: Valuation Results for the Alameda 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 the ACERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets was 7.80% (based on December 31, 2004 valuation). The actual rate of return on a valuation basis for the 2005 plan year was 6.97%.

Since the actual return for the year was less than the assumed return, the ACERA experienced an actuarial loss during the year ended December 31, 2005 with regard to its investments.

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

CHART 10

Investment Experience for Year Ended December 31, 2005 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Actual return	\$ 247,067,988	\$ 285,732,957
2. Average value of assets	3,546,346,416	4,086,242,468
3. Actual rate of return: (1) ÷ (2)	6.97%	6.99%
4. Assumed rate of return	7.80%	7.80%
5. Expected return: (2) x (4)	276,615,020	318,726,913
6. Actuarial gain/(loss): (1) – (5)	<u>-\$29,547,032</u>	<u>-\$32,993,956</u>

SECTION 2: Valuation Results for the Alameda 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 four years.

Based on the assumptions adopted by the Board for the December 31, 2005 valuation, the investment return assumption has been increased from 7.80% to 7.90%.

CHART 11

Investment Return – Actuarial Value, Valuation Value and Market Value: 2002 - 2005

Year Ended December 31	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2002	\$ 35,537,359	1.08%	-\$47,643,106	-1.22%	-\$252,420,614	-7.26%
2003	128,596,301	3.93%	173,434,404	4.58%	802,017,260	25.46%
2004	195,406,503	5.79%	229,088,351	5.87%	447,795,887	11.49%
2005	247,067,988	6.97%	285,732,957	6.99%	347,722,582	8.09%
Total	\$606,608,151		\$640,612,606		\$1,345,115,115	

SECTION 2: Valuation Results for the Alameda 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.

CHART 12

Market, Actuarial and Valuation Rates of Return for Years Ended December 31, 2002 - 2005



SECTION 2: Valuation Results for the Alameda 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:

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

- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended December 31, 2005 amounted to \$21.9 million which is 0.48% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the Alameda 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 UAAL) 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 annual inflation rate of 4.00% (i.e., 3.75% inflation plus 0.25% real across-the-board salary increase). The current UAAL is being recognized over a declining 27-year period.

The recommended employer contributions are provided on Chart 13.

SECTION 2: Valuation Results for the Alameda 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 Salary for General Tier 1 and all Safety members and 1/120 of Final Average Salary for General Tier 2 members. That age is 60 for all General and 50 for all Safety 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 the assumed investment earning rate. Following the procedure established by the Board, basic member rates have been adjusted to anticipate conversion of terminal pay at retirement.

The member contribution rates provided in Appendix A.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

CHART 13

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

County Only ⁽¹⁾	December 31, 2005						December 31, 2004			
	BASIC		COLA		TOTAL		BASIC & COLA COMBINED			
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
General Tier 1 Members ⁽²⁾										
Normal Cost	9.08%	\$8,191	2.83%	\$2,553	11.91%	\$10,744	13.21%	\$11,916		
UAAL (Before POB Credit)	7.41%	6,684	2.21%	1,994	9.62%	8,678	9.53%	8,597		
Pension Obligation Bond credit	<u>-2.56%</u>	<u>-2,309</u>	<u>-2.51%</u>	<u>-2,265</u>	<u>-5.07%</u>	<u>-4,574</u>	<u>-4.83%</u>	<u>-4,357</u>		
Total Contribution	13.93%	\$12,566	2.53%	\$2,282	16.46%	\$14,848	17.91%	\$16,156		
General Tier 2 Members ⁽²⁾										
Normal Cost	8.23%	\$41,045	1.52%	\$7,581	9.75%	\$48,626	10.26%	\$51,170		
UAAL (Before POB Credit)	7.41%	36,956	2.21%	11,022	9.62%	47,978	9.53%	47,529		
Pension Obligation Bond credit	<u>-2.56%</u>	<u>-12,767</u>	<u>-2.51%</u>	<u>-12,519</u>	<u>-5.07%</u>	<u>-25,286</u>	<u>-4.83%</u>	<u>-24,089</u>		
Total Contribution	13.08%	\$65,234	1.22%	\$6,084	14.30%	\$71,318	14.96%	\$74,610		
Safety Tier 1 Members										
Normal Cost	17.66%	\$3,186	6.27%	\$1,132	23.93%	\$4,318	25.69%	\$4,635		
Member Cost Sharing contributions (Adjusted for Refunds)	-3.00%	-541			-3.00%	-541	-3.00%	-541		
UAAL (Before POB Credit)	14.99%	2,705	6.05%	1,091	21.04%	3,796	18.59%	3,354		
Pension Obligation Bond credit	<u>-0.71%</u>	<u>-128</u>	<u>-4.21%</u>	<u>-760</u>	<u>-4.92%</u>	<u>-888</u>	<u>-4.47%</u>	<u>-807</u>		
Total Contribution	28.94%	\$5,222	8.11%	\$1,463	37.05%	\$6,685	36.81%	\$6,641		
Safety Tier 2 Members										
Normal Cost	14.00%	\$13,355	2.68%	\$2,557	16.68%	\$15,912	17.93%	\$17,104		
Member Cost Sharing contributions (Adjusted for Refunds)	-2.96%	-2,824			-2.96%	-2,824	-2.96%	-2,824		
UAAL (Before POB Credit)	14.99%	14,300	6.05%	5,771	21.04%	20,071	18.59%	17,734		
Pension Obligation Bond credit	<u>-0.71%</u>	<u>-677</u>	<u>-4.21%</u>	<u>-4,016</u>	<u>-4.92%</u>	<u>-4,693</u>	<u>-4.47%</u>	<u>-4,264</u>		
Total Contribution	25.32%	\$24,154	4.52%	\$4,312	29.84%	\$28,466	29.09%	\$27,750		
All County Categories Combined										
Normal Cost	9.36%	\$65,777	1.97%	\$13,823	11.33%	\$79,600	12.08%	\$84,825		
Member Cost Sharing contributions (Adjusted for Refunds)	-0.48%	-3,365			-0.48%	-3,365	-0.48%	-3,365		
UAAL (Before POB Credit)	8.63%	60,645	2.83%	19,878	11.46%	80,523	10.99%	77,214		
Pension Obligation Bond credit	<u>-2.26%</u>	<u>-15,881</u>	<u>-2.79%</u>	<u>-19,560</u>	<u>-5.05%</u>	<u>-35,441</u>	<u>-4.77%</u>	<u>-33,517</u>		
Total Contribution	15.25%	\$107,176	2.01%	\$14,141	17.26%	\$121,317	17.82%	\$125,157		

⁽¹⁾ Includes Hospital Authority and Court and First 5 employees.

⁽²⁾ Hospital Authority, Court and First 5 pay the same rate as the County plus Pension Obligation Bond debt service.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

CHART 13 (Continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

	December 31, 2005						December 31, 2004	
	BASIC		COLA		TOTAL		BASIC AND COLA COMBINED	
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
General Tier 1 Members – District								
Normal Cost	9.08%	\$673	2.83%	\$209	11.91%	\$882	13.21%	\$979
UAAL	<u>7.41%</u>	<u>549</u>	<u>2.21%</u>	<u>164</u>	<u>9.62%</u>	<u>713</u>	<u>9.53%</u>	<u>706</u>
Total Contribution	16.49%	\$1,222	5.04%	\$373	21.53%	\$1,595	22.74%	\$1,685
County & District Categories Combined								
Normal Cost (Net)	8.89%	\$63,085	1.98%	\$14,032	10.87%	\$77,117	11.61%	\$82,439
UAAL (Net)	<u>6.38%</u>	<u>45,313</u>	<u>0.07%</u>	<u>482</u>	<u>6.45%</u>	<u>45,795</u>	<u>6.26%</u>	<u>44,403</u>
Total Contribution	15.27%	\$108,398	2.05%	\$14,514	17.32%	\$122,912	17.87%	\$126,842

* Based on December 31, 2005 annual payroll. See below:

	County Only	District Only	Total
General Tier 1	\$ 90,208	\$ 7,409	\$ 97,617
General Tier 2	498,729		498,729
Safety Tier 1	18,043		18,043
Safety Tier 2	95,394		95,394
Total	\$ 702,374	\$ 7,409	\$ 709,783

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

CHART 14

Breakdown of Employer Contribution Rate by Types of Benefit (For information purposes only)

A breakdown of the approximate portion of the employer contribution rate by the various types of benefit is as follows:

	<u>General</u>	<u>Safety</u>
Service and non-service connected disability benefits	19%	20%
Service retirement and other benefits	<u>81%</u>	<u>80%</u>
	100%	100%

Note: In developing these percentages, we made the simplifying assumption that the liability for active and inactive members (including members who have already retired) can be approximated by the proportion of the normal cost required to fund disability and non-disability benefits.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

The employer contribution rates as of December 31, 2005 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 Employer 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 employer contribution from the prior valuation to the amount determined in this valuation.

CHART 15

Reconciliation of Recommended Employer Contribution from December 31, 2004 to December 31, 2005 (Dollars in Thousands)

	Contribution Rate	Estimated Amount*
Recommended Contribution Rate as of December 31, 2004	17.87%	\$126,842
Effect of actuarial experience during 2005:		
1. Effect of investment loss	0.24%	\$1,703
2. Effect of lower than expected salary increase	-0.28%	-1,987
3. Effect of higher UAAL rate due to payroll increasing by less than 4.25%	0.16%	1,136
4. Effect of reflecting additional improved Safety benefits	0.15%	1,065
5. Effect of other experience (gain)/loss	0.22%	1,535
6. Effect of change in actuarial assumptions	-1.04%	-7,382
Subtotal	-0.55%	-\$3,930
Recommended Contribution Rate as of December 31, 2005	17.32%	\$122,912

* Based on December 31, 2005 projected compensation.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

The member contribution rates as of December 31, 2005 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 Member Contribution Rate

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

CHART 16

Reconciliation of Recommended Member Contribution from December 31, 2004 to December 31, 2005 (Dollar Amounts in Thousands)

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

	Contribution Rate	Estimated Amount*
Average Contribution Rate as of December 31, 2004	9.24%	\$65,600
1. Effect of change in actuarial assumptions	-0.43%	-\$3,099
Average Contribution Rate as of December 31, 2005	8.81%	\$62,501

* Based on December 31, 2005 projected compensation.

SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

E. INFORMATION REQUIRED BY GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of 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

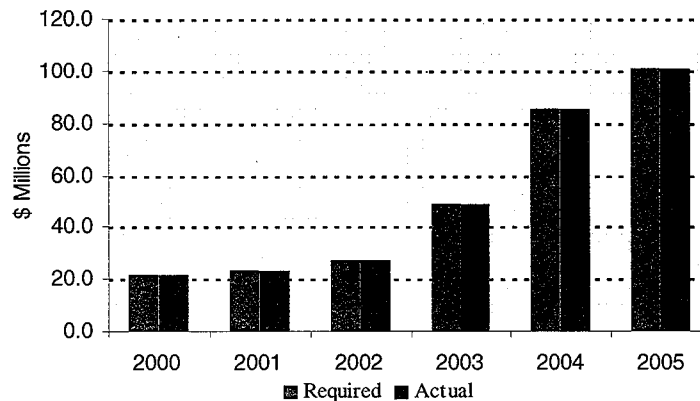
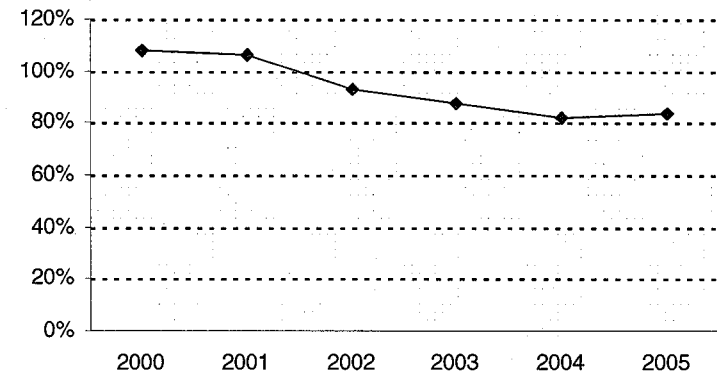


CHART 18
Funded Ratio



SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended December 31		Change From Prior Year
	2005	2004	
Active members in valuation			
Number	1,327	1,466	-9.5%
Average age	54.7	54.2	N/A
Average service	24.8	24.2	N/A
Projected total compensation	\$97,617,481	\$107,984,000	-9.6%
Projected average compensation	\$73,563	\$73,659	-0.1%
Member account balances	\$294,507,022	\$305,903,595	-3.7%
Total active vested members	1,271	1,401	-9.3%
Vested terminated members			
Number	266	283	-6.0%
Average age	55.2	54.8	N/A
Retired members			
Number in pay status	3,655	3,646	0.2%
Average age	73.6	73.6	N/A
Average monthly benefit ⁽¹⁾	\$2,461	\$2,259	8.9%
Disabled members			
Number in pay status	256	251	2.0%
Average age	67.1	67.0	N/A
Average monthly benefit ⁽¹⁾	\$1,902	\$1,763	7.9%
Beneficiaries			
Number in pay status	836	829	0.8%
Average age	78.5	78.4	N/A
Average monthly benefit ⁽¹⁾	\$1,156	\$1,085	6.5%

(1) Excludes supplemental benefits paid from SRBR.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended December 31		Change From Prior Year
	2005	2004	
Active members in valuation			
Number	7,808	7,672	1.8%
Average age	45.8	45.4	N/A
Average service	8.7	8.3	N/A
Projected total compensation	\$498,728,929	\$471,381,000	5.8%
Projected average compensation	\$63,874	\$61,442	4.0%
Member account balances	\$340,300,012	\$308,395,511	10.3%
Total active vested members	4,997	4,531	10.3%
Vested terminated members			
Number	1,073	914	17.4%
Average age	45.8	45.8	N/A
Retired members			
Number in pay status	650	549	18.4%
Average age	65.2	65.3	N/A
Average monthly benefit ⁽¹⁾	\$1,272	\$1,186	7.3%
Disabled members			
Number in pay status	284	255	11.4%
Average age	55.4	54.7	N/A
Average monthly benefit ⁽¹⁾	\$1,807	\$1,741	3.8%
Beneficiaries			
Number in pay status	83	70	18.6%
Average age	60.6	60.2	N/A
Average monthly benefit ⁽¹⁾	\$881	\$801	10.0%

(1) Excludes supplemental benefits paid from SRBR.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

iii. Safety Tier 1

Category	Year Ended December 31		Change From Prior Year
	2005	2004	
Active members in valuation			
Number	182	241	-24.5%
Average age	52.2	52.0	N/A
Average service	24.7	25.0	N/A
Projected total compensation	\$18,042,657	\$23,444,000	-23.0%
Projected average compensation	\$99,135	\$97,279	1.9%
Member account balances	\$64,227,249	\$82,884,280	-22.5%
Total active vested members	180	239	-24.7%
Vested terminated members			
Number	50	47	6.4%
Average age	50.3	49.2	N/A
Retired members			
Number in pay status	588	539	9.1%
Average age	64.6	64.8	N/A
Average monthly benefit ⁽¹⁾	\$5,079	\$4,404	15.3%
Disabled members			
Number in pay status	92	93	-1.1%
Average age	60.4	59.9	N/A
Average monthly benefit ⁽¹⁾	\$3,539	\$3,218	10.0%
Beneficiaries			
Number in pay status	121	117	3.4%
Average age	70.6	71.5	N/A
Average monthly benefit ⁽¹⁾	\$1,922	\$1,749	9.9%

(1) Excludes supplemental benefits paid from SRBR.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

iv. Safety Tier 2

Category	Year Ended December 31		Change From Prior Year
	2005	2004	
Active members in valuation			
Number	1,186	1,177	0.8%
Average age	41.2	40.9	N/A
Average service	9.8	9.3	N/A
Projected total compensation	\$95,394,301	\$91,817,000	3.9%
Projected average compensation	\$80,434	\$78,009	3.1%
Member account balances	\$103,242,240	\$92,372,827	11.8%
Total active vested members	876	822	6.6%
Vested terminated members			
Number	133	117	13.7%
Average age	42.1	42.2	N/A
Retired members			
Number in pay status	68	52	30.8%
Average age	60.5	60.2	N/A
Average monthly benefit ⁽¹⁾	\$2,569	\$2,133	20.4%
Disabled members			
Number in pay status	69	59	16.9%
Average age	51.9	50.9	N/A
Average monthly benefit ⁽¹⁾	\$2,604	\$2,387	9.1%
Beneficiaries			
Number in pay status	16	15	6.7%
Average age	58.9	59.1	N/A
Average monthly benefit ⁽¹⁾	\$1,172	\$1,021	14.8%

(1) Excludes supplemental benefits paid from SRBR.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of December 31, 2005**

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	1	1	--	--	--	--	--	--	--	--
	\$38,644	\$38,644	--	--	--	--	--	--	--	--
25 - 29	3	3	--	--	--	--	--	--	--	--
	39,777	39,777	--	--	--	--	--	--	--	--
30 - 34	8	4	4	--	--	--	--	--	--	--
	54,734	55,621	\$53,847	--	--	--	--	--	--	--
35 - 39	15	13	--	1	1	--	--	--	--	--
	47,727	47,967	--	\$46,418	\$45,911	--	--	--	--	--
40 - 44	43	9	6	3	5	14	6	--	--	--
	56,393	50,272	51,987	56,252	46,849	\$64,288	\$59,584	--	--	--
45 - 49	172	7	6	12	31	59	52	5	--	--
	66,193	55,924	59,309	47,687	74,887	65,490	67,782	\$71,109	--	--
50 - 54	400	10	12	10	40	118	129	71	10	--
	72,688	57,799	62,276	65,688	63,672	76,104	76,403	71,766	\$61,438	--
55 - 59	482	7	10	6	42	110	135	130	41	1
	78,054	57,828	65,370	54,392	69,121	72,862	79,583	88,188	74,418	\$60,043
60 - 64	177	2	3	2	8	37	54	38	33	--
	81,652	51,800	52,784	82,207	74,177	73,279	78,882	84,980	97,952	--
65 - 69	17	--	--	--	--	3	6	5	3	--
	53,157	--	--	--	--	47,922	48,527	55,291	64,095	--
70 & over	9	--	1	--	--	--	2	1	4	1
	49,141	--	42,175	--	--	--	46,694	58,058	46,446	62,862
Total	1,327	56	42	34	127	341	384	250	91	2
	\$73,563	\$52,399	\$59,160	\$56,914	\$68,071	\$72,182	\$75,849	\$81,916	\$79,956	\$61,452

Note: Age and years of service was projected from November 30, 2005 to December 31, 2005.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of December 31, 2005**

ii. General Tier 2

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	99	94	5	--	--	--	--	--	--
	\$43,298	\$43,111	\$46,802	--	--	--	--	--	--
25 - 29	432	349	83	--	--	--	--	--	--
	50,612	51,309	47,682	--	--	--	--	--	--
30 - 34	798	490	279	27	2	--	--	--	--
	58,518	58,629	58,541	\$56,655	\$53,225	--	--	--	--
35 - 39	1,077	431	425	148	71	2	--	--	--
	63,432	61,142	65,081	67,908	58,178	\$61,491	--	--	--
40 - 44	1,214	394	324	220	231	45	--	--	--
	64,228	61,684	63,398	67,310	65,841	69,128	--	--	--
45 - 49	1,305	377	332	224	286	85	1	--	--
	65,979	61,586	65,176	65,466	70,981	72,497	\$118,629	--	--
50 - 54	1,250	329	306	195	320	100	--	--	--
	68,231	66,481	65,060	68,249	69,048	81,050	--	--	--
55 - 59	1,021	229	254	202	259	67	8	2	--
	66,917	62,853	68,609	67,847	66,859	68,937	86,529	\$84,858	--
60 - 64	464	99	117	89	112	42	4	1	--
	66,097	64,615	66,342	64,217	65,986	68,499	82,526	197,462	--
65 - 69	112	20	21	26	36	7	1	1	--
	63,392	62,404	63,123	63,153	61,822	67,808	133,042	51,031	--
70 & Over	36	11	6	4	12	3	--	--	--
	58,588	66,124	55,330	55,996	52,382	65,753	--	--	--
Total	7,808	2,823	2,152	1,135	1,329	351	14	4	--
	\$63,874	\$59,936	\$63,717	\$66,650	\$67,271	\$73,130	\$91,001	\$104,552	--

Note: Age and years of service was projected from November 30, 2005 to December 31, 2005.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of December 31, 2005**

iii. Safety Tier 1

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	--	--	--	--	--	--	--	--	--
25 - 29	--	--	--	--	--	--	--	--	--
30 - 34	--	--	--	--	--	--	--	--	--
35 - 39	--	--	--	--	--	--	--	--	--
40 - 44	3	--	--	--	--	3	--	--	--
45 - 49	\$105,597	--	--	--	--	\$105,597	--	--	--
50 - 54	56	--	1	2	6	28	19	--	--
55 - 59	103,534	--	\$59,836	\$83,506	\$109,257	99,573	\$111,973	--	--
60 - 64	69	2	1	--	9	22	28	7	--
65 - 69	94,314	\$87,813	79,000	--	94,656	86,521	98,310	\$106,425	--
70 & Over	51	--	--	1	2	16	17	12	3
Total	101,359	--	--	80,078	82,864	102,004	83,731	113,722	\$167,787
60 - 64	2	--	--	--	--	--	2	--	--
65 - 69	94,185	--	--	--	--	--	94,185	--	--
70 & Over	1	--	--	--	--	--	--	--	1
Total	62,604	--	--	--	--	--	--	--	62,604
Total	182	2	2	3	17	69	66	19	4
Total	\$99,135	\$87,813	\$69,418	\$82,364	\$98,422	\$96,237	\$98,363	\$111,033	\$141,491

Note: Age and years of service was projected from November 30, 2005 to December 31, 2005.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Average Compensation
By Age, Years of Service as of December 31, 2005**

iv. Safety Tier 2

Age	Years of Service						
	Total	0-4	5-9	10-14	15-19	20-24	25-29
Under 25	11	11	--	--	--	--	--
	\$61,564	\$61,564	--	--	--	--	--
25 - 29	94	70	24	--	--	--	--
	71,377	67,573	\$82,471	--	--	--	--
30 - 34	235	92	133	10	--	--	--
	74,400	68,028	77,739	\$88,620	--	--	--
35 - 39	229	62	112	43	12	--	--
	77,976	73,307	76,268	85,622	\$90,650	--	--
40 - 44	238	29	71	34	89	15	--
	84,197	74,662	79,768	83,238	89,379	\$95,024	--
45 - 49	168	12	32	21	67	36	--
	84,946	73,295	77,198	89,434	85,436	92,184	--
50 - 54	97	18	13	14	33	18	1
	85,365	90,606	77,829	83,156	86,621	84,645	\$91,460
55 - 59	80	13	15	9	28	15	--
	83,693	88,891	78,655	77,387	82,546	90,150	--
60 - 64	30	3	12	6	7	2	--
	95,760	91,192	107,895	90,187	91,911	59,986	--
65 - 69	3	--	1	2	--	--	--
	87,668	--	69,684	96,659	--	--	--
70 & Over	1	--	--	--	1	--	--
	245,564	--	--	--	245,564	--	--
Total	1,186	310	413	139	237	86	1
	\$80,434	\$71,986	\$78,815	\$85,405	\$87,871	\$89,998	\$91,460

Note: Age and years of service was projected from November 30, 2005 to December 31, 2005.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT C

Reconciliation of Member Data – December 31, 2004 to December 31, 2005

	Active Members	Vested Terminated Members	Pensioners	Disableds	Beneficiaries	Total
Number as of December 31, 2004	10,556	1,361	4,786	658	1,031	18,392
New members	706	0	0	0	0	706
Terminations – with vested rights	-259	259	0	0	0	0
Contributions Refunds	-187	-60	0	0	0	-247
Retirements	-299	-53	352	0	0	0
New disabilities	-32	-2	-14	48	0	0
Return to work	37	-37	0	0	0	0
Died with or without beneficiary	-19	-4	-176	-12	25*	-186
Data adjustments	0	58	13	7	0	78
Number as of December 31, 2005	10,503	1,522	4,961	701	1,056	18,743

**This is the net increase in the number of beneficiaries after subtracting the number of beneficiaries who died during the year.*

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended December 31,	
	2005	2004
Contribution income:		
Employer contributions	\$100,801,162	\$85,497,767
Employee contributions	<u>64,149,614</u>	<u>63,065,526</u>
Contribution income	\$164,950,776	\$148,563,293
Investment income:		
Interest, dividends and other income	\$129,546,640	\$106,465,301
Adjustment toward market value	188,385,676	147,009,454
Less investment and administrative fees	<u>-32,199,359</u>	<u>-24,386,404</u>
Net investment income	<u>285,732,957</u>	<u>229,088,351</u>
Total income available for benefits	\$450,683,733	\$377,651,644
Less benefit payments:		
Service retirement	-\$180,480,023	-\$161,411,401
Death payments	-2,339,979	-2,143,825
Supplemental cost of living	-5,076,960	-5,587,585
Members refunds	-6,080,366	-5,189,609
Health insurance subsidies	<u>-21,967,238</u>	<u>-19,589,165</u>
Benefit payments	-\$215,944,566	-\$193,921,585
Change in reserve for future benefits	\$234,739,167	\$183,730,059

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT E

Summary Statement of Assets

	Year Ended December 31,	
	2005	2004
Cash equivalents	\$4,466,669	\$2,294,424
Accounts receivable:		
Contributions	\$14,155,760	\$10,839,248
Accrued interest	18,321,986	18,123,059
Sales of securities	181,808,231	125,176,816
Others	<u>15,670,569</u>	<u>3,452,989</u>
Total accounts receivable	229,956,546	157,592,112
Investments:		
Equities	\$2,949,879,895	\$2,661,881,880
Fixed income investments (incl short term investments)	1,369,324,291	1,412,301,421
Real estate	185,964,005	177,318,454
Housing Trust	53,614,144	52,232,949
Securities lending collateral	474,588,519	353,491,227
Capital assets	<u>4,272,182</u>	<u>6,124,519</u>
Total investments at market value	<u>5,037,643,036</u>	<u>4,663,350,450</u>
Total assets	\$5,272,066,251	\$4,823,236,986
Less accounts payable:		
Securities lending & settlement of securities purchased	-\$638,052,586	-\$491,057,050
Members benefits & refund, stock dividends, and retirement payroll deductions payable	-8,840,369	-2,087,323
Professional service	-6,002,783	-3,652,885
Others	<u>0</u>	<u>-3,998,007</u>
Total accounts payable	-\$652,895,738	-\$500,795,265
Net assets at market value	<u>\$4,619,170,513</u>	<u>\$4,322,441,720</u>
Net assets at actuarial value	<u>\$4,346,478,531</u>	<u>\$4,111,739,363</u>
Net assets at valuation value	<u>\$3,781,842,621</u>	<u>\$3,557,918,199</u>

Note: Results may not total properly due to rounding.

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT F

Actuarial Balance Sheet

An overview of your 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 will 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)

Assets	Basic	COLA	Total
1. Total valuation assets	\$2,457,018	\$1,324,825	\$3,781,843
2. Present value of future contributions by members	\$452,152	\$111,548	\$563,700
3. Present value of future employer contributions for:			
a. entry age normal cost	\$532,509	\$110,028	\$642,537
b. unfunded actuarial accrued liability	\$757,765	\$8,605	\$766,370
4. Total current and future assets	\$4,199,444	\$1,555,006	\$5,754,450
Liabilities			
5. Present value of benefits already granted	\$1,377,350	\$840,023	\$2,217,373
6. Present value of benefits to be granted	\$2,822,094	\$714,983	\$3,537,077
7. Total liabilities	\$4,199,444	\$1,555,006	\$5,754,450

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT G

Summary of Reported Asset Information as of December 31, 2005

	Reserves
Used in Development of Valuation Value of Assets	
Members deposit-basic	\$ 757,784,358
Members cost-of-living	185,164,318
Employer advance	347,190,424
Pension reserve-current	844,424,721
Pension reserve-prior	2,825,975
Annuity reserve	499,422,990
Cost-of-living reserve	1,139,659,752
Survivor death benefit	5,370,083
Subtotal	\$ 3,781,842,621
Not Used in Development of Valuation Value of Assets	
401(h) account	\$ 3,185,249
Death benefit-burial	5,200,047
Supplemental retirees benefit reserve	503,529,951
Contingency reserve	52,720,663
Market stabilization reserve	272,691,982
Subtotal	\$ 837,327,892
Total	\$ 4,619,170,513

SECTION 3: Supplemental Information for the Alameda County Employees' Retirement Association

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability as of December 31, 2005

(Dollar amounts in Thousands)

1	Unfunded actuarial accrued liability at beginning of year	
	a. Before Safety improvement	\$682,635
	b. After Safety improvement for all active members as of December 31, 2004	778,205
2	Gross Normal Cost at middle of year	147,276
3	Actual employer and member contributions	-164,951
4	Interest (whole year on (1b) plus half year on (2) + (3))	<u>60,011</u>
5	Expected unfunded actuarial accrued liability at end of year	\$820,541
6	Actuarial (gain)/loss due to all changes:	
	a. Loss from investment	\$29,547
	b. Lower than expected salary increase	-34,557
	c. Change in assumptions	-80,819
	d. Other experience (gain)/loss	<u>12,643</u>
	e. Subtotal	-\$73,186
7	Reflecting additional improved Safety benefits	\$19,015
8	Actual unfunded actuarial accrued liability at end of year (5) + (6e) + (7)	\$766,370

SECTION 3: Supplemental Information for the Alameda 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 indexed for inflation. That limit is \$170,000 for 2005 and \$175,000 for 2006. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must generally 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 Alameda 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 net, in this case, of investment and administrative expenses.
- (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;
- (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 (Overfunded) 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 paying off 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 Alameda 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 capital gains and losses to avoid significant swings in the value of assets from one year to the next.

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

EXHIBIT I

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

Plan Year Ended December 31	Annual Required Contributions	Actual Contributions	Percentage Contributed
2000	\$ 22	\$ 22	100.0%
2001	23	23	100.0%
2002	27	27	100.0%
2003	49	49	100.0%
2004	85	85	100.0%
2005	101	101	100.0%

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

EXHIBIT II

Supplementary Information Required by GASB – Schedule of Funding Progress (Dollar Amounts in Thousands)

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)
12/31/2000	3,169,178	2,936,631	(232,547)	107.9	532,305	-43.7
12/31/2001	3,321,794	3,140,216	(181,579)	105.8	590,392	-30.8
12/31/2002	3,294,053	3,559,613	265,560	92.5	640,777	41.4
12/31/2003	3,381,757	3,890,043	508,286	86.9	714,344	71.2
12/31/2004 ⁽³⁾	3,557,918	4,336,123	778,205	82.1	694,626	112.0
12/31/2005	3,781,843	4,548,213	766,370	83.2	709,783	108.0

⁽¹⁾ Excludes assets for SRBR and other non-valuation reserves.

⁽²⁾ Excludes liabilities for SRBR and other non-valuation reserves.

⁽³⁾ After reflecting Safety improvement for all active Safety members as of December 31, 2004. Before reflecting the improvement, the UAAL was \$682,635,000 and the funded ratio was 83.9%.

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

EXHIBIT III

Supplementary Information Required by GASB

Valuation date	December 31, 2005
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll for total unfunded liability
Remaining amortization period	27 years (declining) for all UAAL
Asset valuation method	The Actuarial Value of Assets is determined by phasing in any difference between actual and expected market return over 10 six-month interest crediting periods. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.

Actuarial assumptions:

Investment rate of return	7.90%
Inflation rate	3.75%
Real across-the-board salary increase	0.25%
Projected salary increases*	General: 4.73% to 7.68% and Safety: 4.26% to 7.61%
Cost of living adjustments	3.00% of Tier 1 retirement income and 2.00% of Tier 2 retirement income

Plan membership:

Retired members and beneficiaries receiving benefits	6,718
Terminated members entitled to, but not yet receiving benefits	1,522
Active members	<u>10,503</u>
Total	18,743

* Includes inflation at 3.75% plus real across-the-board salary increase of 0.25% plus merit and longevity increases. See Exhibit IV for these increases.

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

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Post – Retirement Mortality Rates:

Healthy:

For General Members and Beneficiaries: 1994 Group Annuity Mortality Table.

For Safety Members and Beneficiaries: 1994 Group Annuity Mortality Table.

Disabled:

For General Members: 1981 General Disability Mortality Table set back seven years.

For Safety members: 1981 Safety Disability Mortality Table set back two years.

*Employee Contribution Rates
and Optional Benefits:*

For General members, 1994 Group Annuity Mortality Table weighted 30% male and 70% female.

For Safety members, 1994 Group Annuity Mortality Table weighted 75% male and 25% female.

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

Termination Rates Before Retirement:

Age	Rate (%)			
	Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.07	0.03	0.07	0.03
30	0.08	0.04	0.08	0.04
35	0.09	0.05	0.09	0.05
40	0.11	0.07	0.11	0.07
45	0.16	0.10	0.16	0.10
50	0.26	0.14	0.26	0.14
55	0.44	0.23	0.44	0.23
60	0.80	0.44	0.80	0.44
65	1.45	0.86	1.45	0.86

All pre-retirement deaths are assumed to be non-service connected.

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

Termination Rates Before Retirement (Continued):

Age	Rate (%)	
	Disability	
	General⁽¹⁾	Safety⁽²⁾
20	0.00	0.00
25	0.01	0.00
30	0.07	0.24
35	0.22	0.46
40	0.36	0.62
45	0.46	0.94
50	0.56	1.16
55	0.78	1.20
60	1.02	0.48

⁽¹⁾ 80% of General disabilities are assumed to be duty disabilities. The other 20% are assumed to be ordinary disabilities.

⁽²⁾ 100% of Safety disabilities are assumed to be duty disabilities.

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

Termination Rates Before Retirement (Continued):

Rate (%)

Withdrawal (< 5 Years of Service)

<u>Years of Service</u>	<u>General</u>	<u>Safety</u>
0	12.00	5.00
1	10.00	5.00
2	9.00	5.00
3	7.00	4.00
4	4.00	4.00

Withdrawal (5+ Years of Service) *

<u>Age</u>	<u>General</u>	<u>Safety</u>
20	4.00	3.00
25	4.00	3.00
30	4.00	3.00
35	4.00	2.10
40	3.40	1.20
45	2.40	1.00
50	2.00	1.00
55	2.00	1.00
60	1.40	0.40

* 25% of all terminated members will choose a refund of contributions and 75% will choose a deferred vested benefit. No withdrawal is assumed after a member is eligible for retirement.

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

Retirement Rates:

Age	Rate(%)			
	General Tier 1	General Tier 2	Safety Tier 1	Safety Tier 2
50	3.00	2.00	33.00	4.00
51	2.00	2.00	25.00	2.00
52	2.00	2.00	25.00	2.00
53	3.00	2.00	33.00	3.00
54	3.00	2.00	33.00	8.00
55	7.00	3.00	50.00	15.00
56	7.00	4.00	50.00	12.00
57	8.00	5.00	50.00	25.00
58	10.00	6.00	50.00	11.00
59	15.00	6.00	50.00	27.00
60	20.00	8.00	100.00	100.00
61	20.00	10.00	100.00	100.00
62	30.00	20.00	100.00	100.00
63	25.00	16.00	100.00	100.00
64	25.00	20.00	100.00	100.00
65	30.00	25.00	100.00	100.00
66	25.00	20.00	100.00	100.00
67	25.00	35.00	100.00	100.00
68	25.00	45.00	100.00	100.00
69	50.00	55.00	100.00	100.00
70	100.00	100.00	100.00	100.00

Note: Retirement rate is 100% after a member attains 100% of FAS and this 100% retirement assumption is applied to both Safety Tier 1 and Tier 2 members.

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

**Retirement Age and Benefit for
Deferred Vested Members**

For current deferred vested members, retirement assumptions are as follows:

General: Age 58
Safety: Age 55

We assume that 40% of future General and Safety deferred vested members will continue to work for a reciprocal employer. For these, we assume 5.40% compensation increases per annum.

Future Benefit Accruals:

1.0 year of service per year of employment plus 0.008 year of additional service to anticipate conversion of unused sick leave for each year of employment.

Unknown Data for Members:

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

**Inclusion of Deferred Vested
Members:**

All deferred vested members are included in the valuation.

Percent Married:

80% of male members; 55% of female members.

Age of Spouse:

Wives are 3 years younger than their husbands.

Net Investment Return:

7.90%, net of administration and investment expenses (approximately 1% of assets)

**Employee Contribution
Crediting Rate:**

7.90%, compounded semi-annually.

Consumer Price Index:

Increase of 3.75% per year, retiree COLA increases due to CPI subject to a 3% maximum change per year for General and Safety Tier 1 and 2% maximum change per year for General and Safety Tier 2.

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

Salary Increases:

Annual Rate of Compensation Increase		
Inflation: 3.75%; an additional 0.25% "across the board" salary increases (other than inflation); plus the following Merit and Longevity increases based on age.		
Age	General	Safety
25	3.68%	3.61%
30	2.82%	2.70%
35	2.31%	1.57%
40	1.99%	1.15%
45	1.60%	1.13%
50	1.40%	0.95%
55	1.12%	0.73%
60	0.86%	0.26%
65	0.73%	0.00%

Actuarial Value of Assets:

The Actuarial Value of Assets is determined by phasing in any difference between actual and expected market return over 10 six-month interest crediting periods.

Valuation Value of Assets:

The Actuarial Value of Assets reduced by the value of the non-valuation reserves.

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.

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

Terminal Pay Assumptions:

Additional pay elements are expected to be received during a member's final average earnings period. The percentages, added to the final year salary, used in this valuation are:

	<u>Service Retirement</u>	<u>Disability Retirement</u>
General Tier 1	8.8%	7.0%
General Tier 2	3.0%	2.8%
Safety Tier 1	9.5%	8.5%
Safety Tier 2	3.0%	2.8%

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

Changes in Actuarial Assumptions:

Based on the December 31, 2005 review of economic assumptions, several assumptions were changed. Previously, those assumptions were as follow:

**Retirement Age and Benefit for
Deferred Vested Members:**

For current deferred vested members, we make the following retirement assumptions:

General: Age 58
Safety: Age 55

We assume that 40% of future General and Safety deferred vested members will continue to work for a reciprocal employer. For these, we assume 5.65% compensation increases per annum.

Net Investment Return:

7.80%, net of administration and investment expenses.

**Employee Contribution
Crediting Rate:**

7.80%, compounded semi-annually.

Consumer Price Index:

Increase of 4.00% per year.

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

Changes in Actuarial Assumptions (Previous Assumptions - Continued):

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 4.00%; an additional 0.25% "across the board"
salary increases (other than inflation); plus the following
Merit and Longevity increases based on age.

Age	General	Safety
25	3.68%	3.61%
30	2.82%	2.70%
35	2.31%	1.57%
40	1.99%	1.15%
45	1.60%	1.13%
50	1.40%	0.95%
55	1.12%	0.73%
60	0.86%	0.26%
65	0.73%	0.00%

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

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the ACERA 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:

	Membership with ACERA usually begins with the second pay period following appointment to a full time County or member District position. ACERA members who change from full time to part time may elect to continue membership at ACERA.
<i>General and Safety Tier 1</i>	All General and Safety members hired on or before June 30, 1983.
<i>General and Safety Tier 2</i>	All General and Safety members hired after June 30, 1983.

**Final Compensation for
Benefit Determination:**

<i>General and Safety Tier 1</i>	Highest consecutive twelve months of compensation earnable (§31462.1) (FAS1).
<i>General and Safety Tier 2</i>	Highest consecutive thirty-six months of compensation earnable. (§31462) (FAS3).

Service: Years of service (Yrs).

Service Retirement Eligibility:

<i>General</i>	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672).
<i>Safety</i>	Age 50 with 10 years of service, or after 20 years, regardless of age (§31663.25).

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

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1 (§31676.12)</i>	50	$(1.34\% \times \text{FAS1} - 1/3 \times 1.34\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.77\% \times \text{FAS1} - 1/3 \times 1.77\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.34\% \times \text{FAS1} - 1/3 \times 2.34\% \times \$350 \times 12) \times \text{Yrs}$
	62 or later	$(2.62\% \times \text{FAS1} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$

	Retirement Age	Benefit Formula
<i>General Tier 2 (§31676.1)</i>	50	$(1.18\% \times \text{FAS3} - 1/3 \times 1.18\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.49\% \times \text{FAS3} - 1/3 \times 1.49\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(1.92\% \times \text{FAS3} - 1/3 \times 1.92\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.09\% \times \text{FAS3} - 1/3 \times 2.09\% \times \$350 \times 12) \times \text{Yrs}$
	65	$(2.43\% \times \text{FAS3} - 1/3 \times 2.43\% \times \$350 \times 12) \times \text{Yrs}$

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

	Retirement Age	Benefit Formula
<i>Safety Tier 1 (Non-Integrated)</i> (§31664.1)	50	(3.00%xFAS1xYrs)
	55 or later	(3.00%xFAS1xYrs)
<i>Safety Tier 2 (Non-Integrated)</i> (§31664.1)	50	(3.00%xFAS3xYrs)
	55 or later	(3.00%xFAS3xYrs)
Maximum Benefit:	100% of Highest Average Compensation (§31676.1, §31676.12, §31664.1).	
<hr/>		
Ordinary Disability:		
<u><i>General Tier 1 and Tier 2</i></u>		
<i>Eligibility</i>	Five years of service (§31720).	
<i>Benefit Formula</i>	1.8% per year of service for General Tier 1 and 1.5% per year of service for General Tier 2. If the benefit does not exceed one-third of Final Compensation, the service is projected to 62 for General Tier 1 and 65 for General Tier 2, but the total benefit cannot be more than one-third of Final Compensation (§31727 and §31727.2).	
<u><i>Safety Tier 1 and Tier 2</i></u>		
<i>Eligibility</i>	Five years of service (§31720).	
<i>Benefit Formula</i>	1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but the total benefit cannot be more than one-third of Final Compensation (§31727.2).	

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

Line-of-Duty Disability:

All Members

Eligibility

No age or service requirements (§31720).

Benefit Formula

50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Pre-Retirement Death:

All Members

Eligibility

None.

Basic lump sum benefit

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

Death in line of duty

50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

OR

Vested Members

Eligibility

Five years of service.

Basic benefit

60%⁽¹⁾ of the greater of Service or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of the basic lump sum benefit above.

Death in line of duty

50% of Final compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

⁽¹⁾ The Retirement Board also provides an Active Equity Death Benefit (ADEB) that increases the 60% continuance to 100% continuance. The ADEB benefit is funded by the Supplemental Retiree Benefit Reserve (SRBR) and the cost associated with the ADEB is excluded from this valuation.

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

Death After Retirement:

All Members

*Service or
Ordinary Disability Retirement*

60% of member's unmodified allowance continued to eligible spouse (§31760.1) and \$5,000⁽¹⁾ 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 date of retirement (§31760.1).

Line-of-Duty Disability

100% of member's allowance continued to eligible spouse (§31786).

Withdrawal Benefits:

Less than Five Years of Service

Refund of accumulated employee contributions with interest, or earned benefit at age 70 (§31628). Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund (§31629.5).

Five or More Years of Service

If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

General and Safety Tier 1

Future changes based on Consumer Price Index to a maximum of 3% per year; excess "banked" (§31870.1).

General and Safety Tier 2

Future changes based on Consumer Price Index to a maximum of 2% per year; excess "banked" (§31870).

County Contributions:

The amortization period for Unfunded Actuarial Accrued Liability is amortized over a declining 27-year period.

⁽¹⁾ \$750 is funded by the employer. \$4,250 is funded by the Supplement Retiree Benefit Reserve. These benefits are excluded from the valuation.

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

Supplemental Benefit:	Non-vested supplemental COLA and medical benefits are also paid from the Supplemental Retiree Benefit Reserve to eligible retirees and survivors. These benefits have been excluded from this valuation.
Member Contributions:	Please refer to Appendix A for specific rates.
<i>General Tier 1</i>	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/100 of FAS1 (\$31621.2).
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
<i>General Tier 2</i>	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/120 of FAS3 (\$31621).
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
<i>Safety</i>	
<i>Basic</i>	Provide for an average annuity at age 50 equal to 1/100 of FAS1 (FAS3 for Tier 2) (\$31639.25). As instructed by ACERA, we have also included a 3% cost sharing contribution that we understand will be paid by members even after they attain 30 years of service.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
Other Information:	Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for General members hired on or before March 7, 1973.

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 Alameda County Employees' Retirement Association

Appendix A

Member Contribution Rates

Comparison of Total Member Rate⁽¹⁾ from December 31, 2005 (New) and December 31, 2004 (Current) Valuations

General Tier 1				General Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	11.09%	10.31%	-0.78%	25	7.40%	6.89%	-0.51%
35	11.90%	11.26%	-0.64%	35	7.93%	7.53%	-0.40%
45	13.05%	12.58%	-0.47%	45	8.70%	8.41%	-0.29%

Safety Tier 1				Safety Tier 2			
Entry Age	Current ⁽²⁾	New	Change	Entry Age	Current ⁽²⁾	New	Change
25	17.06%	16.75%	-0.31%	25	14.23%	13.58%	-0.65%
30	17.55%	17.37%	-0.18%	30	14.63%	14.05%	-0.58%
35	18.29%	18.23%	-0.06%	35	15.21%	14.72%	-0.49%

(1) Contributions for the first \$161 of biweekly payroll are based on 2/3 of the above rates for integrated members.

(2) After reflecting benefit improvement for all the active Safety members employed on December 31, 2004.

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

Breakdown of member rate between basic and COLA calculated in the December 31, 2005 and December 31, 2004 valuation:

	December 31, 2005 Actuarial Valuation							December 31, 2004 Actuarial Valuation ⁽¹⁾								
	BASIC		COLA		COST SHARING CONTRIBUTIONS		TOTAL	BASIC		COLA		COST SHARING CONTRIBUTION	TOTAL			
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*		
General Tier 1 Members	6.70%	\$6,540	2.61%	\$2,548			9.31%	\$9,088	7.12%	\$6,950	2.81%	\$2,743			9.93%	\$9,693
General Tier 2 Members	6.09%	\$30,373	1.43%	\$7,131			7.52%	\$37,504	6.38%	\$31,819	1.53%	\$7,630			7.91%	\$39,449
Safety Tier 1 Members	8.06%	\$1,454	4.26%	\$769	3.00%	\$541	15.32%	\$2,764	8.45%	\$1,525	4.06%	\$732	3.00%	\$541	15.51%	\$2,798
Safety Tier 2 Members	8.23%	\$7,851	2.55%	\$2,432	3.00%	\$2,862	13.78%	\$13,145	8.55%	\$8,156	2.77%	\$2,642	3.00%	\$2,862	14.32%	\$13,660
All member categories Combined	6.51%	\$46,218	1.82%	\$12,880	0.48%	\$3,403	8.81%	\$62,501	6.83%	\$48,450	1.93%	\$13,747	0.48%	\$3,403	9.24%	\$65,600

* Amounts are in thousands and are based on the following December 31, 2005 annual payroll (Also in thousands):

	County Only	District Only	Total
General Tier 1	\$ 90,208	\$ 7,409	\$ 97,617
General Tier 1	498,729		498,729
Safety Tier 1	18,043		18,043
Safety Tier 2	95,394		95,394
Total	\$ 702,374	\$ 7,409	\$ 709,783

(1) These rates have been re-calculated by applying the individual entry age based member rates determined in the December 31, 2004 valuation to the Association membership as of December 31, 2005.

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

Appendix A

Member Contribution Rates (Continued)

**General Tier 1 Members' Contribution Rates based on the December 31, 2005
Actuarial Valuation as a percentage of payroll**

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	4.67%	7.00%	1.82%	2.73%	6.49%	9.73%
16	4.67%	7.00%	1.82%	2.73%	6.49%	9.73%
17	4.71%	7.06%	1.83%	2.75%	6.54%	9.81%
18	4.74%	7.11%	1.85%	2.77%	6.59%	9.88%
19	4.77%	7.16%	1.86%	2.79%	6.63%	9.95%
20	4.80%	7.20%	1.87%	2.81%	6.67%	10.01%
21	4.82%	7.24%	1.88%	2.82%	6.70%	10.06%
22	4.85%	7.27%	1.89%	2.83%	6.74%	10.10%
23	4.88%	7.32%	1.90%	2.85%	6.78%	10.17%
24	4.91%	7.36%	1.91%	2.87%	6.82%	10.23%
25	4.94%	7.42%	1.93%	2.89%	6.87%	10.31%
26	4.98%	7.47%	1.94%	2.91%	6.92%	10.38%
27	5.02%	7.53%	1.95%	2.93%	6.97%	10.46%
28	5.06%	7.59%	1.97%	2.96%	7.03%	10.55%
29	5.10%	7.65%	1.99%	2.98%	7.09%	10.63%
30	5.15%	7.72%	2.01%	3.01%	7.16%	10.73%
31	5.19%	7.79%	2.03%	3.04%	7.22%	10.83%
32	5.24%	7.86%	2.04%	3.06%	7.28%	10.92%
33	5.29%	7.94%	2.06%	3.09%	7.35%	11.03%
34	5.35%	8.02%	2.08%	3.12%	7.43%	11.14%
35	5.40%	8.10%	2.11%	3.16%	7.51%	11.26%
36	5.46%	8.18%	2.13%	3.19%	7.59%	11.37%
37	5.51%	8.27%	2.15%	3.22%	7.66%	11.49%
38	5.57%	8.36%	2.17%	3.26%	7.74%	11.62%
39	5.63%	8.45%	2.19%	3.29%	7.82%	11.74%

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

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	5.70%	8.54%	2.22%	3.33%	7.92%	11.87%
41	5.76%	8.64%	2.25%	3.37%	8.01%	12.01%
42	5.83%	8.74%	2.27%	3.41%	8.10%	12.15%
43	5.89%	8.84%	2.29%	3.44%	8.18%	12.28%
44	5.96%	8.95%	2.33%	3.49%	8.29%	12.44%
45	6.04%	9.05%	2.35%	3.53%	8.39%	12.58%
46	6.11%	9.16%	2.38%	3.57%	8.49%	12.73%
47	6.18%	9.27%	2.41%	3.61%	8.59%	12.88%
48	6.26%	9.38%	2.44%	3.66%	8.70%	13.04%
49	6.33%	9.50%	2.47%	3.70%	8.80%	13.20%
50	6.41%	9.61%	2.49%	3.74%	8.90%	13.35%
51	6.48%	9.72%	2.53%	3.79%	9.01%	13.51%
52	6.56%	9.84%	2.55%	3.83%	9.11%	13.67%
53	6.63%	9.95%	2.59%	3.88%	9.22%	13.83%
54	6.71%	10.06%	2.61%	3.92%	9.32%	13.98%
55	6.78%	10.17%	2.64%	3.96%	9.42%	14.13%
56	6.84%	10.27%	2.67%	4.00%	9.51%	14.27%
57	6.89%	10.33%	2.69%	4.03%	9.58%	14.36%
58	6.89%	10.33%	2.68%	4.02%	9.57%	14.35%
59 & Over	6.70%	10.05%	2.61%	3.91%	9.31%	13.96%

* Use these rates for entire salary of Non-Integrated Members

Interest: 7.90% per annum
 COLA: 3.00%
 Mortality: 94 Group Annuity Mortality Table weighted 30% male and 70% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor 38.96%
 Terminal Pay: 8.8%

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

Appendix A

Member Contribution Rates (Continued)

**General Tier 2 Members' Contribution Rates based on the December 31, 2005
Actuarial Valuation as a percentage of payroll**

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	3.51%	5.27%	0.83%	1.24%	4.34%	6.51%
16	3.51%	5.27%	0.83%	1.24%	4.34%	6.51%
17	3.54%	5.31%	0.83%	1.25%	4.37%	6.56%
18	3.57%	5.35%	0.84%	1.26%	4.41%	6.61%
19	3.59%	5.39%	0.85%	1.27%	4.44%	6.66%
20	3.61%	5.42%	0.85%	1.28%	4.46%	6.70%
21	3.63%	5.44%	0.85%	1.28%	4.48%	6.72%
22	3.65%	5.47%	0.86%	1.29%	4.51%	6.76%
23	3.67%	5.51%	0.87%	1.30%	4.54%	6.81%
24	3.69%	5.54%	0.87%	1.31%	4.56%	6.85%
25	3.72%	5.58%	0.87%	1.31%	4.59%	6.89%
26	3.75%	5.62%	0.88%	1.32%	4.63%	6.94%
27	3.78%	5.66%	0.89%	1.33%	4.67%	6.99%
28	3.81%	5.71%	0.90%	1.35%	4.71%	7.06%
29	3.84%	5.76%	0.91%	1.36%	4.75%	7.12%
30	3.87%	5.81%	0.91%	1.37%	4.78%	7.18%
31	3.91%	5.86%	0.92%	1.38%	4.83%	7.24%
32	3.94%	5.92%	0.93%	1.39%	4.87%	7.31%
33	3.98%	5.97%	0.94%	1.41%	4.92%	7.38%
34	4.02%	6.03%	0.95%	1.42%	4.97%	7.45%
35	4.06%	6.09%	0.96%	1.44%	5.02%	7.53%
36	4.11%	6.16%	0.97%	1.45%	5.08%	7.61%
37	4.15%	6.22%	0.98%	1.47%	5.13%	7.69%
38	4.19%	6.29%	0.99%	1.48%	5.18%	7.77%
39	4.24%	6.36%	1.00%	1.50%	5.24%	7.86%

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

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	4.29%	6.43%	1.01%	1.51%	5.30%	7.94%
41	4.33%	6.50%	1.02%	1.53%	5.35%	8.03%
42	4.38%	6.57%	1.03%	1.55%	5.41%	8.12%
43	4.43%	6.65%	1.05%	1.57%	5.48%	8.22%
44	4.49%	6.73%	1.06%	1.59%	5.55%	8.32%
45	4.54%	6.81%	1.07%	1.60%	5.61%	8.41%
46	4.59%	6.89%	1.08%	1.62%	5.67%	8.51%
47	4.65%	6.97%	1.09%	1.64%	5.74%	8.61%
48	4.71%	7.06%	1.11%	1.66%	5.82%	8.72%
49	4.76%	7.14%	1.12%	1.68%	5.88%	8.82%
50	4.82%	7.23%	1.13%	1.70%	5.95%	8.93%
51	4.88%	7.31%	1.15%	1.72%	6.03%	9.03%
52	4.93%	7.40%	1.16%	1.74%	6.09%	9.14%
53	4.99%	7.48%	1.17%	1.76%	6.16%	9.24%
54	5.04%	7.57%	1.19%	1.78%	6.23%	9.35%
55	5.10%	7.65%	1.20%	1.80%	6.30%	9.45%
56	5.14%	7.72%	1.21%	1.82%	6.35%	9.54%
57	5.18%	7.76%	1.22%	1.83%	6.40%	9.59%
58	5.37%	8.06%	1.27%	1.90%	6.64%	9.96%
59 & Over	5.58%	8.37%	1.31%	1.97%	6.89%	10.34%

* Use these rates for entire salary of Non-Integrated Members

Interest: 7.90% per annum
 COLA: 2.00%
 Mortality: 94 Group Annuity Mortality Table weighted 30% male and 70% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor: 23.56%
 Terminal Pay: 3.0%

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

Appendix A

Member Contribution Rates (Continued)

**Safety Tier 1 Members' Contribution Rates based on the December 31, 2005
Actuarial Valuation as a percentage of payroll**

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	5.65%	8.48%	3.00%	3.00%	2.98%	4.47%	11.63%	15.95%
16	5.65%	8.48%	3.00%	3.00%	2.98%	4.47%	11.63%	15.95%
17	5.70%	8.55%	3.00%	3.00%	3.01%	4.51%	11.71%	16.06%
18	5.75%	8.62%	3.00%	3.00%	3.03%	4.55%	11.78%	16.17%
19	5.79%	8.68%	3.00%	3.00%	3.05%	4.58%	11.84%	16.26%
20	5.82%	8.74%	3.00%	3.00%	3.07%	4.61%	11.89%	16.35%
21	5.85%	8.78%	3.00%	3.00%	3.09%	4.63%	11.94%	16.41%
22	5.89%	8.83%	3.00%	3.00%	3.11%	4.66%	12.00%	16.49%
23	5.92%	8.88%	3.00%	3.00%	3.13%	4.69%	12.05%	16.57%
24	5.96%	8.94%	3.00%	3.00%	3.15%	4.72%	12.11%	16.66%
25	6.00%	9.00%	3.00%	3.00%	3.17%	4.75%	12.17%	16.75%
26	6.05%	9.07%	3.00%	3.00%	3.19%	4.79%	12.24%	16.86%
27	6.10%	9.15%	3.00%	3.00%	3.22%	4.83%	12.32%	16.98%
28	6.15%	9.23%	3.00%	3.00%	3.25%	4.87%	12.40%	17.10%
29	6.21%	9.31%	3.00%	3.00%	3.27%	4.91%	12.48%	17.22%
30	6.27%	9.41%	3.00%	3.00%	3.31%	4.96%	12.58%	17.37%
31	6.34%	9.51%	3.00%	3.00%	3.35%	5.02%	12.69%	17.53%
32	6.41%	9.62%	3.00%	3.00%	3.38%	5.07%	12.79%	17.69%
33	6.49%	9.73%	3.00%	3.00%	3.42%	5.13%	12.91%	17.86%
34	6.57%	9.85%	3.00%	3.00%	3.47%	5.20%	13.04%	18.05%
35	6.65%	9.97%	3.00%	3.00%	3.51%	5.26%	13.16%	18.23%
36	6.73%	10.10%	3.00%	3.00%	3.55%	5.33%	13.28%	18.43%
37	6.82%	10.23%	3.00%	3.00%	3.60%	5.40%	13.42%	18.63%
38	6.91%	10.37%	3.00%	3.00%	3.65%	5.47%	13.56%	18.84%
39	7.00%	10.50%	3.00%	3.00%	3.69%	5.54%	13.69%	19.04%

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

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	7.09%	10.64%	3.00%	3.00%	3.74%	5.61%	13.83%	19.25%
41	7.18%	10.77%	3.00%	3.00%	3.79%	5.68%	13.97%	19.45%
42	7.27%	10.90%	3.00%	3.00%	3.83%	5.75%	14.10%	19.65%
43	7.35%	11.03%	3.00%	3.00%	3.88%	5.82%	14.23%	19.85%
44	7.43%	11.15%	3.00%	3.00%	3.92%	5.88%	14.35%	20.03%
45	7.51%	11.27%	3.00%	3.00%	3.97%	5.95%	14.48%	20.22%
46	7.58%	11.36%	3.00%	3.00%	4.00%	6.00%	14.58%	20.36%
47	7.62%	11.43%	3.00%	3.00%	4.02%	6.03%	14.64%	20.46%
48	7.60%	11.40%	3.00%	3.00%	4.01%	6.02%	14.61%	20.42%
49 & Over	7.36%	11.05%	3.00%	3.00%	3.89%	5.83%	14.25%	19.88%

* Use these rates for entire salary of Non-Integrated Members

Interest: 7.90% per annum
 COLA: 3.00%
 Mortality: 94 Group Annuity Mortality Table weighted 75% male and 25% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor 52.77%
 Terminal Pay: 9.5%

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

Appendix A

Member Contribution Rates (Continued)

**Safety Tier 2 Members' Contribution Rates based on the December 31, 2005
Actuarial Valuation as a percentage of payroll**

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	5.06%	7.60%	3.00%	3.00%	1.57%	2.36%	9.63%	12.96%
16	5.06%	7.60%	3.00%	3.00%	1.57%	2.36%	9.63%	12.96%
17	5.11%	7.66%	3.00%	3.00%	1.59%	2.38%	9.70%	13.04%
18	5.15%	7.72%	3.00%	3.00%	1.60%	2.40%	9.75%	13.12%
19	5.19%	7.78%	3.00%	3.00%	1.61%	2.42%	9.80%	13.20%
20	5.22%	7.83%	3.00%	3.00%	1.62%	2.43%	9.84%	13.26%
21	5.24%	7.87%	3.00%	3.00%	1.63%	2.44%	9.87%	13.31%
22	5.27%	7.91%	3.00%	3.00%	1.64%	2.46%	9.91%	13.37%
23	5.31%	7.96%	3.00%	3.00%	1.65%	2.47%	9.96%	13.43%
24	5.34%	8.01%	3.00%	3.00%	1.66%	2.49%	10.00%	13.50%
25	5.38%	8.07%	3.00%	3.00%	1.67%	2.51%	10.05%	13.58%
26	5.42%	8.13%	3.00%	3.00%	1.69%	2.53%	10.11%	13.66%
27	5.46%	8.19%	3.00%	3.00%	1.70%	2.55%	10.16%	13.74%
28	5.51%	8.27%	3.00%	3.00%	1.71%	2.57%	10.22%	13.84%
29	5.56%	8.34%	3.00%	3.00%	1.73%	2.59%	10.29%	13.93%
30	5.62%	8.43%	3.00%	3.00%	1.75%	2.62%	10.37%	14.05%
31	5.68%	8.52%	3.00%	3.00%	1.77%	2.65%	10.45%	14.17%
32	5.74%	8.62%	3.00%	3.00%	1.79%	2.68%	10.53%	14.30%
33	5.81%	8.72%	3.00%	3.00%	1.81%	2.71%	10.62%	14.43%
34	5.88%	8.82%	3.00%	3.00%	1.83%	2.74%	10.71%	14.56%
35	5.96%	8.94%	3.00%	3.00%	1.85%	2.78%	10.81%	14.72%
36	6.03%	9.05%	3.00%	3.00%	1.87%	2.81%	10.90%	14.86%
37	6.11%	9.17%	3.00%	3.00%	1.90%	2.85%	11.01%	15.02%
38	6.19%	9.29%	3.00%	3.00%	1.93%	2.89%	11.12%	15.18%
39	6.27%	9.41%	3.00%	3.00%	1.95%	2.92%	11.22%	15.33%

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

Appendix A

Member Contribution Rates (Continued)

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
40	6.35%	9.53%	3.00%	3.00%	1.97%	2.96%	11.32%	15.49%
41	6.43%	9.65%	3.00%	3.00%	2.00%	3.00%	11.43%	15.65%
42	6.51%	9.77%	3.00%	3.00%	2.02%	3.03%	11.53%	15.80%
43	6.59%	9.88%	3.00%	3.00%	2.05%	3.07%	11.64%	15.95%
44	6.66%	9.99%	3.00%	3.00%	2.07%	3.11%	11.73%	16.10%
45	6.73%	10.10%	3.00%	3.00%	2.09%	3.14%	11.82%	16.24%
46	6.79%	10.19%	3.00%	3.00%	2.11%	3.16%	11.90%	16.35%
47	6.83%	10.24%	3.00%	3.00%	2.12%	3.18%	11.95%	16.42%
48	7.09%	10.64%	3.00%	3.00%	2.21%	3.31%	12.30%	16.95%
49 & Over	7.36%	11.05%	3.00%	3.00%	2.29%	3.43%	12.65%	17.48%

* Use these rates for entire salary of Non-Integrated Members

Interest: 7.90% per annum
 COLA: 2.00%
 Mortality: 94 Group Annuity Mortality Table weighted 75% male and 25% female
 Salary Increase: Inflation (3.75%) + Across-the-Board Increase (0.25%) + Merit (See Exhibit IV)
 COLA Loading Factor 31.07%
 Terminal Pay: 3.0%

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

Appendix B

Projected Employer Contributions By Each Participating Employer

Estimated Employer Contribution Requirement for Each Participating Employer in ACERA
 Calculated Based on Projected Employer Compensation Used In the December 31, 2005 Actuarial Valuation

Employer Name (Code)	Dollar Contribution ⁽¹⁾ Based on December 31, 2005 Valuation (\$000s)					Dollar Contribution ⁽¹⁾ Based on December 31, 2004 Valuation (\$000s)				
	General		Safety		Total	General		Safety		Total
	Tier 1	Tier 2	Tier 1	Tier 2		Tier 1	Tier 2	Tier 1	Tier 2	
Alameda County (101) ⁽²⁾	\$11,720	\$47,737	\$6,685	\$28,466	\$94,608	\$12,752	\$49,942	\$6,641	\$27,750	\$97,085
Medical Center (106) ⁽²⁾	\$1,466	\$17,564			\$19,030	\$1,595	\$18,374			\$19,969
Superior Court (632) ⁽²⁾	\$1,662	\$5,495			\$7,157	\$1,809	\$5,748			\$7,557
First 5 (714) ⁽²⁾		\$522			\$522		\$546			\$546
Housing Authority (103) ⁽³⁾	\$811				\$811	\$857				\$857
LARPD (104) ⁽³⁾	\$759				\$759	\$802				\$802
Office of Education (105) ⁽³⁾	\$25				\$25	\$26				\$26
Total	\$16,443	\$71,318	\$6,685	\$28,466	\$122,912	\$17,841	\$74,610	\$6,641	\$27,750	\$126,842

(1) Contribution calculated using projected compensation provided below for the December 31, 2005 valuation:

Employer Name (Code)	December 31, 2005 Projected Total Compensation (\$000s)				
	General		Safety		Total
Tier 1	Tier 2	Tier 1	Tier 2		
Alameda County (101) ⁽²⁾	\$71,205	\$333,831	\$18,043	\$95,394	\$518,473
Medical Center (106) ⁽²⁾	\$8,905	\$122,823			\$131,728
Superior Court (632) ⁽²⁾	\$10,098	\$38,425			\$48,523
First 5 (714) ⁽²⁾		\$3,650			\$3,650
Housing Authority (103) ⁽³⁾	\$3,768				\$3,768
LARPD (104) ⁽³⁾	\$3,525				\$3,525
Office of Education (105) ⁽³⁾	\$116				\$116
Total	\$97,617	\$498,729	\$18,043	\$95,394	\$709,783

(2) Counted as "County Only" payroll in the December 31, 2005 actuarial valuation.

(3) Counted as "District Only" payroll in the December 31, 2005 actuarial valuation.

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