

Alameda County Employees' Retirement Association

*Actuarial Valuation and Review
as of December 31, 2006*

Copyright © 2007

**THE SEGAL GROUP, INC.,
THE PARENT OF THE SEGAL COMPANY
ALL RIGHTS RESERVED**



The Segal Company
120 Montgomery Street, Suite 500 San Francisco, CA 94104
T 415.263.8200 F 415.263.8290 www.segalco.com

August 13, 2007

*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, 2006. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2007-2008 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:

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

HEM/hy

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

SECTION 1

VALUATION SUMMARY

Purpose	i
Significant Issues in Valuation	
Year	ii
Summary of Key Valuation	
Results	iv
Summary of Key Valuation	
Demographic and Financial	
Data	v

SECTION 2

VALUATION RESULTS

A. Member Data	1
B. Financial Information	4
C. Actuarial Experience	8
D. Employer and Member	
Contributions	13
E. Information Required by	
the GASB	22

SECTION 3

SUPPLEMENTAL INFORMATION

EXHIBIT A

Table of Plan Coverage	
i. General Tier 1	23
ii. General Tier 2	24
iii. Safety Tier 1	25
iv. Safety Tier 2	26

EXHIBIT B

Members in Active Service and	
Projected Average Compensation as	
of December 31, 2006	
i. General Tier 1	27
ii. General Tier 2	28
iii. Safety Tier 1	29
iv. Safety Tier 2	30

EXHIBIT C

Reconciliation of Member Data –	
December 31, 2005 to	
December 31, 2006	31

EXHIBIT D

Summary Statement of Income and	
Expenses on an Actuarial Value	
Basis	32

EXHIBIT E

Summary Statement of Assets	33
-----------------------------------	----

EXHIBIT F

Actuarial Balance Sheet	35
-------------------------------	----

EXHIBIT G

Summary of Reported Asset Infor-	
mation as of December 31, 2006	36

EXHIBIT H

Development of Unfunded Actuarial	
Accrued Liability as of	
December 31, 2006	37

EXHIBIT I

Section 415 Limitations	38
-------------------------------	----

EXHIBIT J

Definitions of Pension Terms	39
------------------------------------	----

SECTION 4

REPORTING INFORMATION

EXHIBIT I

Supplementary Information Required	
by GASB – Schedule of Employer	
Contributions	41

EXHIBIT II

Supplementary Information Required	
by GASB – Schedule of Funding	
Progress	42

EXHIBIT III

Supplementary Information Required	
by GASB	43

EXHIBIT IV

Actuarial Assumptions and Actuarial	
Cost Method	44

EXHIBIT V

Summary of Plan Provisions	52
----------------------------------	----

Appendix A

Member Contribution Rates	58
i. General Tier 1	60
ii. General Tier 2	62
iii. Safety Tier 1	64
iv. Safety Tier 2	66

Appendix B

Projected Employer Contributions by	
Each Participating Employer	68

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, 2006. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, retired members and beneficiaries as of November 30, 2006, provided by the Retirement Association;
- The assets of the Plan as of December 31, 2006, 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, 2006 valuation.

The Alameda County Employees' Retirement Association's basic financial goal is to establish contributions that fully fund the Association's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

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

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a 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, 2006 over a declining 26-year period. The aggregate employer contribution rate calculated using the declining 26-year amortization period is 16.08% of payroll. In this valuation, we have applied the 8.00% net investment earnings and 3.75% inflation assumptions adopted by the Board. Except for the interest rate, the other assumptions used in this valuation are the same as those that we used in the December 31, 2005 valuation.

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

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2007 through June 30, 2008.

Significant Issues in Valuation Year

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

- The results of this valuation reflect the change in the investment earnings assumption from 7.90% to 8.00%, adopted by the Board for this December 31, 2006 valuation. The impact of the assumption change is provided in Section 2, Subsection D (see Charts 15 and 16). The change to the 8.00% assumption impacts both the discount rate and the interest crediting rate on member contributions, and further detail can be found in Section 4, Exhibit IV.
- In the December 31, 2005 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities was 83.2%. In this December 31, 2006 valuation, the funding ratio has improved to 85.5%.
- The Association's unfunded actuarial accrued liability (UAAL) as of December 31, 2005 was \$766.4 million. In this year's valuation, the UAAL has decreased to \$697.3 million.
- The Plan has a net actuarial experience gain of about \$18.9 million and the UAAL decreased further as a result of the new 8.00% investment earnings assumption adopted by the Board for this December 31, 2006 valuation. A reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.
- In the last valuation, employer contribution rates for Alameda County Medical Center, Court and First 5 ("ACMC/Court/First 5") were the same as the County. Effective with the December 31, 2006 valuation, employer rates for ACMC/Court/First 5 are higher than the County's rates to reflect that only the County has received a reimbursement of \$6.3 million for the implicit retiree health benefit subsidy paid by the County for 2005 and 2006. The \$6.3 million in credit has been amortized over 26 years.
- The aggregate employer rate calculated in this valuation has decreased from 17.26% of payroll to 16.08% of payroll. The reasons for this change are: (i) higher than expected return on investments, (ii) lower UAAL amortization rate due to payroll increasing by more than 4.00%, (iii) actuarial gains, and (iv) the change in the 8.00% investment earnings assumption. A reconciliation of the Association's aggregate employer rate is provided in Section 2, 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 8.90% of payroll to 8.71% of payroll. The change in member rate is due to the change in the investment earnings assumption. There is also a refinement in the data provided by ACERA that allows Segal to more accurately determine those General members hired on or before March 7,

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

1973 and exempted from making member contributions once they have 30 years of service. A reconciliation of the Association's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).

- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total unrecognized investment gains as of December 31, 2006 is \$459.3 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, 2006. This implies that if the Association earns the assumed net rate of investment return of 8.00% 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 8.00% 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, 2006		December 31, 2005	
Employer Contribution Rates:				
<u>County</u>	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1	14.36%	\$9,445	16.46%	\$10,826
General Tier 2	13.19	47,802	14.30	51,825
Safety Tier 1	35.95	5,394	37.05	5,560
Safety Tier 2	28.98	31,082	29.84	32,004
County Combined	17.03	93,723	18.21	100,215
<u>ACMC/Court/First 5</u>				
General Tier 1	14.43	2,808	16.46	3,203
General Tier 2	13.26	24,371	14.30	26,283
<u>District – General Tier 1</u>	19.38	1,639	21.53	1,820
<u>All Combined</u>	16.08	122,541	17.26	131,521
Average Member Contribution Rates:				
	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate ⁽²⁾	Estimated Annual Amount ⁽¹⁾
General Tier 1 ⁽³⁾	10.09%	\$9,452	10.39%	\$9,733
General Tier 2	7.35	40,146	7.52	41,075
Safety Tier 1	14.98	2,248	15.30	2,296
Safety Tier 2	13.54	14,522	13.76	14,758
All categories combined	8.71	66,368	8.90	67,862
Funded Status:				
Actuarial accrued liability ⁽⁴⁾	\$4,825,157		\$4,548,213	
Valuation value of assets ⁽⁵⁾	4,127,841		3,781,843	
Funded percentage	85.5%		83.2%	
Unfunded Actuarial Accrued Liability	\$697,316		\$766,370	
Key Economic Assumptions:				
Interest rate	8.00%		7.90%	
Inflation rate	3.75%		3.75%	
Across-the-board salary increase	0.25%		0.25%	

(1) Based on December 31, 2006 projected annual compensation.

(2) Average rates have been recalculated by applying the individual entry age based member rates determined in the December 31, 2005 valuation to the Association membership as of December 31, 2006.

(3) There is a refinement in the data provided by ACERA that allows Segal to more accurately determine those General members hired on or before March 7, 1973 and exempted from making member contributions once they have 30 years of service.

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

(5) Excludes Reserve for Interest Fluctuations (Contingency Reserve), Supplemental Retirees Benefit Reserve, and other non-valuation reserves (Death Benefit – Burial & 401 (h) Reserves).

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

Summary of Key Valuation Demographic and Financial Data

	December 31, 2006	December 31, 2005	Percentage Change
Active Members:			
Number of members	10,662	10,503	1.5%
Average age	46.7	46.5	N/A
Average service	11.1	11.1	N/A
Projected total compensation	\$762,139,000	\$709,783,000	7.4%
Average projected compensation	\$71,482	\$67,579	5.8%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	5,117	4,961	3.1%
Disability retired	746	701	6.4%
Beneficiaries	1,073	1,056	1.6%
Total	6,936	6,718	3.2%
Average age	70.7	70.8	N/A
Average monthly benefit ⁽¹⁾	\$2,493	\$2,348	6.2%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	1,722	1,522	13.1%
Average age	46.8	47.3	N/A
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$5,210,100	\$4,619,171	12.8%
Return on market value of assets	13.64%	8.09%	N/A
Actuarial value of assets	\$4,750,819	\$4,346,479	9.3%
Return on actuarial value of assets	10.19%	6.99%	N/A
Valuation value of assets	\$4,127,841	\$3,781,843	9.1%
Return on valuation value of assets	9.40%	6.97%	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 six valuations can be seen in this chart.

CHART 1
Member Population: 2001 – 2006

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
2006	10,662	1,722	6,936	0.81

**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 10,662 active members with an average age of 46.7 years, average years of service of 11.1 and average compensation of \$71,482. The 10,503 active members in the prior valuation had an average age of 46.5 years, average service of 11.1 and average compensation of \$67,579.

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

Inactive Members

In this year's valuation, there were 1,722 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 1,522 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, 2006 based on census data collected as of November 30, 2006.

CHART 2

Distribution of Active Members by Age as of December 31, 2006

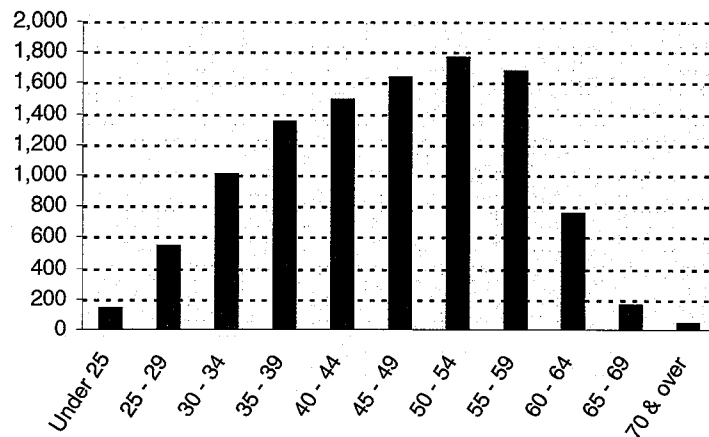
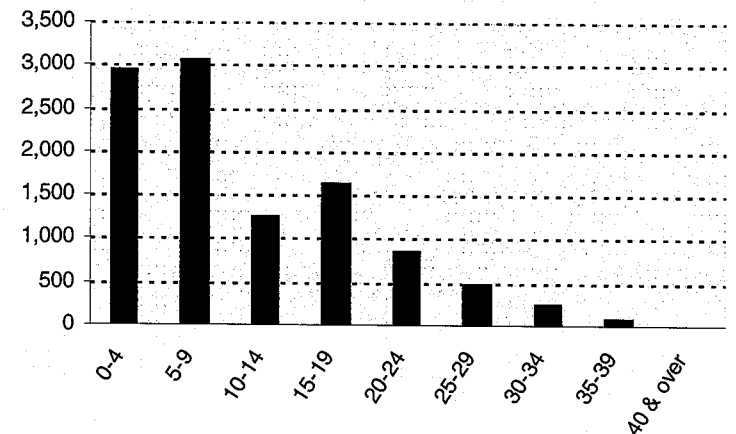


CHART 3

Distribution of Active Members by Years of Service as of December 31, 2006



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

Retired Members and Beneficiaries

As of December 31, 2006, 5,863 retired members and 1,073 beneficiaries were receiving total monthly benefits of \$17,289,207. For comparison, in the previous valuation, there were 5,662 retired members and 1,056 beneficiaries receiving monthly benefits of \$15,778,105. These monthly benefits exclude supplemental COLA benefits payable from the Supplemental Retirees Benefit Reserve (SRBR).

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, 2006 based on census data collected as of November 30, 2006.

CHART 4
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Monthly Amount as of December 31, 2006

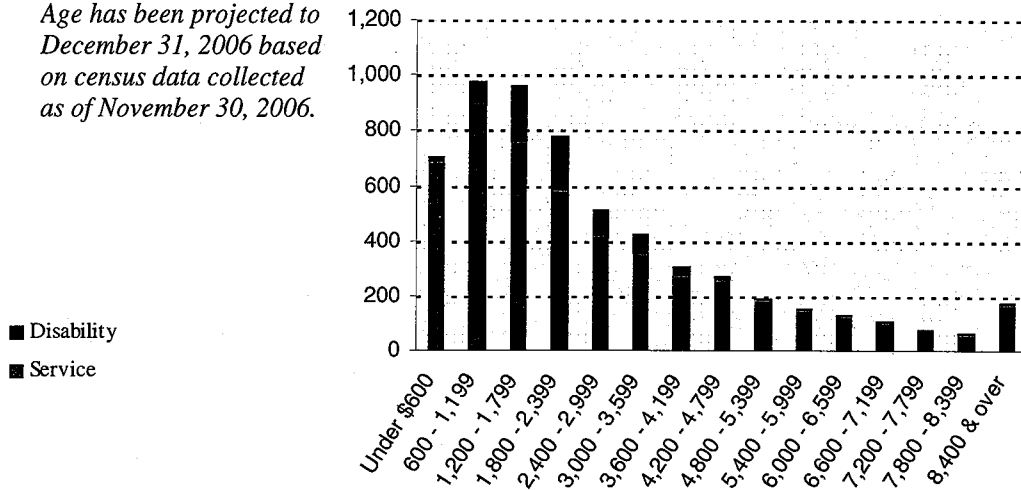
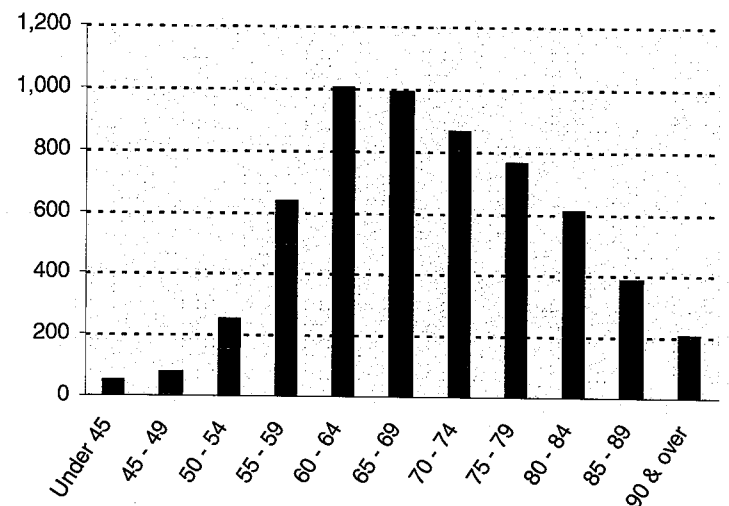


CHART 5
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of December 31, 2006



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

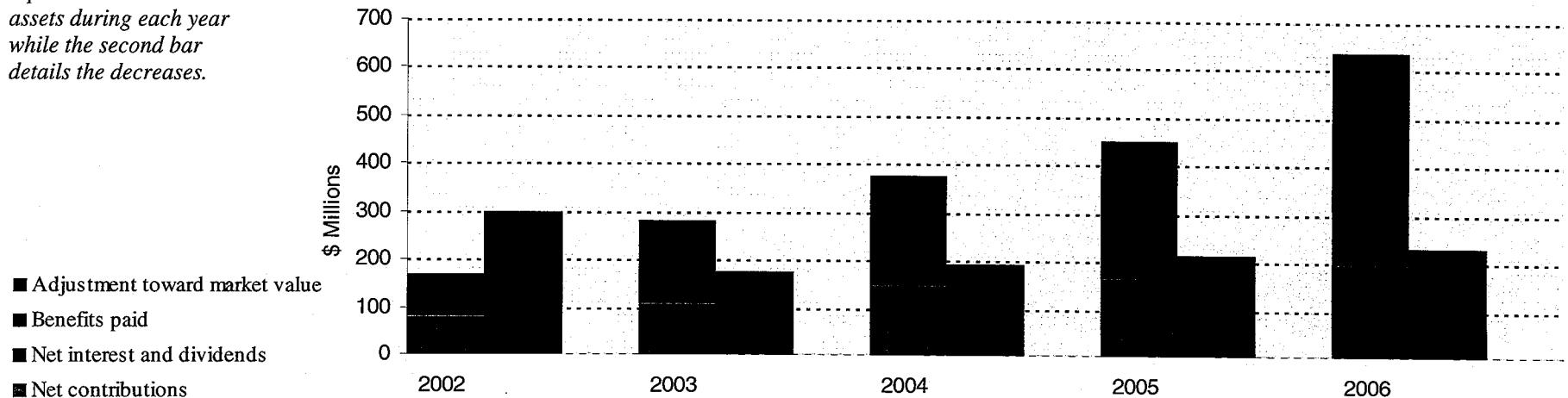
B. FINANCIAL INFORMATION

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 five 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 2006



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, 2006

Six Month Period		Total Actual Market	Expected Market	Investment	Deferred	Deferred
From	To	Return (net)	Return (net)	Gain (Loss)	Factor	Return
07/01/2002	12/31/2002	\$(140,700,812)	\$137,930,598	\$(66,464,719) ⁽¹⁾	0.1	\$(6,646,472)
01/01/2003	06/30/2003	343,293,215	130,468,435	212,824,779	0.2	42,564,956
07/01/2003	12/31/2003	458,724,045	138,808,857	319,915,188	0.3	95,974,556
01/01/2004	06/30/2004	94,823,439	156,374,705	(61,551,266)	0.4	(24,620,506)
07/01/2004	12/31/2004	352,972,448	159,211,156	193,607,452 ⁽²⁾	0.5	96,803,726
01/01/2005	06/30/2005	33,986,034	172,336,225	(138,350,191)	0.6	(83,010,115)
07/01/2005	12/31/2005	313,736,548	168,257,993	145,478,556	0.7	101,834,989
01/01/2006	06/30/2006	156,835,279	179,867,988	(23,032,709)	0.8	(18,426,167)
07/01/2006	12/31/2006	470,691,714	187,573,480	283,118,234	0.9	254,806,411

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

1. Total Deferred Return	\$459,281,378
2. Net Market Value	5,210,100,043
3. Actuarial Value of Assets (Item 2 – Item 1)	4,750,818,665
4. Actuarial Value of Assets – Corridor Limits:	
a. Lower Limit – 80% of Net Market Value	4,168,080,034
b. Upper Limit – 120% of Net Market Value	6,252,120,052
5. Actuarial Value of Assets (within corridor)	4,750,818,665
6. Non-valuation reserves and designations:	
a. Reserve for Interest Fluctuations (Contingency Reserve)	60,395,713
b. Supplemental Retirees Benefit Reserve (SRBR)	563,030,930
c. Other Non-Valuation Reserves (Death Benefit-Burial & 401(h) Reserves)	5,855,377
d. SRBR Transfer to Employer Advance Reserve	(6,303,514)
e. Subtotal	\$622,978,506
7. Valuation Value of Assets (Item 5 – Item 6)	\$4,127,840,159

⁽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.

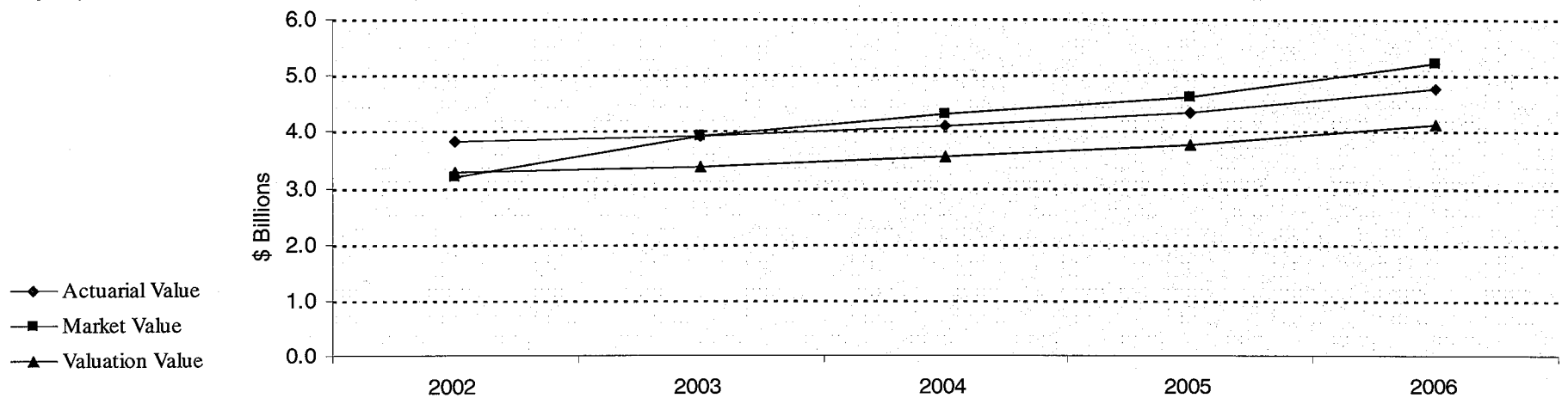
SECTION 2: Valuation Results for the Alameda County Employees' Retirement Association

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 five years.

CHART 8

Market Value, Actuarial Value and Valuation Value of Assets as of December 31, 2002 – 2006



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 gain was \$18.9 million, a gain of \$56.6 million from investments and a loss of \$37.7 million from all other sources. The net experience variation from individual sources other than investments was 0.78% 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, 2006

1. Net gain from investments ⁽¹⁾	\$56,610,000
2. Net loss from other experience ⁽²⁾	<u>-37,670,000</u>
3. Net experience gain: (1) + (2)	\$18,940,000

⁽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 7.90% (based on December 31, 2005 valuation). The actual rate of return on a valuation basis for the 2006 plan year was 9.40%.

Since the actual return for the year was more than the assumed return, the ACERA experienced an actuarial gain during the year ended December 31, 2006 with regard to its investments.

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

CHART 10

Investment Experience for Year Ended December 31, 2006 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Actual return	\$355,019,495	\$440,937,597
2. Average value of assets	3,777,331,642	4,328,179,799
3. Actual rate of return: (1) ÷ (2)	9.40%	10.19%
4. Assumed rate of return	7.90%	7.90%
5. Expected return: (2) x (4)	298,409,200	341,926,204
6. Actuarial gain/(loss): (1) – (5)	<u>\$56,610,295</u>	<u>\$99,011,393</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 five years.

Based on the assumptions adopted by the Board for the December 31, 2006 valuation, the investment return assumption has been increased from 7.90% to 8.00%.

CHART 11

Investment Return – Actuarial Value, Valuation Value and Market Value: 2002 - 2006

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%
2006	355,019,495	9.40%	440,937,597	10.19%	627,526,993	13.64%
Total	\$961,627,646		\$1,081,550,203		\$1,972,642,108	

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 - 2006



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 loss from this other experience for the year ended December 31, 2006 amounted to \$37.7 million which is 0.78% 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% across-the-board salary increase). The current UAAL is being recognized over a declining 26-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 the basic contributions, members pay one-half of the total normal cost necessary to fund cost-of-living benefits. Accumulation includes semi-annual crediting of interest at the assumed investment earnings 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	December 31, 2006						December 31, 2005	
	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								
Normal Cost	8.19%	\$5,386	2.52%	\$1,658	10.71%	\$7,044	11.91%	\$7,833
UAAL (Before POB Credit)	7.57	4,978	1.10	724	8.67	5,702	9.62	6,327
Pension Obligation Bond Credit	-3.27	-2,151	-1.68	-1,104	-4.95	-3,255	-5.07	-3,334
Implicit Retiree Health Benefit Subsidy Reimbursement	<u>-0.07</u>	<u>-46</u>	<u>0.00</u>	<u>0</u>	<u>-0.07</u>	<u>-46</u>	<u>0.00</u>	<u>0</u>
Total Contribution	12.42%	\$8,167	1.94%	\$1,278	14.36%	\$9,445	16.46%	\$10,826
General Tier 2 Members								
Normal Cost	8.05%	\$29,174	1.49%	\$5,400	9.54%	\$34,574	9.75%	\$35,335
UAAL (Before POB Credit)	7.57	27,434	1.10	3,987	8.67	31,421	9.62	34,864
Pension Obligation Bond Credit	-3.27	-11,851	-1.68	-6,088	-4.95	-17,939	-5.07	-18,374
Implicit Retiree Health Benefit Subsidy Reimbursement	<u>-0.07</u>	<u>-254</u>	<u>0.00</u>	<u>0</u>	<u>-0.07</u>	<u>-254</u>	<u>0.00</u>	<u>0</u>
Total Contribution	12.28%	\$44,503	0.91%	\$3,299	13.19%	\$47,802	14.30%	\$51,825
Safety Tier 1 Members								
Normal Cost	17.20%	\$2,581	6.08%	\$912	23.28%	\$3,493	23.93%	\$3,591
Member Cost Sharing Contributions (Adjusted for Refunds)	-3.00	-450			-3.00	-450	-3.00	-450
UAAL (Before POB Credit)	17.35	2,603	3.17	476	20.52	3,079	21.04	3,157
Pension Obligation Bond Credit	-2.99	-449	-1.79	-268	-4.78	-717	-4.92	-738
Implicit Retiree Health Benefit Subsidy Reimbursement	<u>-0.07</u>	<u>-11</u>	<u>0.00</u>	<u>0</u>	<u>-0.07</u>	<u>-11</u>	<u>0.00</u>	<u>0</u>
Total Contribution	28.49%	\$4,274	7.46%	\$1,120	35.95%	\$5,394	37.05%	\$5,560

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

CHART 13 (Continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

County Only	December 31, 2006						December 31, 2005	
	BASIC		COLA		TOTAL		BASIC AND COLA COMBINED	
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
Safety Tier 2 Members								
Normal Cost	13.67%	\$14,662	2.60%	\$2,788	16.27%	\$17,450	16.68%	\$17,890
Member Cost Sharing Contributions (Adjusted for Refunds)	-2.96	-3,175			-2.96	-3,175	-2.96	-3,175
UAAL (Before POB Credit)	17.35	18,609	3.17	3,400	20.52	22,009	21.04	22,566
Pension Obligation Bond Credit	-2.99	-3,207	-1.79	-1,920	-4.78	-5,127	-4.92	-5,277
Implicit Retiree Health Benefit Subsidy Reimbursement	<u>-0.07</u>	<u>-75</u>	<u>0.00</u>	<u>0</u>	<u>-0.07</u>	<u>-75</u>	<u>0.00</u>	<u>0</u>
Total Contribution	25.00%	\$26,814	3.98%	\$4,268	28.98%	\$31,082	29.84%	\$32,004
All County Categories Combined								
Normal Cost	9.41%	\$51,803	1.96%	\$10,758	11.37%	\$62,561	11.75%	\$64,649
Member Cost Sharing Contributions (Adjusted for Refunds)	-0.66	-3,625			-0.66	-3,625	-0.66	-3,625
UAAL (Before POB Credit)	9.74	53,624	1.56	8,587	11.30	62,211	12.16	66,914
Pension Obligation Bond Credit	-3.21	-17,658	-1.70	-9,380	-4.91	-27,038	-5.04	-27,723
Implicit Retiree Health Benefit Subsidy Reimbursement	<u>-0.07</u>	<u>-386</u>	<u>0.00</u>	<u>0</u>	<u>-0.07</u>	<u>-386</u>	<u>0.00</u>	<u>0</u>
Total Contribution	15.21%	\$83,758	1.82%	\$9,965	17.03%	\$93,723	18.21%	\$100,215

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

CHART 13 (Continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

	December 31, 2006			December 31, 2005				
	BASIC	COLA	TOTAL	BASIC AND COLA COMBINED				
ACMC, Court & First 5 Only	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*		
General Tier 1 Members								
Normal Cost	8.19%	\$1,593	2.52%	\$491	10.71%	\$2,084	11.91%	\$2,317
UAAL (Before POB Credit)	7.57	1,473	1.10	214	8.67	1,687	9.62	1,872
Pension Obligation Bond Credit	<u>-3.27</u>	<u>-636</u>	<u>-1.68</u>	<u>-327</u>	<u>-4.95</u>	<u>-963</u>	<u>-5.07</u>	<u>-986</u>
Total Contribution	12.49%	\$2,430	1.94%	\$378	14.43%	\$2,808	16.46%	\$3,203
General Tier 2 Members								
Normal Cost	8.05%	\$14,796	1.49%	\$2,738	9.54%	\$17,534	9.75%	\$17,920
UAAL (Before POB Credit)	7.57	13,913	1.10	2,022	8.67	15,935	9.62	17,681
Pension Obligation Bond Credit	<u>-3.27</u>	<u>-6,010</u>	<u>-1.68</u>	<u>-3,088</u>	<u>-4.95</u>	<u>-9,098</u>	<u>-5.07</u>	<u>-9,318</u>
Total Contribution	12.35%	\$22,699	0.91%	\$1,672	13.26%	\$24,371	14.30%	\$26,283

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

CHART 13 (Continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

Other Districts	December 31, 2006			December 31, 2005				
	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								
Normal Cost	8.19%	\$692	2.52%	\$214	10.71%	\$906	11.91%	\$1,007
UAAL	<u>7.57</u>	<u>640</u>	<u>1.10</u>	<u>93</u>	<u>8.67</u>	<u>733</u>	<u>9.62</u>	<u>813</u>
Total Contribution	15.76%	\$1,332	3.62%	\$307	19.38%	\$1,639	21.53%	\$1,820
All Categories Combined								
	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*	Rate	Estimated Annual Amount*
Normal Cost (Net)	8.56%	\$65,259	1.87%	\$14,201	10.43%	\$79,460	10.79%	\$82,268
UAAL (Net)	<u>5.90</u>	<u>44,960</u>	<u>-0.25</u>	<u>-1,879</u>	<u>5.65</u>	<u>43,081</u>	<u>6.47</u>	<u>49,253</u>
Total Contribution	14.46%	\$110,219	1.62%	\$12,322	16.08%	\$122,541	17.26%	\$131,521

* Based on December 31, 2006 annual payroll (see below):

	County Only	ACMC, Court & First 5	Other Districts	Total
General Tier 1	\$ 65,766	\$ 19,455	\$ 8,455	\$ 93,676
General Tier 2	362,408	183,796		546,204
Safety Tier 1	15,005			15,005
Safety Tier 2	107,254			107,254
Total	\$ 550,433	\$ 203,251	\$ 8,455	\$ 762,139

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, 2006 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.

CHART 15

**Reconciliation of Recommended Employer Contribution from December 31, 2005 to December 31, 2006
(Dollars in Thousands)**

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

	Contribution Rate	Estimated Amount*
Recommended Contribution Rate as of December 31, 2005	17.26%	\$131,521
Effect of actuarial experience during 2006:		
1. Effect of investment gains	-0.45%	-\$3,430
2. Effect of higher than expected salary increases for Safety (offset by lower increases for General)	0.01	76
3. Effect of lower UAAL rate due to payroll increasing by more than 4.00%	-0.22	-1,677
4. Effect of other experience (gain)/loss	0.12	944
5. Effect of change to 8.00% investment earnings assumption	-0.64	-4,893
Subtotal	-1.18%	-\$8,980
Recommended Contribution Rate as of December 31, 2006	16.08%	\$122,541

* Based on December 31, 2006 projected compensation.

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

The member contribution rates as of December 31, 2006 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, 2005 to December 31, 2006 (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, 2005	8.90%	\$67,862
1. Effect of change in actuarial assumptions	-0.19	-1,494
Average Contribution Rate as of December 31, 2006	8.71%	\$66,368

* Based on December 31, 2006 projected compensation.

Note: There is a refinement in the data provided by ACERA that allows Segal to more accurately determine those General members hired on or before March 7, 1973 and exempted from making member contributions once they have 30 years of service.

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

E. INFORMATION REQUIRED BY THE 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 the 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 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 the 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 funded ratio as of December 31, 2005 was 83.2%. This year's funded ratio increased to 85.5%.

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

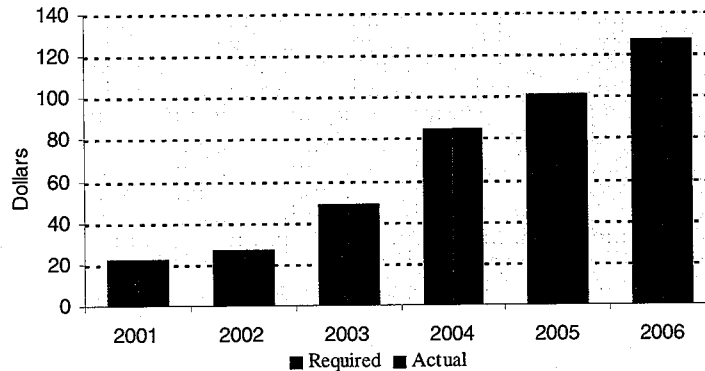
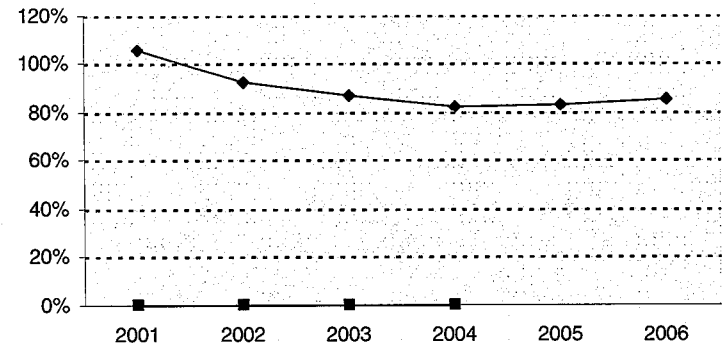


CHART 18
Funded Ratio



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
	2006	2005	
Active members in valuation			
Number	1,216	1,327	-8.4%
Average age	55.1	54.7	N/A
Average service	25.2	24.8	N/A
Projected total compensation	\$93,675,672	\$97,617,481	-4.0%
Projected average compensation	\$77,036	\$73,563	4.7%
Member account balances	\$288,108,939	\$294,507,022	-2.2%
Total active vested members	1,156	1,271	-9.0%
Vested terminated members			
Number	250	266	-6.0%
Average age	55.7	55.2	N/A
Retired members			
Number in pay status	3,656	3,655	0.0%
Average age	73.8	73.6	N/A
Average monthly benefit ⁽¹⁾	\$2,624	\$2,461	6.6%
Disabled members			
Number in pay status	260	256	1.6%
Average age	67.5	67.1	N/A
Average monthly benefit ⁽¹⁾	\$1,998	\$1,902	5.0%
Beneficiaries			
Number in pay status	836	836	0.0%
Average age	78.8	78.5	N/A
Average monthly benefit ⁽¹⁾	\$1,222	\$1,156	5.7%

(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
	2006	2005	
Active members in valuation			
Number	8,063	7,808	3.3%
Average age	46.1	45.8	N/A
Average service	8.9	8.7	N/A
Projected total compensation	\$546,204,162	\$498,728,929	9.5%
Projected average compensation	\$67,742	\$63,874	6.1%
Member account balances	\$381,488,189	\$340,300,012	12.1%
Total active vested members	5,501	4,997	10.1%
Vested terminated members			
Number	1,288	1,073	20.0%
Average age	45.4	45.8	N/A
Retired members			
Number in pay status	755	650	16.2%
Average age	65.3	65.2	N/A
Average monthly benefit ⁽¹⁾	\$1,353	\$1,272	6.4%
Disabled members			
Number in pay status	309	284	8.8%
Average age	56.1	55.4	N/A
Average monthly benefit ⁽¹⁾	\$1,851	\$1,807	2.4%
Beneficiaries			
Number in pay status	87	83	4.8%
Average age	58.7	60.6	N/A
Average monthly benefit ⁽¹⁾	\$881	\$881	0.0%

(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
	2006	2005	
Active members in valuation			
Number	139	182	-23.6%
Average age	52.9	52.2	N/A
Average service	25.3	24.7	N/A
Projected total compensation	\$15,005,374	\$18,042,657	-16.8%
Projected average compensation	\$107,952	\$99,135	8.9%
Member account balances	\$53,280,246	\$64,227,249	-17.0%
Total active vested members	137	180	-23.9%
Vested terminated members			
Number	45	50	-10.0%
Average age	51.1	50.3	N/A
Retired members			
Number in pay status	618	588	5.1%
Average age	64.7	64.6	N/A
Average monthly benefit ⁽¹⁾	\$5,418	\$5,079	6.7%
Disabled members			
Number in pay status	99	92	7.6%
Average age	61.0	60.4	N/A
Average monthly benefit ⁽¹⁾	\$3,794	\$3,539	7.2%
Beneficiaries			
Number in pay status	132	121	9.1%
Average age	70.6	70.6	N/A
Average monthly benefit ⁽¹⁾	\$2,054	\$1,922	6.9%

(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
	2006	2005	
Active members in valuation			
Number	1,244	1,186	4.9%
Average age	41.2	41.2	N/A
Average service	9.8	9.8	N/A
Projected total compensation	\$107,254,034	\$95,394,301	12.4%
Projected average compensation	\$86,217	\$80,434	7.2%
Member account balances	\$119,601,547	\$103,242,240	15.8%
Total active vested members	927	876	5.8%
Vested terminated members			
Number	139	133	4.5%
Average age	42.3	42.1	N/A
Retired members			
Number in pay status	88	68	29.4%
Average age	60.5	60.5	N/A
Average monthly benefit ⁽¹⁾	\$2,912	\$2,569	13.4%
Disabled members			
Number in pay status	78	69	13.0%
Average age	51.9	51.9	N/A
Average monthly benefit ⁽¹⁾	\$2,659	\$2,604	2.1%
Beneficiaries			
Number in pay status	18	16	12.5%
Average age	58.1	58.9	N/A
Average monthly benefit ⁽¹⁾	\$1,368	\$1,172	16.7%

(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, 2006**

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	3	3	--	--	--	--	--	--	--	--
	\$42,296	\$42,296	--	--	--	--	--	--	--	--
25 - 29	5	5	--	--	--	--	--	--	--	--
	46,474	46,474	--	--	--	--	--	--	--	--
30 - 34	5	3	2	--	--	--	--	--	--	--
	52,438	47,512	\$59,829	--	--	--	--	--	--	--
35 - 39	13	9	3	1	--	--	--	--	--	--
	54,083	51,777	60,729	\$54,899	--	--	--	--	--	--
40 - 44	38	11	6	4	4	9	4	--	--	--
	58,591	53,173	53,795	55,280	\$56,874	\$66,113	\$68,790	--	--	--
45 - 49	115	6	2	9	12	33	52	1	--	--
	70,291	62,472	50,096	51,583	77,402	75,626	70,140	\$72,431	--	--
50 - 54	355	11	12	13	30	74	146	61	8	--
	75,431	68,118	75,291	63,036	68,680	77,719	78,450	72,835	\$74,689	--
55 - 59	479	8	10	10	37	93	144	129	45	3
	81,421	60,611	69,231	63,619	76,110	76,893	80,655	92,009	78,480	\$68,284
60 - 64	172	4	2	3	6	32	46	39	36	4
	83,428	45,256	46,056	57,801	82,590	70,903	83,387	94,897	92,020	72,260
65 - 69	22	--	--	--	1	3	8	6	4	--
	66,472	--	--	--	45,062	60,968	68,963	57,954	83,745	--
70 & over	9	--	--	--	1	--	2	1	2	3
	50,102	--	--	--	43,740	--	48,310	61,412	42,783	54,527
Total	1,216	60	37	40	91	244	402	237	95	10
	\$77,036	\$55,712	\$65,209	\$59,233	\$72,716	\$75,593	\$78,295	\$86,475	\$82,762	\$65,747

Note: Age and years of service were projected from November 30, 2006 to December 31, 2006.

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, 2006**

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	119	118	1	--	--	--	--	--	--
	\$48,100	\$48,229	\$32,889	--	--	--	--	--	--
25 - 29	438	349	88	1	--	--	--	--	--
	54,595	55,239	52,158	\$44,513	--	--	--	--	--
30 - 34	776	435	317	24	--	--	--	--	--
	61,464	61,515	61,355	61,968	--	--	--	--	--
35 - 39	1,115	420	482	148	63	2	--	--	--
	67,822	65,496	69,320	73,422	\$58,802	\$64,784	--	--	--
40 - 44	1,209	316	424	196	212	61	--	--	--
	67,824	66,915	65,103	71,518	70,661	69,712	--	--	--
45 - 49	1,305	301	410	184	306	103	1	--	--
	70,168	65,873	69,008	67,203	75,810	75,280	\$131,170	--	--
50 - 54	1,278	275	376	198	301	122	6	--	--
	71,306	68,063	68,249	71,844	72,777	82,624	89,907	--	--
55 - 59	1,090	212	300	175	284	110	7	2	--
	71,860	69,761	70,379	73,066	71,922	76,250	99,131	\$65,644	--
60 - 64	544	111	141	100	117	66	5	4	--
	69,345	65,073	71,027	66,369	70,909	70,880	80,303	118,202	--
65 - 69	147	26	36	33	35	14	3	--	--
	66,618	69,529	59,951	67,352	63,991	74,230	108,427	--	--
70 & Over	42	11	10	3	16	1	--	1	--
	64,486	61,658	71,036	60,884	61,614	100,632	--	50,705	--
Total	8,063	2,574	2,585	1,062	1,334	479	22	7	--
	\$67,742	\$63,491	\$66,940	\$70,466	\$71,766	\$76,036	\$95,060	\$93,543	--

Note: Age and years of service were projected from November 30, 2006 to December 31, 2006.

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, 2006**

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	--	--	--	--	--	--	--	--	--
45 - 49	44	--	--	2	5	18	19	--	--
	\$116,862	--	--	\$89,936	\$111,538	\$110,400	\$127,220	--	--
50 - 54	49	2	1	--	5	11	25	5	--
	107,064	\$103,309	\$66,049	--	118,634	89,529	112,133	\$118,426	--
55 - 59	42	--	--	1	--	12	17	8	4
	102,645	--	--	85,718	--	96,390	95,650	99,447	\$161,768
60 - 64	3	--	--	--	--	--	2	1	--
	79,297	--	--	--	--	--	75,030	87,830	--
65 - 69	--	--	--	--	--	--	--	--	--
70 & Over	1	--	--	--	--	--	--	--	1
	68,337	--	--	--	--	--	--	--	68,337
Total	139	2	1	3	10	41	63	14	5
	\$107,952	\$103,309	\$66,049	\$88,530	\$115,086	\$100,700	\$111,057	\$105,395	\$143,082

Note: Age and years of service were projected from November 30, 2006 to December 31, 2006.

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, 2006**

iv. Safety Tier 2

Age	Years of Service							
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over
Under 25	21	20	1	--	--	--	--	--
	\$66,039	\$65,886	\$69,118	--	--	--	--	--
25 - 29	109	83	26	--	--	--	--	--
	75,438	70,589	90,916	--	--	--	--	--
30 - 34	227	75	138	14	--	--	--	--
	81,460	70,808	86,008	\$93,700	--	--	--	--
35 - 39	233	63	126	41	3	--	--	--
	82,494	74,056	83,105	92,858	\$92,386	--	--	--
40 - 44	254	30	77	49	81	17	--	--
	90,463	76,312	84,259	91,062	97,385	\$108,834	--	--
45 - 49	181	12	40	21	58	50	--	--
	92,718	79,735	88,118	90,296	94,384	98,599	--	--
50 - 54	97	19	11	15	25	27	--	--
	89,987	89,289	84,479	94,396	88,636	91,524	--	--
55 - 59	76	12	16	10	22	13	3	--
	90,087	99,985	89,409	81,320	86,011	93,047	\$100,406	--
60 - 64	40	3	13	8	11	3	2	--
	96,709	91,139	107,609	96,799	93,976	78,728	75,850	--
65 - 69	5	--	1	4	--	--	--	--
	95,099	--	73,389	100,526	--	--	--	--
70 & Over	1	--	--	--	1	--	--	--
	252,939	--	--	--	252,939	--	--	--
Total	1,244	317	449	162	201	110	5	--
	\$86,217	\$74,349	\$86,009	\$91,870	\$94,699	\$97,246	\$90,583	--

Note: Age and years of service were projected from November 30, 2006 to December 31, 2006.

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

EXHIBIT C

Reconciliation of Member Data – December 31, 2005 to December 31, 2006

	Active Members	Vested Terminated Members	Pensioners	Disableds	Beneficiaries	Total
Number as of December 31, 2005	10,503	1,522	4,961	701	1,056	18,743
New members	905	0	0	0	0	905
Terminations – with vested rights	-293	293	0	0	0	0
Contributions refunds	-182	-65	0	0	0	-247
Retirements	-272	-42	314	0	0	0
New disabilities	-21	-15	-20	56	0	0
Return to work	42	-42	0	0	0	0
Died with or without beneficiary	-20	-9	-150	-12	17*	-174
Data adjustments	0	80**	12	1	0	93
Number as of December 31, 2006	10,662	1,722	5,117	746	1,073	19,320

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

** Out of the 80 data adjustments, 63 were for members who were hired and terminated employment during 2006.

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,	
	2006	2005
Contribution income:		
Employer contributions	\$127,095,644	\$100,801,162
Employee contributions	<u>70,174,363</u>	<u>64,149,614</u>
Contribution income	\$197,270,007	\$164,950,776
Investment income:		
Interest, dividends and other income	\$143,842,386	\$129,546,640
Adjustment toward market value	328,933,795	188,385,676
Less investment and administrative fees	<u>-31,838,584</u>	<u>-32,199,359</u>
Net investment income	<u>440,937,597</u>	<u>285,732,957</u>
Total income available for benefits	\$638,207,604	\$450,683,733
Less benefit payments:		
Service retirement	-\$198,635,194	-\$180,480,023
Death payments	-2,587,472	-2,339,979
Supplemental cost of living	-4,622,406	-5,076,960
Members refunds	-5,817,064	-6,080,366
Health insurance subsidies	<u>-22,205,334</u>	<u>-21,967,238</u>
Benefit payments	-\$233,867,470	-\$215,944,566
Change in reserve for future benefits	\$404,340,134	\$234,739,167

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

EXHIBIT E

Summary Statement of Assets

ASSETS	Year Ended December 31,	
	2006	2005
Cash	\$2,497,504	\$3,975,335
Securities Lending Collateral	\$687,288,970	\$474,588,519
Accounts Receivable:		
Contributions	\$16,263,269	\$14,155,760
Investment Receivables	138,518,586	118,247,603
Investments Sold	6,941,110	181,808,231
Others	<u>261,151</u>	<u>421,434</u>
Total Accounts Receivable	\$161,984,116	\$314,633,028
Prepaid Expenses	\$464,949	\$491,334
Investments:		
Short-Term Investments	\$123,331,645	\$108,627,778
Equities	3,412,049,918	2,947,354,673
Fixed Income Investments	1,373,843,658	1,260,696,513
Real Estate	274,410,635	239,578,149
Futures Contracts – Equity Index	129,900	0
Currency Swaps	484,894	2,525,222
Capital Assets	<u>3,085,116</u>	<u>4,272,182</u>
Total Investments at Market Value	\$5,187,335,766	\$4,563,054,517
Total Assets	\$6,039,571,304	\$5,356,742,733

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

EXHIBIT E (Continued)

Summary Statement of Assets

LIABILITIES	Year Ended December 31,	
	2006	2005
Less Accounts Payable:		
Securities Lending & Investments Purchased	-\$712,459,673	-\$638,052,586
Investment-Related Payables	-107,559,635	-89,467,591
Futures Contracts	0	-1,112,650
Currency Swaps	-3,370,673	-4,526,215
Accrued Administration Expense	-1,680,402	-1,326,124
Members Benefits & Refunds, and Retirement Payroll	-3,430,250	-3,087,053
Deductions Payable		
Others	<u>-970,628</u>	<u>0</u>
Total Accounts Payable	-\$829,471,262	-\$737,572,220
NET ASSETS		
Net Assets at Market Value	<u>\$5,210,100,043</u>	<u>\$4,619,170,513</u>
Net Assets at Actuarial Value	<u>\$4,750,818,665</u>	<u>\$4,346,478,531</u>
Net Assets at Valuation Value	<u>\$4,127,840,159</u>	<u>\$3,781,842,621</u>

Notes: (1) Results may not total properly due to rounding.

(2) December 31, 2005 assets and liabilities are restated, however the net assets remain unchanged.

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

EXHIBIT F

Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that 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	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
1. Total valuation assets	\$2,697,350	\$1,430,491	\$4,127,841
2. Present value of future contributions by members	475,553	114,723	590,276
3. Present value of future employer contributions for:			
a. entry age normal cost	547,396	112,107	659,503
b. unfunded actuarial accrued liability	727,729	-30,413	697,316
4. Total current and future assets	\$4,448,028	\$1,626,908	\$6,074,936
Liabilities			
5. Present value of benefits already granted	\$1,508,231	\$902,993	\$2,411,224
6. Present value of benefits to be granted to present non-retired members	2,939,797	723,915	3,663,712
7. Total liabilities	\$4,448,028	\$1,626,908	\$6,074,936

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

EXHIBIT G

Summary of Reported Asset Information as of December 31, 2006

	Reserves
Used in Development of Valuation Value of Assets	
Members deposit-basic	\$814,157,834
Members cost-of-living	196,090,775
Employer advance (before transfer from SRBR to employer advance)	356,665,134
Pension reserve-current	954,491,759
Pension reserve-prior	2,979,879
Annuity reserve	555,556,632
Cost-of-living reserve	1,234,400,099
Survivor death benefit	7,194,533
SRBR transfer to employer advance	6,303,514
Subtotal	<u>\$4,127,840,159</u>
Not Used in Development of Valuation Value of Assets	
401(h) account	\$291,766
Death benefit-burial	5,563,611
Supplemental retirees benefit reserve (before transfer from SRBR to employer advance)	563,030,930
Contingency reserve	60,395,713
Market stabilization reserve	459,281,378
SRBR transfer to employer advance	-6,303,514
Subtotal	<u>\$1,082,259,884</u>
Total	\$5,210,100,043

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

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability as of December 31, 2006

	(Dollar amounts in Thousands)
1 Unfunded actuarial accrued liability at beginning of year	\$766,370
2 Gross Normal Cost at middle of year	144,340
3 Actual employer and member contributions	-197,270
4 Interest (whole year on (1b) plus half year on (2) + (3))	<u>58,452</u>
5 Expected unfunded actuarial accrued liability at end of year	\$771,892
6 Actuarial (gain)/loss due to all changes:	
a. Gain from investment	-\$56,610
b. Higher than expected salary increases for Safety (offset by lower increases for General)	1,688
c. Change in assumptions	-55,636
d. Other experience (gain)/loss	<u>35,982</u>
e. Subtotal	-\$74,576
7 Actual unfunded actuarial accrued liability at end of year (5) + (6e)	\$697,316

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 \$175,000 for 2006 and \$180,000 for 2007. 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
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%
2006	127	127	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)
12/31/2001	\$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
12/31/2006	4,127,841 ⁽⁴⁾	4,825,157	697,316	85.5	762,139	91.5

⁽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%.

⁽⁴⁾ Includes \$6,303,514 in reimbursement of implicit retiree health benefit subsidy paid by the County for 2005 and 2006.

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

EXHIBIT III

Supplementary Information Required by GASB

Valuation date	December 31, 2006
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll for total unfunded liability
Remaining amortization period	26 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	8.00%
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	6,936
Terminated members entitled to, but not yet receiving benefits	1,722
Active members	<u>10,662</u>
Total	19,320

* 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:

Rate (%)				
Mortality				
Age	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:

8.00%, net of administration and investment expenses (approximately 1% of assets)

**Employee Contribution
Crediting Rate:**

8.00%, 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%

Changes in Actuarial Assumptions:

Based on the December 31, 2006 review of economic assumptions, two assumptions were changed. Previously, those assumptions were as follow:

Net Investment Return:	7.90%, net of administration and investment expenses.
Employee Contribution Crediting Rate:	7.90%, compounded semi-annually.

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).	

Ordinary Disability:

General Tier 1 and Tier 2

Eligibility

Five years of service (§31720).

Benefit Formula

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).

Safety Tier 1 and Tier 2

Eligibility

Five years of service (§31720).

Benefit Formula

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 Death Equity Benefit (ADEB) that increases the 60% continuance to 100% continuance. The ADEB benefit is funded by the Supplemental Retirees 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 26-year period.

⁽¹⁾ \$750 is funded by the employer. \$4,250 is funded by the Supplement Retirees 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 Retirees 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. This also 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, 2006 (New) and December 31, 2005 (Current) Valuations

General Tier 1				General Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	10.31%	9.99%	-0.32%	25	6.89%	6.70%	-0.19%
35	11.26%	10.97%	-0.29%	35	7.53%	7.35%	-0.18%
45	12.58%	12.31%	-0.27%	45	8.41%	8.26%	-0.15%

Safety Tier 1				Safety Tier 2			
Entry Age	Current	New	Change	Entry Age	Current	New	Change
25	16.75%	16.38%	-0.37%	25	13.58%	13.32%	-0.26%
30	17.37%	17.02%	-0.35%	30	14.05%	13.81%	-0.24%
35	18.23%	17.90%	-0.33%	35	14.72%	14.49%	-0.23%

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

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

Breakdown of member rate between basic and COLA calculated in the December 31, 2006 and December 31, 2005 valuations:

	December 31, 2006 Actuarial Valuation								December 31, 2005 Actuarial Valuation ⁽¹⁾							
	BASIC		COLA		COST SHARING CONTRIBUTIONS		TOTAL		BASIC		COLA		COST SHARING CONTRIBUTIONS		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*	Rate	Estimated Annual Amount*
General Tier 1 Members	7.30%	\$6,838	2.79%	\$2,614			10.09%	\$9,452	7.48%	\$7,007	2.91%	\$2,726			10.39%	\$9,733
General Tier 2 Members	5.97%	\$32,608	1.38%	\$7,538			7.35%	\$40,146	6.09%	\$33,264	1.43%	\$7,811			7.52%	\$41,075
Safety Tier 1 Members	7.88%	\$1,182	4.10%	\$616	3.00%	\$450	14.98%	\$2,248	8.05%	\$1,208	4.25%	\$638	3.00%	\$450	15.30%	\$2,296
Safety Tier 2 Members	8.06%	\$8,645	2.48%	\$2,659	3.00%	\$3,218	13.54%	\$14,522	8.21%	\$8,806	2.55%	\$2,734	3.00%	\$3,218	13.76%	\$14,758
All Member Categories Combined	6.47%	\$49,273	1.76%	\$13,427	0.48%	\$3,668	8.71%	\$66,368	6.60%	\$50,285	1.82%	\$13,909	0.48%	\$3,668	8.90%	\$67,862

* Amounts are in thousands and are based on the following December 31, 2006 annual payroll (Also in thousands):

	<u>County Only</u>	<u>ACMC, Court & First 5</u>	<u>Other Districts</u>	<u>Total</u>
General Tier 1	\$65,766	\$19,455	\$8,455	\$93,676
General Tier 2	362,408	183,796		546,204
Safety Tier 1	15,005			15,005
Safety Tier 2	107,254			107,254
Total	\$550,433	\$203,251	\$8,455	\$762,139

(1) These rates have been re-calculated by applying the individual entry age based member rates determined in December 31, 2005 valuation to the Association membership as of December 31, 2006.

Note: There is a refinement in the data provided by ACERA that allows Segal to more accurately determine those General members hired on or before March 7, 1973 and exempted from making contributions once they have 30 years of service.

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, 2006
Actuarial Valuation as a percentage of payroll**

<u>Entry Age</u>	<u>Basic Only</u>		<u>COLA Only</u>		<u>Total</u>	
	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>
15	4.53%	6.79%	1.73%	2.59%	6.26%	9.38%
16	4.53%	6.79%	1.73%	2.59%	6.26%	9.38%
17	4.57%	6.85%	1.74%	2.61%	6.31%	9.46%
18	4.60%	6.91%	1.75%	2.63%	6.35%	9.54%
19	4.64%	6.95%	1.77%	2.65%	6.41%	9.60%
20	4.67%	7.00%	1.78%	2.67%	6.45%	9.67%
21	4.69%	7.04%	1.79%	2.68%	6.48%	9.72%
22	4.72%	7.08%	1.80%	2.70%	6.52%	9.78%
23	4.75%	7.12%	1.81%	2.72%	6.56%	9.84%
24	4.78%	7.17%	1.83%	2.74%	6.61%	9.91%
25	4.82%	7.23%	1.84%	2.76%	6.66%	9.99%
26	4.85%	7.28%	1.85%	2.78%	6.70%	10.06%
27	4.89%	7.34%	1.87%	2.80%	6.76%	10.14%
28	4.94%	7.41%	1.89%	2.83%	6.83%	10.24%
29	4.98%	7.47%	1.90%	2.85%	6.88%	10.32%
30	5.03%	7.54%	1.92%	2.88%	6.95%	10.42%
31	5.08%	7.62%	1.94%	2.91%	7.02%	10.53%
32	5.13%	7.69%	1.96%	2.94%	7.09%	10.63%
33	5.18%	7.77%	1.98%	2.97%	7.16%	10.74%
34	5.23%	7.85%	2.00%	3.00%	7.23%	10.85%
35	5.29%	7.94%	2.02%	3.03%	7.31%	10.97%
36	5.35%	8.02%	2.04%	3.06%	7.39%	11.08%
37	5.41%	8.11%	2.07%	3.10%	7.48%	11.21%
38	5.47%	8.20%	2.09%	3.13%	7.56%	11.33%
39	5.53%	8.30%	2.11%	3.17%	7.64%	11.47%

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	5.60%	8.39%	2.13%	3.20%	7.73%	11.59%
41	5.66%	8.49%	2.16%	3.24%	7.82%	11.73%
42	5.73%	8.59%	2.19%	3.28%	7.92%	11.87%
43	5.80%	8.70%	2.21%	3.32%	8.01%	12.02%
44	5.87%	8.81%	2.24%	3.36%	8.11%	12.17%
45	5.94%	8.91%	2.27%	3.40%	8.21%	12.31%
46	6.02%	9.03%	2.29%	3.44%	8.31%	12.47%
47	6.09%	9.14%	2.33%	3.49%	8.42%	12.63%
48	6.17%	9.26%	2.35%	3.53%	8.52%	12.79%
49	6.25%	9.37%	2.39%	3.58%	8.64%	12.95%
50	6.33%	9.49%	2.41%	3.62%	8.74%	13.11%
51	6.40%	9.61%	2.45%	3.67%	8.85%	13.28%
52	6.48%	9.72%	2.47%	3.71%	8.95%	13.43%
53	6.56%	9.84%	2.50%	3.75%	9.06%	13.59%
54	6.64%	9.96%	2.53%	3.80%	9.17%	13.76%
55	6.71%	10.07%	2.56%	3.84%	9.27%	13.91%
56	6.78%	10.16%	2.59%	3.88%	9.37%	14.04%
57	6.82%	10.24%	2.61%	3.91%	9.43%	14.15%
58	6.83%	10.24%	2.61%	3.91%	9.44%	14.15%
59 & Over	6.64%	9.96%	2.53%	3.80%	9.17%	13.76%

* Use these rates for Non-Integrated Members

Interest: 8.00% 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: 38.16%
 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, 2006
Actuarial Valuation as a percentage of payroll**

<u>Entry Age</u>	<u>Basic Only</u>		<u>COLA Only</u>		<u>Total</u>	
	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>
15	3.41%	5.11%	0.79%	1.18%	4.20%	6.29%
16	3.41%	5.11%	0.79%	1.18%	4.20%	6.29%
17	3.44%	5.15%	0.79%	1.19%	4.23%	6.34%
18	3.46%	5.20%	0.80%	1.20%	4.26%	6.40%
19	3.49%	5.23%	0.81%	1.21%	4.30%	6.44%
20	3.51%	5.26%	0.81%	1.22%	4.32%	6.48%
21	3.53%	5.29%	0.81%	1.22%	4.34%	6.51%
22	3.55%	5.33%	0.82%	1.23%	4.37%	6.56%
23	3.57%	5.36%	0.83%	1.24%	4.40%	6.60%
24	3.60%	5.40%	0.83%	1.25%	4.43%	6.65%
25	3.62%	5.44%	0.84%	1.26%	4.46%	6.70%
26	3.65%	5.48%	0.85%	1.27%	4.50%	6.75%
27	3.68%	5.52%	0.85%	1.28%	4.53%	6.80%
28	3.71%	5.57%	0.86%	1.29%	4.57%	6.86%
29	3.75%	5.62%	0.87%	1.30%	4.62%	6.92%
30	3.78%	5.67%	0.87%	1.31%	4.65%	6.98%
31	3.82%	5.73%	0.89%	1.33%	4.71%	7.06%
32	3.86%	5.79%	0.89%	1.34%	4.75%	7.13%
33	3.90%	5.85%	0.90%	1.35%	4.80%	7.20%
34	3.94%	5.91%	0.91%	1.37%	4.85%	7.28%
35	3.98%	5.97%	0.92%	1.38%	4.90%	7.35%
36	4.02%	6.04%	0.93%	1.40%	4.95%	7.44%
37	4.07%	6.10%	0.94%	1.41%	5.01%	7.51%
38	4.11%	6.17%	0.95%	1.43%	5.06%	7.60%
39	4.16%	6.24%	0.96%	1.44%	5.12%	7.68%

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	4.21%	6.31%	0.97%	1.46%	5.18%	7.77%
41	4.26%	6.39%	0.99%	1.48%	5.25%	7.87%
42	4.31%	6.46%	1.00%	1.50%	5.31%	7.96%
43	4.36%	6.54%	1.01%	1.51%	5.37%	8.05%
44	4.42%	6.62%	1.02%	1.53%	5.44%	8.15%
45	4.47%	6.71%	1.03%	1.55%	5.50%	8.26%
46	4.53%	6.79%	1.05%	1.57%	5.58%	8.36%
47	4.58%	6.88%	1.06%	1.59%	5.64%	8.47%
48	4.64%	6.96%	1.07%	1.61%	5.71%	8.57%
49	4.70%	7.05%	1.09%	1.63%	5.79%	8.68%
50	4.76%	7.14%	1.10%	1.65%	5.86%	8.79%
51	4.82%	7.22%	1.11%	1.67%	5.93%	8.89%
52	4.87%	7.31%	1.13%	1.69%	6.00%	9.00%
53	4.93%	7.40%	1.14%	1.71%	6.07%	9.11%
54	4.99%	7.49%	1.15%	1.73%	6.14%	9.22%
55	5.04%	7.57%	1.17%	1.75%	6.21%	9.32%
56	5.09%	7.64%	1.18%	1.77%	6.27%	9.41%
57	5.13%	7.69%	1.19%	1.78%	6.32%	9.47%
58	5.33%	7.99%	1.23%	1.85%	6.56%	9.84%
59 & Over	5.54%	8.30%	1.28%	1.92%	6.82%	10.22%

* Use these rates for Non-Integrated Members

Interest: 8.00% 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: 23.14%
 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, 2006
Actuarial Valuation as a percentage of payroll**

<u>Entry Age</u>	<u>Basic Only</u>		<u>Cost Sharing Contributions</u>		<u>COLA Only</u>		<u>Total</u>	
	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>	<u>First \$161</u>	<u>Over \$161*</u>
15	5.51%	8.26%	3.00%	3.00%	2.86%	4.29%	11.37%	15.55%
16	5.51%	8.26%	3.00%	3.00%	2.86%	4.29%	11.37%	15.55%
17	5.56%	8.34%	3.00%	3.00%	2.89%	4.33%	11.45%	15.67%
18	5.60%	8.41%	3.00%	3.00%	2.91%	4.36%	11.51%	15.77%
19	5.65%	8.47%	3.00%	3.00%	2.93%	4.40%	11.58%	15.87%
20	5.69%	8.53%	3.00%	3.00%	2.95%	4.43%	11.64%	15.96%
21	5.72%	8.58%	3.00%	3.00%	2.97%	4.45%	11.69%	16.03%
22	5.75%	8.63%	3.00%	3.00%	2.99%	4.48%	11.74%	16.11%
23	5.79%	8.68%	3.00%	3.00%	3.01%	4.51%	11.80%	16.19%
24	5.83%	8.74%	3.00%	3.00%	3.03%	4.54%	11.86%	16.28%
25	5.87%	8.81%	3.00%	3.00%	3.05%	4.57%	11.92%	16.38%
26	5.92%	8.88%	3.00%	3.00%	3.07%	4.61%	11.99%	16.49%
27	5.97%	8.96%	3.00%	3.00%	3.10%	4.65%	12.07%	16.61%
28	6.03%	9.04%	3.00%	3.00%	3.13%	4.69%	12.16%	16.73%
29	6.09%	9.13%	3.00%	3.00%	3.16%	4.74%	12.25%	16.87%
30	6.15%	9.23%	3.00%	3.00%	3.19%	4.79%	12.34%	17.02%
31	6.22%	9.33%	3.00%	3.00%	3.23%	4.84%	12.45%	17.17%
32	6.30%	9.44%	3.00%	3.00%	3.27%	4.90%	12.57%	17.34%
33	6.37%	9.56%	3.00%	3.00%	3.31%	4.96%	12.68%	17.52%
34	6.45%	9.68%	3.00%	3.00%	3.35%	5.02%	12.80%	17.70%
35	6.54%	9.81%	3.00%	3.00%	3.39%	5.09%	12.93%	17.90%
36	6.63%	9.94%	3.00%	3.00%	3.44%	5.16%	13.07%	18.10%
37	6.72%	10.08%	3.00%	3.00%	3.49%	5.23%	13.21%	18.31%
38	6.81%	10.21%	3.00%	3.00%	3.53%	5.30%	13.34%	18.51%
39	6.90%	10.35%	3.00%	3.00%	3.58%	5.37%	13.48%	18.72%

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	6.99%	10.49%	3.00%	3.00%	3.63%	5.44%	13.62%	18.93%
41	7.08%	10.63%	3.00%	3.00%	3.67%	5.51%	13.75%	19.14%
42	7.17%	10.76%	3.00%	3.00%	3.72%	5.58%	13.89%	19.34%
43	7.26%	10.89%	3.00%	3.00%	3.77%	5.65%	14.03%	19.54%
44	7.35%	11.02%	3.00%	3.00%	3.81%	5.72%	14.16%	19.74%
45	7.43%	11.14%	3.00%	3.00%	3.85%	5.78%	14.28%	19.92%
46	7.49%	11.24%	3.00%	3.00%	3.89%	5.83%	14.38%	20.07%
47	7.54%	11.31%	3.00%	3.00%	3.91%	5.87%	14.45%	20.18%
48	7.53%	11.29%	3.00%	3.00%	3.91%	5.86%	14.44%	20.15%
49 & Over	7.29%	10.94%	3.00%	3.00%	3.79%	5.68%	14.08%	19.62%

* Use these rates for Non-Integrated Members

Interest: 8.00% 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: 51.89%
 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, 2006
Actuarial Valuation as percentage of payroll**

Entry Age	Basic Only		Cost Sharing Contributions		COLA Only		Total	
	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*	First \$161	Over \$161*
15	4.93%	7.40%	3.00%	3.00%	1.51%	2.27%	9.44%	12.67%
16	4.93%	7.40%	3.00%	3.00%	1.51%	2.27%	9.44%	12.67%
17	4.98%	7.47%	3.00%	3.00%	1.53%	2.30%	9.51%	12.77%
18	5.02%	7.53%	3.00%	3.00%	1.54%	2.31%	9.56%	12.84%
19	5.06%	7.59%	3.00%	3.00%	1.55%	2.33%	9.61%	12.92%
20	5.09%	7.64%	3.00%	3.00%	1.57%	2.35%	9.66%	12.99%
21	5.12%	7.68%	3.00%	3.00%	1.57%	2.36%	9.69%	13.04%
22	5.15%	7.73%	3.00%	3.00%	1.59%	2.38%	9.74%	13.11%
23	5.19%	7.78%	3.00%	3.00%	1.59%	2.39%	9.78%	13.17%
24	5.22%	7.83%	3.00%	3.00%	1.61%	2.41%	9.83%	13.24%
25	5.26%	7.89%	3.00%	3.00%	1.62%	2.43%	9.88%	13.32%
26	5.31%	7.96%	3.00%	3.00%	1.63%	2.45%	9.94%	13.41%
27	5.35%	8.03%	3.00%	3.00%	1.65%	2.47%	10.00%	13.50%
28	5.40%	8.10%	3.00%	3.00%	1.66%	2.49%	10.06%	13.59%
29	5.45%	8.18%	3.00%	3.00%	1.67%	2.51%	10.12%	13.69%
30	5.51%	8.27%	3.00%	3.00%	1.69%	2.54%	10.20%	13.81%
31	5.57%	8.36%	3.00%	3.00%	1.71%	2.57%	10.28%	13.93%
32	5.64%	8.46%	3.00%	3.00%	1.73%	2.60%	10.37%	14.06%
33	5.71%	8.57%	3.00%	3.00%	1.75%	2.63%	10.46%	14.20%
34	5.78%	8.68%	3.00%	3.00%	1.78%	2.67%	10.56%	14.35%
35	5.86%	8.79%	3.00%	3.00%	1.80%	2.70%	10.66%	14.49%
36	5.94%	8.91%	3.00%	3.00%	1.83%	2.74%	10.77%	14.65%
37	6.02%	9.03%	3.00%	3.00%	1.85%	2.77%	10.87%	14.80%
38	6.10%	9.15%	3.00%	3.00%	1.87%	2.81%	10.97%	14.96%
39	6.18%	9.28%	3.00%	3.00%	1.90%	2.85%	11.08%	15.13%

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	6.27%	9.40%	3.00%	3.00%	1.93%	2.89%	11.20%	15.29%
41	6.35%	9.52%	3.00%	3.00%	1.95%	2.93%	11.30%	15.45%
42	6.43%	9.64%	3.00%	3.00%	1.97%	2.96%	11.40%	15.60%
43	6.51%	9.76%	3.00%	3.00%	2.00%	3.00%	11.51%	15.76%
44	6.58%	9.88%	3.00%	3.00%	2.02%	3.03%	11.60%	15.91%
45	6.66%	9.98%	3.00%	3.00%	2.05%	3.07%	11.71%	16.05%
46	6.72%	10.08%	3.00%	3.00%	2.07%	3.10%	11.79%	16.18%
47	6.76%	10.14%	3.00%	3.00%	2.08%	3.12%	11.84%	16.26%
48	7.02%	10.53%	3.00%	3.00%	2.16%	3.24%	12.18%	16.77%
49 & Over	7.29%	10.94%	3.00%	3.00%	2.24%	3.36%	12.53%	17.30%

* Use these rates for Non-Integrated Members

Interest: 8.00% 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: 30.73%
 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 (\$000s)
 Calculated Based on Projected Employer Compensation Used in the December 31, 2006 Actuarial Valuation

<u>Employer Name (Code)</u>	<u>Dollar Contribution⁽¹⁾ Based on December 31, 2006 Valuation</u>					<u>Dollar Contribution⁽¹⁾ Based on December 31, 2005 Valuation</u>				
	<u>General</u>		<u>Safety</u>			<u>General</u>		<u>Safety</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Total</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Total</u>
Alameda County (101) ⁽²⁾	\$9,445	\$47,802	\$5,394	\$31,082	\$93,723	\$10,826	\$51,825	\$5,560	\$32,004	\$100,215
Medical Center (106) ⁽³⁾	\$1,361	\$18,063			\$19,424	\$1,553	\$19,480			\$21,033
Superior Court (632) ⁽³⁾	\$1,447	\$5,753			\$7,200	\$1,650	\$6,204			\$7,854
First 5 (714) ⁽³⁾		\$555			\$555		\$599			\$599
Housing Authority (103) ⁽⁴⁾	\$834				\$834	\$926				\$926
LARPD (104) ⁽⁴⁾	\$781				\$781	\$868				\$868
Office of Education (105) ⁽⁴⁾	\$24				\$24	\$26				\$26
Total	\$13,892	\$72,173	\$5,394	\$31,082	\$122,541	\$15,849	\$78,108	\$5,560	\$32,004	\$131,521

(1) Contribution calculated using projected compensation provided below for the December 31, 2006 valuation:

<u>Employer Name (Code)</u>	<u>December 31, 2006 Projected Total Compensation (\$000s)</u>				
	<u>General</u>		<u>Safety</u>		<u>Total</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Total</u>
Alameda County (101) ⁽²⁾	\$65,766	\$362,408	\$15,005	\$107,254	\$550,433
Medical Center (106) ⁽³⁾	\$9,433	\$136,223			\$145,656
Superior Court (632) ⁽³⁾	\$10,022	\$43,387			\$53,409
First 5 (714) ⁽³⁾		\$4,186			\$4,186
Housing Authority (103) ⁽⁴⁾	\$4,302				\$4,302
LARPD (104) ⁽⁴⁾	\$4,030				\$4,030
Office of Education (105) ⁽⁴⁾	\$123				\$123
Total	\$93,676	\$546,204	\$15,005	\$107,254	\$762,139

4016288v1/05579.001

(2) Counted as "County Only" payroll in the December 31, 2006 actuarial valuation.

(3) Counted as "ACMC, Court & First 5 Only" payroll in the December 31, 2006 actuarial valuation.

(4) Counted as "Other Districts" payroll in the December 31, 2006 actuarial valuation.