

**Los Angeles County Employees
Retirement Association**

**ACTUARIAL VALUATION
June 30, 2006**



By

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December 1, 2006

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Board of Investments
Los Angeles County Employees Retirement Association
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Dear Members of the Board:

As requested, we have made an actuarial valuation of the Los Angeles County Employees Retirement Association (LACERA) as of June 30, 2006 for determining the contribution rates effective July 1, 2007. The major findings of the valuation are contained in this report. This report reflects the benefit provisions and contribution rates in effect as of June 30, 2006, and both the Interim Funding Policy and the Retirement Benefit Enhancement Agreement.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest, and other factors for LACERA have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of LACERA and reasonable expectations) and which, in combination, offer our best estimate of anticipated experience affecting LACERA. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. The Board of Investments has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for LACERA. Actuarial computations under GASB Statement No. 25 are for purposes of fulfilling financial accounting requirements. The computations prepared for this purpose may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our



Board of Investments
Los Angeles County Employees Retirement Association
December 1, 2006
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understanding of LACERA's funding requirements as stated under their Interim Funding Policy, the Retirement Benefit Enhancement Agreement, and of GASB Statement No. 25. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning LACERA's operations, and uses LACERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

We would like to express our appreciation to Mr. Gregg Rademacher, Chief Executive Officer of LACERA, and to members of his staff, who gave substantial assistance in supplying the data on which this report is based.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Karen I. Steffen, FSA, EA, MAAA
Consulting Actuary

Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

KIS/NJC/nlo

Los Angeles County Employees Retirement Association

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**Los Angeles County Employees
Retirement Association**

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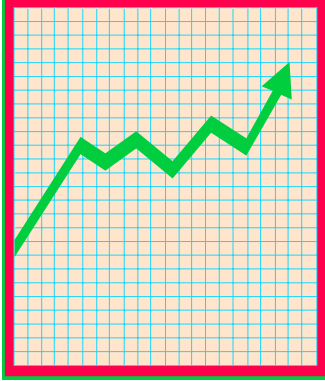
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This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

Section 1: Summary of the Findings



Overview

2006 Valuation Results

	June 30, 2006	June 30, 2005
Required County Contribution Rate	12.91%	14.86%
Funded Ratio	90.5%	85.8%

We are pleased to present the results of the June 30, 2006 actuarial valuation. Several key points are summarized as follows:

- **Investment Returns:** LACERA's investment returns have exceeded the assumed rate of 7.75% over the past three years. These investment gains led to an improvement in the system's funding status and a reduction in the required County contribution rate.

For the fiscal year ending in 2006, the fund returned 13% on a market basis. This gain, combined with the recognition of a portion of the deferred gains from 2004 and 2005 resulted in a \$1.64 billion gain on actuarial assets. This gain is the key factor affecting this year's valuation results.

Note that currently a \$1.4 billion net investment gain is being deferred. This is because the asset-smoothing method has recognized all of the losses from earlier in this decade, but only a portion of the gains from the prior two years. These gains will be reflected over the next two valuations.
- **Funding:** The Funded Ratio increased from 85.8% to 90.5%. Almost all of this increase is due to the investment gain.
- **Contribution Rates:** The County normal cost rate (9.42%) decreased slightly due to the usual year-to-year changes in membership. The County's required contribution rate to finance the Unfunded Actuarial Accrued Liability (UAAL) over 30 years also decreased to 3.49%. The result is a decrease in the required total contribution rate from the prior valuation of 1.95% (from 14.86% to 12.91% of payroll). Once again, the most important factor causing this decrease was the asset gain.

**Summary of the Findings
(continued)**

Required Contribution Rate

In accordance with the Retirement Benefits Enhancement Agreement, the required County contribution rate is 12.91% of payroll. This is equal to the payment of the County normal cost rate plus a 30-year amortization of the UAAL. It should be noted that the 12.91% is a weighted average for all LACERA plans. The actual percent of payroll to be contributed by the County varies by plan as shown in Exhibit 10.

The new required rate is effective for the fiscal year beginning July 1, 2007. The 12.91% contribution rate is currently adequate to maintain the funding of the retirement system benefits based on the actuarial methods and assumptions used and satisfies the funding policies adopted by the Board. If the County were to elect to continue contributing at the current rate of 14.86%, this would reduce the projected amortization period from 30 years to 16 years.

Analysis of Change

The following chart shows that the asset gains were clearly the most significant factor affecting the County contribution rate and the funded status.

Sources of Change	County Contribution Rate	Funded Ratio
June 30, 2005 Actuarial Valuation	14.86%	85.8%
Expected Year-to-Year Change	-0.29%	0.9%
Asset Gain/Loss	-1.82%	4.6%
Salary / Payroll Variation	0.02%	-0.4%
Retiree COLAs Less than Expected	0.00%	0.0%
Assumption Changes	0.00%	0.0%
Other	0.14%	-0.4%
Total Change	-1.95%	4.7%
June 30, 2006 Actuarial Valuation	12.91%	90.5%

Funding Progress

Based on the 2005 valuation, the expected funding status as of June 30, 2006 was a UAAL amount of \$4.85 billion. The actual UAAL for the fiscal year ending June 30, 2006 is \$3.44 billion. The decrease was due to a net experience gain on assets of \$1.64 billion, which was offset slightly by a loss on liabilities of \$0.23 billion. The loss on liabilities was primarily due to an actual increase in salaries for continuing active members greater than the assumed rate.

Summary of the Findings (continued)

Funding Progress (continued)

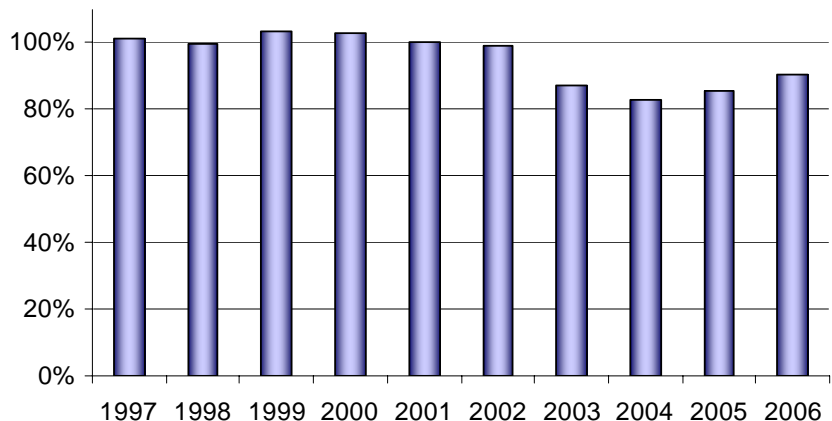
One measure of the funding adequacy of the plan is the Funded Ratio which compares the value of the Actuarial Value of Assets (net of certain non-valuation reserves) to the Actuarial Accrued Liability, for all LACERA plans combined. LACERA had maintained a Funded Ratio of approximately 100% for 1996-2002. Due to asset losses recently recognized, the Funded Ratio decreased significantly in 2003 and 2004. Strong investment returns over the past three years have resulted in an increase in the Funded Ratio to 90.5% this year, as shown following.

On June 30, 2006, the total Market Value of the fund was \$35.2 billion. The Actuarial Value was \$33.7 billion and was split between \$0.9 billion of Non-valuation Reserves and \$32.8 billion of Valuation Reserves. The Valuation Reserves are equal to 90.5% of the \$36.3 billion Actuarial Accrued Liability.

All dollar amounts in billions

	Market Value of Total Assets	Actuarial Value		Actuarial Accrued Liability	Funded Ratio
		Non-Valuation Reserves	Valuation Reserves		
1997	\$ 22.9	\$ 1.8	\$ 19.6	\$ 19.3	101.3%
1998	25.5	3.5	20.9	21.0	99.5
1999	28.0	3.7	23.5	22.8	103.3
2000	31.6	4.3	25.4	24.7	102.9
2001	28.4	4.4	26.5	26.5	100.0
2002	26.0	2.0	28.3	28.4	99.4
2003	26.2	1.6	26.6	30.5	87.2
2004	29.5	1.4	27.1	32.7	82.8
2005	32.0	1.1	29.5	34.4	85.8
2006	35.2	0.9	32.8	36.3	90.5

Historical Funded Ratios



Association Assets

Market Value: The market value of assets has increased over the past five years, as a result of contributions and investment earnings, offset by benefit payments. The average return for the fund over that period has been 7.4%. The values shown in the market value column are total assets net of liabilities, and include all reserves.

Actuarial Assets: The market value of total assets is used in calculating the actuarial value of assets. Under the actuarial asset method, the market value returns are smoothed over a three-year period.

Valuation Reserves: The reserves represent the ownership of LACERA's assets. The reserves are established in compliance with the County Employees Retirement Law of 1937 as administered by the Board of Investments. These assets also reflect smoothing.

Non-Valuation Reserves: The non-valuation reserves are set aside for obligations or contingencies. They are not used to fund the retirement benefits unless explicitly stated. These assets may also reflect smoothing.

Valuation Assets: This is the combination of the valuation reserves and the portion of the non-valuation reserves that are recognized for funding purposes only as allowed under the 2003 Retirement Benefits Enhancement Agreement.

Actuarial Balance Sheet

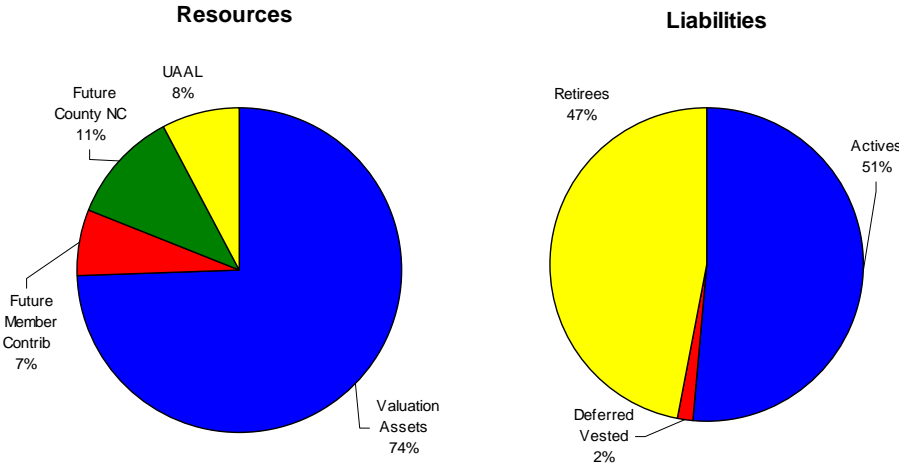
The first step in the valuation process is to compare the total actuarial assets of LACERA with its total liabilities for all plans. In this analysis, assets equal those currently on hand, at the actuarial value, and also expected future contributions by both the County and members. Liabilities reflect benefits already earned in the past and those expected to be earned in the future by current members. This relationship is shown in the following chart. The Actuarial Accrued Liability (AAL) is the total of these liabilities less expected future normal cost contributions.

Comparing the current and future assets to the current and future liabilities, we then determine the annual contribution amount for the coming fiscal year.

**Summary of the Findings
(continued)**

**Actuarial Balance Sheet
(continued)**

The 2006 actuarial valuation indicates that LACERA's Valuation Assets are less than its AAL. The difference between these two values is the UAAL. It is discussed, along with the effect of the experience gains and losses, in detail in Section 4, Actuarial Liabilities.



Funding Agreement

In 1994, the County and LACERA entered into a funding agreement that determined how the excess earnings were to be allocated for 1994-1998 and how County contributions were to be computed if a UAAL existed. Since LACERA met the funding requirements of the Funding Agreement in 1994-1998, County contributions consisted of the Normal Cost contribution only during that period.

Funding Policy

The 1994 Funding Agreement indicated the funding policy to be followed in 1994 through 1998. It only describes the amortization of any UAAL amounts for 1999-2008. During 2000, the Board discussed a long-term funding policy and established a method of allocating earnings on the various reserve funds under their Interim Funding Policy. In 2003, along with adopting certain benefit enhancements, a Retirement Benefits Enhancement Agreement set up a new funding policy for the 2002-2008 valuations.

**Funding Policy
(continued)**

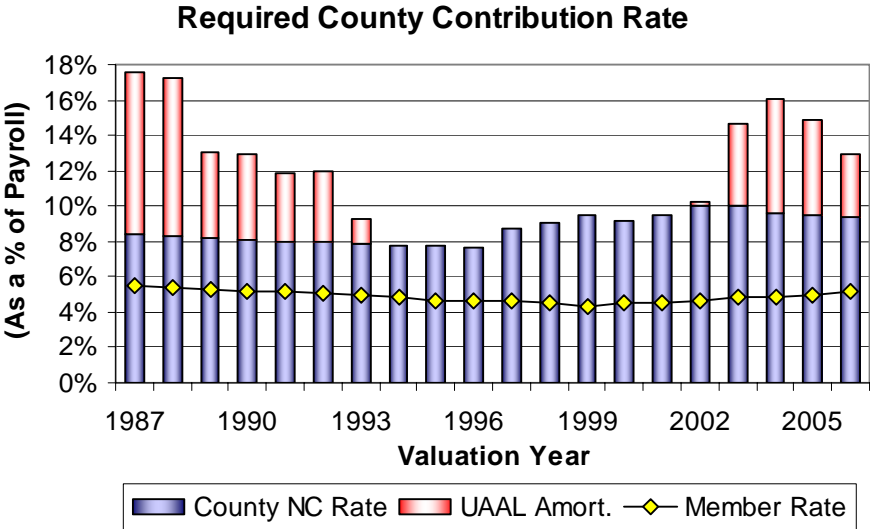
Under the 2002 Retirement Benefits Enhancement Agreement, all of the funds in the Contingency Reserve in excess of 1% of the actuarial value of assets of the entire fund are considered as part of the Valuation Assets. In addition, in any year in which the Funded Ratio is less than 100% prior to its inclusion, a portion of the STAR Reserve is also to be considered as part of the Valuation Assets. The portion that is not available for treatment as Valuation Assets is the amount determined to be sufficient to fund the STAR benefits until July 1, 2009.

Note that, if the entire STAR reserve of \$654 million was excluded from the Valuation Assets, the UAAL would increase by \$620 million. Under this hypothetical scenario, the required County contribution rate would increase by 0.69% to 13.60%, and the Funded Ratio would decrease to 88.8%.

The Retirement Benefits Enhancement Agreement was adopted as a short term funding policy, applicable through the 2008 actuarial valuation.

Contribution Rates

Based on the results of the valuation, the Interim Funding Policy, and the Retirement Benefits Enhancement Agreement, the required County contribution rate will decrease for the fiscal year beginning in 2007 to a rate of 12.91% of pay. Member contribution rates are discussed in Section 5 and the rates are shown in detail in Appendix D. A historical perspective of the County contribution rates is shown in the following graph.



**Summary of the Findings
(continued)**

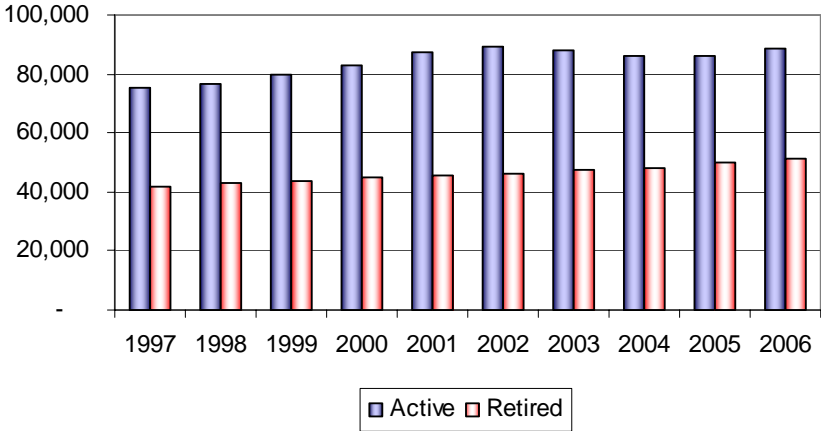
Member Rates

Since this is not a triennial valuation, we have not recommended any changes in the member rates. Member rates for all plans are discussed in Section 5.

Member Information

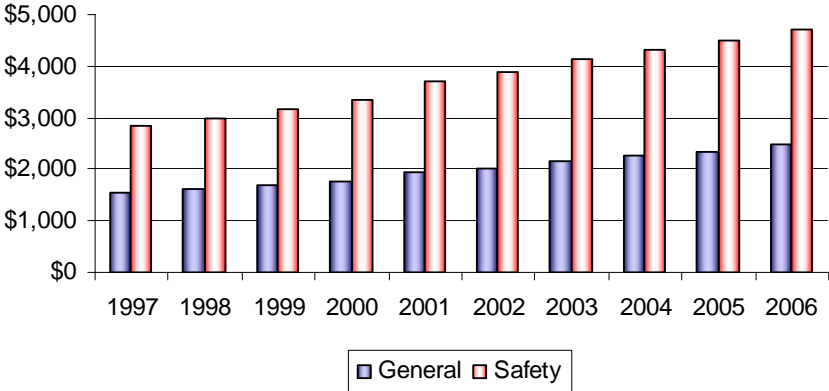
Payroll has increased since 2005. As of June 30, 2006, the annualized payroll is \$5.33 billion for 88,631 active members. This increase is a result of a 3.0% increase in average pay and a 2.6% increase in active members.

Membership Count



Retired member counts and average retirement benefit amounts continue to increase steadily. For 2006, there were 50,992 retired members with an average benefit of \$2,898 per month. This represents a 2.5% increase in count and a 4.8% increase in the average monthly benefit.

Average Monthly Retirement Benefit



Summary of the Findings (continued)

Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population. In addition to the movement shown below, 592 members (395 last year) transferred from Plan E to Plan D during the past year; and 160 members (126 last year) transferred from Plan D to Plan E.

	Active Contributing Members	Deferred Vested Members	Retirees, Disabilities, & Beneficiaries
June 30, 2005 Valuation	86,384	6,980	49,769
Termination without Refund	(1,037)	1,037	-
Termination with Refund	(1,702)	(126)	-
Active/Deferred Death with Annuity	(64)	(35)	99
Service Retirement	(1,912)	(300)	2,212
Disability Retirement	(178)	(11)	189
Retiree Death without Beneficiary	-	-	(1,273)
New Entrants	7,050	-	-
Rehires	90	(86)	(4)
Total Change	2,247	479	1,223
June 30, 2006 Valuation	88,631	7,459	50,992

Sensitivity to Investment Return

The valuation results are projections based on the actuarial assumptions. Actual experience will differ from these assumptions, either increasing or decreasing the ultimate cost. Of the assumptions, the investment return generally has the biggest impact. The following chart provides a simple analysis on how the costs are affected by the investment return assumption.

	Investment Return Assumption		
	Current 7.75%	+0.5% 8.25%	-0.5% 7.25%
County Contribution Rate	12.91%	9.45%	16.34%
Change		-3.46%	3.43%
Funded Ratio	90.5%	96.2%	85.2%
Change		5.7%	-5.3%

Summary Valuation Results

The following Exhibit 1 presents a summary of key data elements on June 30, 2006 and June 30, 2005, and how they changed over the past year. More detail on each of these elements can be found in the following Sections and Exhibits of this report.

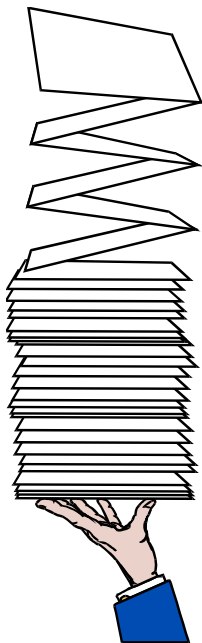
Los Angeles County Employees Retirement Association

Exhibit 1: Summary of Significant Valuation Results

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>Percentage Change</u>
I. Total Membership			
A. Active Members	88,631	86,384	2.6 %
B. Retired Members & Beneficiaries	50,992	49,769	2.5%
C. Vested Terminated Members	<u>7,458</u>	<u>6,980</u>	6.8%
D. Total	147,081	143,133	2.8 %
II. Pay Rate as of June 30, 2006			
A. Annual Total (\$millions)	\$ 5,333	\$ 5,051	5.6%
B. Monthly Average	\$ 5,014	\$ 4,873	2.9%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 2,961	\$ 2,834	4.5%
B. Disability Retirement	\$ 3,496	\$ 3,334	4.9%
C. Surviving Spouse and Dependents	\$ 1,842	\$ 1,733	6.3%
D. Total	\$ 2,898	\$ 2,766	4.8%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 14,882	\$ 14,138	5.3%
B. Retired Members	\$ 20,682	\$ 19,623	5.4%
C. Vested Terminated Members	<u>\$ 695</u>	<u>\$ 615</u>	13.0%
D. Total	\$ 36,259	\$ 34,375	5.5%
V. Assets			
A. Market Value of Fund (\$millions)	\$ 35,186	\$ 32,026	9.9%
B. Actuarial Value (\$millions)			
a. Valuation Reserves	\$ 32,820	\$ 29,497	11.3%
b. Non-valuation Reserves	\$ 930	\$ 1,122	(17.1)%
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 3,439	\$ 4,878	(29.5)%
VII. Required County contribution rate for all plans combined as a percent of total payroll			
A. Gross Normal Cost	14.54%	14.50%	0.3%
B. Member Contributions	<u>(5.12)%</u>	<u>(4.97)%</u>	3.0%
C. County Normal Cost	9.42%	9.53%	(1.2)%
D. UAAL Amortization	<u>3.49%</u>	<u>5.33%</u>	(34.5)%
E. Total Required Contribution	12.91%	14.86%	(13.1)%
VIII. Funded Ratio	90.5%	85.8%	5.5%

Los Angeles County Employees Retirement Association

Section 2: Scope of the Report



This report presents the actuarial valuation of the Los Angeles County Employees Retirement Association as of June 30, 2006. This valuation was requested by the Board. Section 31453 of the County Employees Retirement Law of 1937 (the 37 Act) requires an actuarial valuation to be performed at least every three years for the purposes of setting contribution rates. The 2004 valuation met this requirement. However, under the Retirement Benefit Enhancement Agreement, annual valuations redetermine the County Contribution rates each year through 2008.

In reading our cover letter, please pay particular attention to the guidelines employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings depend. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets and investment experience of the System. The assets and investment income are presented in Exhibits 2-4. Exhibit 5 develops the Actuarial Value of Assets as of June 30, 2006. Exhibit 6 develops the Valuation Assets used for funding benefits.

Section 4 describes the benefit obligations of LACERA. Exhibit 7 is the Actuarial Balance Sheet and Exhibit 8a analyzes the change in UAAL (Surplus Funding). Exhibit 8b shows a history of these changes.

Section 5 discusses the Member contribution rates.

Section 6 discusses the County contributions needed to fund the benefits under the actuarial cost method in use.

Section 7 discloses the information required under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Section 8 shows the estimated cash flow of the system, including a projection of both contributions and benefit payments.

Scope of the Report (continued)

This report includes several appendices:

- Appendix A A summary of the actuarial procedures, and assumptions used to estimate liabilities and contributions.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on June 30, 2006.
- Appendix C Schedules of valuation data classified by various categories of plan members.
- Appendix D Member contribution rates by plan.
- Appendix E A glossary of actuarial terms used in this report.

Los Angeles County Employees Retirement Association

Section 3: Assets



In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is June 30, 2006. On that date, the assets available for the payment of retirement benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the actuarial assets. The purpose of the valuation is to determine what future contributions by the members and County are needed to pay all expected future benefits.

This section of the report deals with the determination of assets used for funding purposes. In the next section, the actuarial liabilities will be discussed. Sections 5 and 6 deal with the process for determining required contributions based on the relationship between the actuarial assets and the actuarial liabilities.

A historical summary of the system's assets is presented below:

All dollar amounts in billions

	Market Value of <u>Total Assets</u>	Actuarial Value		Total Fund Return*
		Non- Valuation <u>Reserves</u>	Valuation <u>Reserves</u>	
1997	\$ 22.9	NA	\$ 19.6	17.7%
1998	25.5	NA	20.9	15.5
1999	28.0	\$ 3.7	23.5	12.9
2000	31.6	4.3	25.4	15.2
2001	28.4	4.4	26.5	-5.2
2002	26.1	2.0	28.3	-5.6
2003	26.2	1.6	26.6	3.6
2004	29.5	1.4	27.1	16.5
2005	32.0	1.1	29.5	11.0
2006	35.2	0.9	32.8	13.0

**As reported in the Investment Section of the CAFR.*

On June 30, 2006, the total market value of the fund, less current liabilities, was \$35.2 billion. The actuarial value of the fund was determined to be \$33.7 billion, including the non-valuation reserves. The average total fund return for the last five years was 7.4%.

Financial Exhibits

Exhibit 2 presents a Statement of Plan Net Assets and Exhibit 3 presents a Statement of Changes in Plan Net Assets. Exhibit 4 describes the allocation of LACERA's assets by the various reserve values determined for accounting purposes as disclosed in the comprehensive annual financial report (CAFR).

Exhibits 2-4 are taken directly from data furnished to us by LACERA in their annual financial report. We have accepted these tables for use in this report without audit, but we have reviewed them for reasonableness and consistency with previous reports.

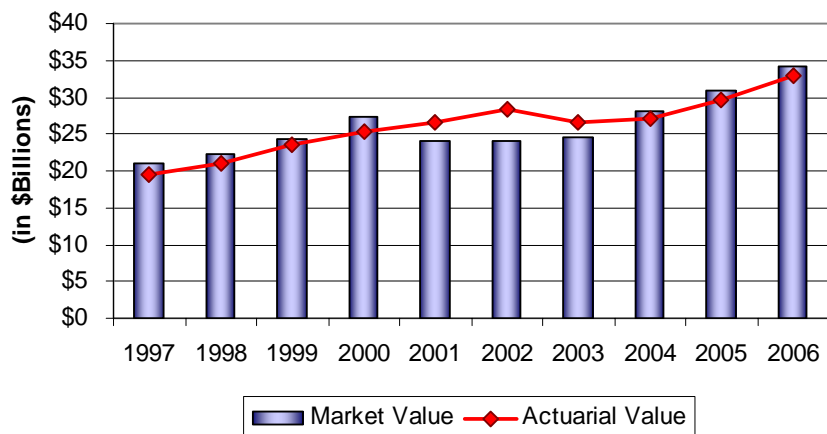
Actuarial Asset Method

The actuarial asset method computes the expected market value of assets based on the prior year's market value of assets, the actual cash flow of contributions and benefit payments, and the assumed investment rate of return. The current assumed rate of return is 7.75%, net of all expenses. The difference between the actual market value and the computed expected market value is smoothed, or recognized over a three-year period.

Actuarial Value of Assets

The development of the June 30, 2006 actuarial value of assets is shown in Exhibit 5. Note the smoothing process has recognized the investment losses from 2002 and 2003 over the last few years and is now in a net actuarial gain position. The result is an actuarial value of assets less than the June 30, 2006 market value by \$1.4 billion. The following graph shows a historical comparison of the actuarial and market assets used for valuation purposes.

Applicable Valuation Assets



**Interim Actuarial
Funding Policy**

At the February 14, 2001 Board meeting, the following Interim Actuarial Funding Policy was adopted:

Earnings for a Plan Year plus recognized investment income, together with the prior balances in the Contingency Reserve will be allocated as of the Valuation Date in the following order of priority:

- Priority 1: Allocate to the Member Reserve an amount equal to one year's interest at LACERA's interest crediting rate, generally the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 2: Allocate to the Employer Reserve and the Advanced Employer Contributions Reserve amounts equal to one year's interest at the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 3: Allocate to the Contingency Reserve an amount equal to 1% of Actuarial Value of Assets.
- Priority 4: Allocate to the County Contribution Credit Reserve an amount equal to one year's interest at the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 5: Allocate to the Employer Reserve an amount, if necessary, when combined with other valuation Reserves, to provide 100% funding of the Actuarial Accrued Liability as of the Valuation Date.
- Priority 6: Allocate any remaining Earnings as directed by the Board of Investments.

There were enough earnings for the year and assets in the contingency reserve to satisfy Priorities 1-4. The remainder was credited to the Employer Reserve (Priority 5); however, this was not enough to provide 100% funding of the AAL.

Valuation Assets

Valuation Assets are the actuarial value of the fund, less the value of any reserves which have been set aside for current liabilities and special benefits that are to be funded outside of the actuarially determined contribution rates. The 37 Act requires the Contingency Reserve be set at a minimum of 1.0% of assets.

**Valuation Assets
(continued)**

The Retirement Benefits Enhancement Agreement allows a portion of the STAR Reserve to also be allocated to the Valuation Assets, if needed. The estimated value of approving a permanent STAR benefit through July 1, 2009 is \$34.5 million and should be excluded from the Valuation Assets. Thus, all but \$34.5 million of the June 30, 2006 accounting value of the \$654 million STAR Reserve was used to determine the contribution rates for fiscal year commencing July 1, 2007. The non-valuation reserve allocations for funding purposes shown in Exhibit 6 are not the same as those shown in the annual report and in Exhibit 4.

Note that the County Contribution Credit Reserve is credited with interest under the Interim Funding Policy as shown in Exhibit 6, the allocation of Valuation Assets, and is greater than the accounting value shown in Exhibit 4.

The Retirement Benefits Enhancement Agreement expires on July 1, 2010. Commencing with the June 30, 2009 valuation, the funding policy for LACERA shall be determined by the Board of Investment as it shall deem appropriate.

**Los Angeles County Employees
Retirement Association**

**Exhibit 2: Statement of Plan Net Assets
For Years Ended June 30, 2005 and 2006
(Dollars in Thousands)**

	2006	2005
Assets		
Cash	\$ 72,727	\$ 97,456
Collateral on Loaned Securities	2,906,455	3,001,156
Receivables		
Accounts Receivable – Sale of Investments	213,906	329,931
Accrued Interest and Dividends	118,188	109,878
Accounts Receivable – Other	106,879	103,895
Total Receivables	438,973	543,704
Investments at Fair Value		
Stocks	18,817,409	17,299,546
Bonds	8,978,511	8,467,784
Short-Term Investments	1,412,210	947,634
Real Estate	3,553,426	3,213,698
Mortgages	231,195	268,449
Alternative Assets	2,198,244	1,777,213
Total Investments	35,190,995	31,974,324
Capital Assets Net of Depreciation	-	0
Total Assets	38,609,150	35,616,640
Liabilities		
Accounts Payable – Purchase of Investments	391,503	509,383
Retiree Payroll and Other Payables	143	125
Accrued Expenses	66,042	23,809
Tax Withholding Payable	17,075	15,614
Obligations under Securities Lending Program	2,906,455	3,001,156
Accounts Payable – Other	42,343	40,448
Total Liabilities	3,423,561	3,590,535
Net Assets Held in Trust for Pension Benefits	35,185,589	32,026,105

Los Angeles County Employees Retirement Association

Exhibit 3: Statement of Changes in Plan Net Assets For the Years Ended June 30, 2005 and 2006 (Dollars in Thousands)

	2006	2005
Additions		
Contributions		
Employer	\$ 676,667	\$ 527,810
Member	296,176	286,096
Total Contributions	972,843	813,906
Investment Income		
<i>From Investing Activities</i>		
Net Appreciation/(Depreciation) in Fair Value of Investments	1,078,066	1,597,148
Investment Income	3,107,323	1,850,038
Total Investing Activity Income/(Loss)	4,185,389	3,447,186
Less Expenses From Investing Activities	(102,415)	(59,664)
Net Investing Activity Income/(Loss)	4,082,974	3,387,522
<i>From Securities Lending Activities</i>		
Securities Lending Income	162,282	79,263
Less Expenses From Securities Lending Activities	(152,846)	(70,592)
Net Securities Lending Income	9,436	8,671
Total Net Investment Income/(Loss)	4,092,410	3,396,193
Miscellaneous	3,877	3,222
Total Additions/(Declines)	5,069,130	4,213,322
Deductions		
Retiree Payroll	1,777,381	1,542,088
Administrative Expense	44,691	43,182
Refunds	19,731	18,630
Lump Sum Death Benefits	1,351	1,646
Retiree Healthcare Program	66,417	62,318
Miscellaneous	75	536
Total Deductions	1,909,646	1,668,400
Net Increase/(Decrease)	3,159,484	2,544,922
Net Assets Held in Trust for Pension Benefits Beginning of Year	32,026,105	29,481,183
End of Year	35,185,589	32,026,105

Los Angeles County Employees Retirement Association

Exhibit 4: Allocation of Assets by Accounting Reserve Amounts (Dollars in Thousands)

	June 30, 2006	June 30, 2005
1. Member Reserves		
a. Active Members	\$ 11,268,431	\$ 10,596,424
b. Unclaimed Deposits	-	-
c. Total Member Reserves	\$ 11,268,431	\$ 10,596,424
2. Employer Reserves		
a. Actual Employer Contributions	\$ 14,323,464	\$ 13,718,254
b. Advanced Employer Contributions	-	431,806
c. Total Employer Contributions	\$ 14,323,464	\$ 14,150,060
3. County Contribution Credit Reserve	\$ 544,039	\$ 312,829
4. STAR Reserve	654,099	656,602
5. Contingency Reserve	1,227,685	220,387
6. Total Reserves at Book Value	\$ 28,017,718	\$ 25,936,302
7. Unrealized Investment Portfolio Appreciation	7,167,871	6,089,803
8. Total Reserves at Fair Value	\$ 35,185,589	\$ 32,026,105

Note: These amounts were determined by LACERA for accounting purposes and are reported in the June 30, 2006 CAFR.

**Los Angeles County Employees
Retirement Association**

**Exhibit 5: 3-Year Smoothing of Gains and Losses on Market Value
(Dollars in Thousands)**

June 30, 2006 Valuation						
Plan Year Ending	Contributions	Benefit Payments	Expected Market Value	Actual Market Value	Phase-Out of Gain / (Loss)	
6/30/2006	\$ 972,843	\$ 1,864,880	\$ 33,582,170	\$ 35,185,589	67% x	\$ 1,603,419 = \$ 1,068,946
6/30/2005	813,906	1,624,681	30,924,368	32,026,105	33% x	1,101,737 = 367,246
6/30/2004	657,808	1,506,565	27,465,576	29,481,183	0% x	2,015,607 = 0
6/30/2003				26,247,806		= 0
					Total Phase-Out of Gain / (Loss) = \$ 1,436,192	
					Total Market Value of Assets = 35,185,589	
					Total Actuarial Value of Assets = \$ 33,749,397	
Total Actuarial Value of Assets = Total Market Value of Assets less the Total Phase-Out amount Phase-Out amounts will be recognized in future years.						

**Los Angeles County Employees
Retirement Association**

**Exhibit 6: Allocation of Valuation and Non-Valuation Assets
(Dollars in Thousands)**

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
1. Total Market Value of Assets	\$ 38,609,150	\$ 35,616,640
2. Current Liabilities	<u>3,423,561</u>	<u>3,590,535</u>
3. Net Assets Held in Trust for Pension Benefits	\$ 35,185,589	\$ 32,026,105
4. Market Stabilization Reserve ⁽¹⁾	<u>1,436,192</u>	<u>1,406,360</u>
5. Actuarial Value of Fund Assets	\$ 33,749,397	\$ 30,619,745
6. Non-Valuation Reserves ⁽²⁾		
a. Unclaimed Deposits	\$ -	\$ -
b. Contingency Reserve	337,494	306,197
c. Advanced Employer Contributions	-	447,923
d. County Contribution Credit Reserve	557,678	343,440
e. Reserve for STAR Program	<u>34,500</u>	<u>24,700</u>
f. Total	\$ 929,672	\$ 1,122,260
7. Valuation Assets ⁽²⁾		
a. Member Reserves	\$ 11,268,431	\$ 10,596,424
b. Employer Reserves for Funding Purposes	<u>\$ 21,551,294</u>	<u>\$ 18,901,061</u>
c. Total	\$ 32,819,725	\$ 29,497,485

(1) The Market Stabilization Reserve represents the difference between the Market Value of the fund, less Current Liabilities, and the Actuarial Value of the fund as determined in Exhibit 5.

(2) The values used for funding purposes for all reserves are based on the Board's Interim Funding Policy. Amounts used for funding purposes may differ from those reported in the financial report as shown in Exhibit 4.

Los Angeles County Employees Retirement Association

Section 4: Actuarial Liabilities



In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of LACERA's assets as of the valuation date, June 30, 2006. In this section, the discussion will focus on the commitments of LACERA for retirement benefits, which are referred to as its actuarial liabilities.

In an active system, the actuarial liabilities will almost always exceed the actuarial assets. This is usually expected in all but a fully closed down fund, where no further contributions of any sort are anticipated. This deficiency has to be provided by future contributions and investment returns. An actuarial valuation method sets out a schedule of future contributions that will deal with this deficiency in an orderly fashion. The determination of the level of future contributions needed is discussed in the next section.

Actuarial Balance Sheet – Liabilities

First, we need to determine the amount of the deficiency. We compare the Actuarial Value of the Valuation Assets to the Actuarial Liabilities. The difference is the amount that needs to be funded by the Member and County contributions in the future. Both the current and future assets (contributions) are compared to the actuarial liabilities in the Actuarial Balance Sheet.

Exhibit 7 contains an analysis of the actuarial present value of all future benefits for inactive members, (both retired and deferred vested members), and active members. The analysis is given by class of membership, by plan and by type of benefit. Note that for purposes of this exhibit the valuation assets are shown allocated by plan in proportion to each plan's reserves (employer and member).

The actuarial liabilities include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes measures of both benefits already earned and future benefits to be earned. For all members, active and inactive, the value extends over the rest of their lives and for the lives of any surviving beneficiaries.

The actuarial assumptions used to determine the liabilities are based on the results of the 2004 Investigation of Experience Report. New assumptions were adopted by the Board effective June 30, 2004.

**Los Angeles County Employees
Retirement Association**

**Exhibit 7: Actuarial Balance Sheet – June 30, 2006
(Dollars in millions)**

	General					Safety		All Plans
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan A	Plan B	
LIABILITIES								
Present Value of Benefits - Inactives								
- Retirees and Beneficiaries	\$ 11,372	\$ 139	\$ 76	\$ 1,099	\$ 672	\$ 6,493	\$ 831	\$ 20,682
- Vested Terminated	64	15	6	321	203	0	86	695
- Inactive Total	11,436	154	82	1,420	875	6,493	917	21,377
Present Value of Benefits - Actives								
- Service Retirement	\$ 2,301	\$ 197	\$ 123	\$ 7,294	\$ 4,069	\$ 487	\$ 3,500	\$ 17,971
- Transfer Service (prior LACERA plan)	65	7	1	36	215	5	11	340
- Disability Retirement	60	6	4	687	N/A	229	2,475	3,461
- Death	27	3	2	304	N/A	2	49	387
- Termination (No Refund)	*	*	*	224	155	*	34	413
- Refund of Member Contributions	*	*	*	99	N/A	*	7	106
- Active Total	2,453	213	130	8,644	4,439	723	6,076	22,678
Total Actuarial Liabilities	\$ 13,889	\$ 367	\$ 212	\$ 10,064	\$ 5,314	\$ 7,216	\$ 6,993	\$ 44,055
ASSETS								
Valuation Assets	\$ 9,428	\$ 382	\$ 225	\$ 6,898	\$ 5,481	\$ 4,771	\$ 5,635	\$ 32,820
PV Future Member Contributions	27	9	6	1,993	*	1	881	2,917
PV Future County Normal Cost Contribs.	121	9	6	2,153	1,228	34	1,328	4,879
UAAL or (Surplus Funding)	4,313	(33)	(25)	(980)	(1,395)	2,410	(851)	3,439
Total Current and Future Assets	\$ 13,889	\$ 367	\$ 212	\$ 10,064	\$ 5,314	\$ 7,216	\$ 6,993	\$ 44,055

* Less than \$0.5 million

**Actuarial Balance Sheet – Liabilities
(continued)**

All liabilities reflect the benefits effective through June 30, 2006. This includes the permanent STAR COLA adopted for 2006 and actual benefits and retroactive payments pursuant to the final Ventura settlement. Also, estimated liabilities of \$50 million for recently settled court cases (Bugh case and Local 1014 case) are included.

Actuarial Balance Sheet – Assets

For the purpose of the Actuarial Balance Sheet, LACERA's assets are equal to the sum of:

- (a) assets currently available to pay benefits and considered for funding purposes, the Valuation Assets,
- (b) the present value of future contributions expected to be made by current active Members, and
- (c) the present value of future contributions expected to be made by the County.

Actuarial Cost Method

The Actuarial Balance sheet determines the amount of future contributions that are needed, but the method used to determine the incidence of when those future contributions are yet to be made in future years is called the "actuarial cost method". For this valuation, the entry age actuarial cost method has been used. Under this method – or essentially any actuarial cost method – the contributions required to meet the difference between current assets and current actuarial liabilities are allocated each year between two elements:

- A normal cost amount; and
- Whatever amount is left over, which is used to amortize what is called the UAAL.

The two items described above – the normal cost and UAAL – are the keys to understanding the actuarial cost method.

Normal Cost

The normal cost is the theoretical contribution rate that will meet the ongoing costs of a group of average new employees. Suppose that a group of new employees was covered under a separate fund from which all benefits and to which all contributions and associated investment returns were paid.

Under the entry age actuarial cost method, the normal cost contribution rate maintains the funding of benefits as a level percentage of pay. If experience follows the actuarial assumptions precisely, the fund would be completely liquidated when the last payment to the last survivor of the group was made.

**Actuarial Liabilities
(continued)**

**Normal Cost
(continued)**

By applying the normal cost contribution rate to the present value of salaries expected to be paid in the future, we determine the present value of future normal cost contributions. Future contributions are expected to be made by both the Members and the County. The member contribution rates are determined based upon requirements established in the 37 Act and the actuarial assumptions. Based on these member contribution rates, we determine the present value of future member contributions. We subtract that value from the total future normal cost contributions expected, based on the entry age cost method. The remaining difference is the County's portion of the future normal cost contributions.

Actuarial Accrued Liability

The difference between the present value of all future obligations and the present value of the future normal cost contributions is referred to as the "actuarial accrued liability". The Actuarial Accrued Liability is then compared to the value of assets available to fund benefits, and the difference is referred to as the UAAL. The results for LACERA for all plans are summarized below:

(Dollars in millions)	2006	2005	Percent Change
A. Actuarial present value of all future benefits for contributing members, former contributing members, and their survivors	\$ 44,055	\$ 41,741	5.4%
B. Actuarial present value of total future normal costs for current members	\$ 7,796	\$ 7,365	5.9%
C. Actuarial accrued liability [A-B]	\$ 36,259	\$ 34,375	5.5%
D. Valuation Assets	\$ 32,820	\$ 29,497	11.3%
E. UAAL or Surplus Funding [C-D]	\$ 3,439	\$ 4,879	(29.5)%
F. Funded Ratio [D/C]	90.5%	85.8%	5.4%

**Actuarial Accrued Liability
(continued)**

It is interesting to note the maturity of LACERA's fund. Nearly one half, 48.5%, of the total actuarial obligation is for retired and deferred vested members. Of the \$22.7 billion in obligations for the active members, the cost method allocates about two-thirds to service already rendered. Of course, Plans A-C for general members and Plan A for safety members are no longer open for new employees. To the extent those older plans represent more costly plan benefits, this adds to the weighting for accrued obligations.

**Unfunded Actuarial Accrued Liability/
Surplus Funding**

The portion allocated to service already rendered or accrued is called the Actuarial Accrued Liability. The difference between the Actuarial Accrued Liability and the Valuation Assets is called the Unfunded Actuarial Accrued Liability (UAAL). If a UAAL amount exists, it usually results from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the County had always contributed the current Normal Cost, if there were no prior benefit or assumption changes and if actual experience exactly matched the actuarial assumptions, the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

The term "fully funded" is often applied to a system in which contributions for everyone at the normal cost rate are sufficient to pay for the benefits of existing employees. More often than not, systems are not fully funded, either because of past benefit improvements that have not been completely paid for or because of actuarial deficiencies that have occurred because experience has not been as favorable as anticipated. Under these circumstances, a UAAL exists, implying that past experience has varied from what was assumed to have occurred based on the current benefit levels and actuarial assumptions.

However, even if a system does not have a positive UAAL, a portion or all of the normal cost contribution payments will need to be continued in order to have sufficient funds to pay future benefits. The use of the term "fully funded" may seem to imply no further contributions are required. Therefore, a better term is a "well-funded" plan. This occurs when the value of the assets equals or exceeds the Actuarial Accrued Liability and the difference can be referred to as the Surplus Funding.

Exhibit 7 shows how the UAAL, or Surplus Funding, was derived for each level of plan benefits. In the Actuarial Balance sheet, the total actuarial liability for all future benefits must be equal to the current and future assets.

**Unfunded Actuarial
Accrued Liability/
Surplus Funding
(continued)**

The Actuarial Balance Sheet for each plan, as well as its UAAL, or Surplus Funding amount, is based on an estimated allocation of the total LACERA Valuation Assets, as disclosed in Exhibit 6. The allocation is based on the relative value of each plan's employer and member reserves as reported to us by LACERA. These allocations are shown for illustrative purposes only, as the UAAL contribution rates are assumed paid by the County based on the valuation results in aggregate.

Funding Adequacy

A key consideration in determining the adequacy of the funding of LACERA is how the UAAL is being funded. If the UAAL amount is positive, that is, the actuarial accrued liability to be funded is greater than the Valuation Assets, then the UAAL is amortized. Under the new Retirement Benefits Enhancement Agreement with the County, any positive amount as of June 30, 2002 through 2008 must be amortized over a rolling 30-year period.

If future experience is more favorable than expected based on the actuarial assumptions, then LACERA may move to a Surplus Funding position. Conversely, if experience is less favorable, a larger UAAL will develop.

Funding Policy

The 1994 Funding Agreement applied to valuations in 1994 through 1998. In 2000, an Interim Funding Policy was adopted as described more fully in Section 3, Assets, and has been applied since then. The current Retirement Benefits Enhancement Agreement applies to the 2002 – 2008 valuations. This valuation reflects the combined funding policy as directed by those agreements.

**Analysis of Change
in Unfunded
Actuarial Accrued
Liability**

The UAAL, at any date after establishment of a system, is affected by any actuarial gains or losses arising when the actual experience of the system varies from the experience anticipated by the actuarial assumptions used in the valuations. To the extent actual experience, as it develops, differs from that expected according to the assumptions used, so also will the emerging costs differ from the estimated costs.

The funded status of LACERA from 1996 to 2002 remained at approximately 100%. In the two years following this period, the funding level decreased significantly due to losses on the Valuation Assets reflected under the asset-smoothing method. Last year and this year, the funding level increased due to the recognition of deferred gains under this same smoothing method.

**Analysis of Change
in Unfunded
Actuarial Accrued
Liability
(continued)**

The 2006 actuarial valuation reflects an actuarial experience gain of \$1.41 billion for the fiscal year just ended. The gain was mainly due to a \$1.64 billion gain on actuarial assets. The effect of the experience gains and losses on the UAAL or Surplus Funding is shown in Exhibit 8a. In addition to the investment return, some other factors which impacted the liabilities are:

- ✓ **Salary Increases** – Individual salaries for continuing active members increased at a rate greater than the valuation assumption. This resulted in a loss.
- ✓ **Mortality Experience** – An actuarial loss due to mortality generally indicates that retired members are living longer than the current assumption would predict. This year, there was a small gain due to mortality.
- ✓ **Actual CPI versus Assumption** – The CPI used for retiree COLAs was greater than 3%. Thus, all members received increases in their benefits equal to the assumption (3.0% for Plan A, 2.0% for Plans B-D, pro-rated portion of 2.0% for Plan E), and there was no gain or loss due to CPI.
- ✓ **Transfers Between Plans D & E** – 592 members transferred from Plan E to Plan D during the past year. 160 members transferred from Plan D to Plan E. This resulted in a small increase in liabilities.
- ✓ **Recognition of Liabilities due to Court Cases** – Two court cases were recently settled (Bugh and Local 1014). We have estimated the additional liability, due to these settlements, at \$50 million.
- ✓ **Other** – Examples of this are gains and losses from termination, service retirement, disability retirement, death, service purchases, reciprocity, and data revisions.

**Change in Unfunded
Actuarial Accrued
Liability - History**

Exhibit 8b shows the sources of change in the UAAL over the past five valuations. As is generally the case, the biggest source of change is a return on investments that is either greater than or less than the assumption, causing asset gains and losses.

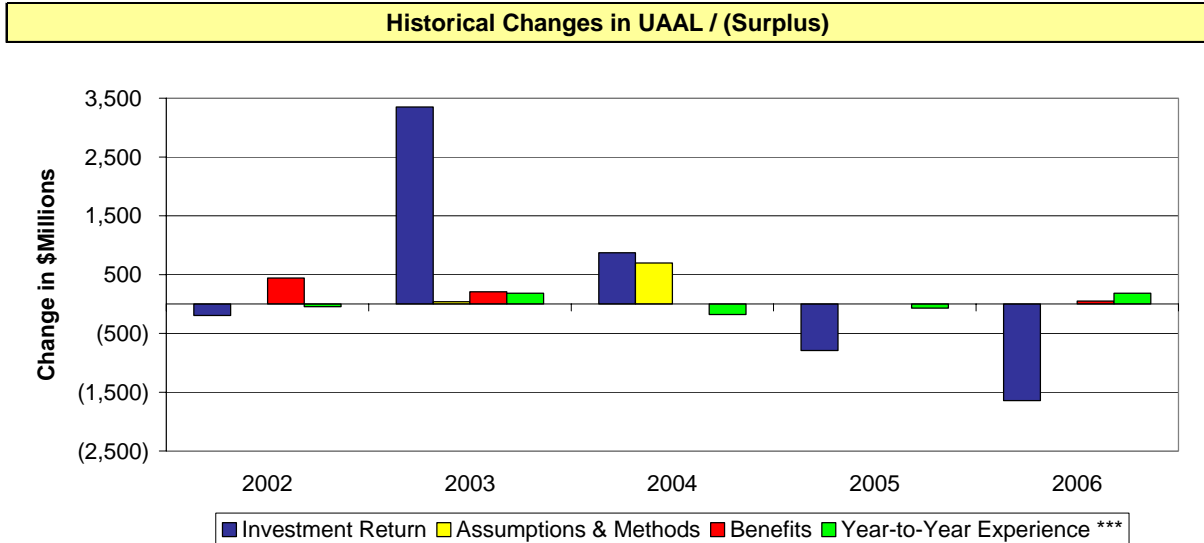
Los Angeles County Employees Retirement Association

Exhibit 8a: Analysis of Change in Unfunded Actuarial Accrued Liability (Dollars in millions)

	Amount	As a Percent of June 30, 2006 Actuarial Accrued Liability
Unfunded Actuarial Accrued Liability - June 30, 2005	\$ 4,878	13.5%
Increase in UAAL due to new assumptions	-	0.0%
Interest Accrued	378	1.0%
Benefits Accrued (Normal Cost)	787	2.2%
Contributions (with Assumed Interest)		
Employer - Cash	(702)	-1.9%
Employer - Contribution Credit	(186)	-0.5%
Member	(308)	-0.8%
Total	(1,196)	-3.3%
Expected Unfunded Actuarial Acc. Liability - June 30, 2006	\$ 4,847	13.4%
 Source of Change		
Asset (Gains) and Losses		
(Gain)/Loss due to investment income	(1,652)	-4.6%
(Gain)/Loss due to recognition of STAR reserves	10	0.0%
Total	(1,642)	-4.5%
Actuarial (Gains) and Losses		
Salary Increases	156	0.4%
CPI Less than Expected	-	0.0%
Transfers Between Plan D & Plan E	10	0.0%
Mortality Experience	(22)	-0.1%
All Other Experience	40	0.1%
Total	184	0.5%
Recognition of Liabilities due to Court Cases	50	0.1%
Total Changes	(1,408)	-3.9%
Unfunded Actuarial Accrued Liability - June 30, 2006	\$ 3,439	9.5%

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Exhibit 8b: History of Changes in Unfunded Actuarial Accrued Liability (Dollars in millions)



	2002	2003	2004	2005	2006	2002-06
Prior Valuation UAAL / (Surplus) \$	0	175	3,910	5,611	4,878	0
Increase in UAAL due to:						
Expected Increase / (Decrease)	(26)	(45)	312	128	(31)	338
Asset (Gains) and Losses	(194)	3,351	871	(790)	(1,642)	1,596
Changes in Benefits*	441	207			50	698
Changes in Assumptions			697	-	-	697
Changes in Methods		40			0	40
Salary Increases	(20)	(66)	(270)	(115)	156	(315)
CPI Less than Expected	(39)		(31)	-	-	(70)
Transfers Between D & E	**	29	15	13	10	67
Mortality Experience	**	90	61	(1)	(22)	128
All Other Experience	13	129	46	32	40	260
Total Increase / (Decrease)	175	3,735	1,701	(733)	(1,439)	3,439
Valuation UAAL / (Surplus) \$	175	3,910	5,611	4,878	3,439	3,439
Funded Ratio	99.4%	87.2%	82.8%	85.8%	90.5%	90.5%

* Benefit changes are as follows:

2002: MOU Benefits.

2003: Domestic partner benefits and estimated increase in benefits due to Ventura lawsuit.

2006: Benefits due to Bugh and Local 1014 Court Cases.

** Not separately measured in this year; included with Other Experience.

*** Year-to-Year Experience includes changes due to Salary, CPI, Transfers, Mortality and Other Experience.

Los Angeles County Employees Retirement Association

Section 5: Member Contributions

Normal Contributions

Member contributions are of two types: Normal contributions and cost-of-living contributions.

Normal contributions for each plan are defined in the following sections of the County Employees' Retirement Law:

Plan	37 Act Reference	Formula
General A	31621.3	1/240th of FAC* at age 55
General B	31621.1	1/120th of FAC at age 55
General C	31621	1/120th of FAC at age 60
General D	31621	1/120th of FAC at age 60
General E	N/A	Plan E is non-contributory
Safety A	31639.5	1/200th of FAC at age 50
Safety B	31639.25	1/100th of FAC at age 50

* FAC = Final Average Compensation

Normal member contributions are determined using the Entry Age Normal Funding Method and the following actuarial assumptions:

1. Expected rate of return on assets
2. Individual salary increase rate (wage growth + merit)
3. Mortality for members on service retirement

As this is not a triennial valuation, no changes in the member rates are being recommended.

Cost-of-Living Contributions

The determination of the member cost-of-living contributions is based on Section 31873 of the County Employees' Retirement Law. This section requires that the cost of this benefit be shared equally between members and the County. Unlike the member normal contributions, these rates are based on the actuarial cost of the benefits and reflect all assumptions used in the valuation of liabilities. As this is not a triennial valuation, we are not recommending a change in the member cost-of-living contribution rates.

Member Contributions (continued)

Cost-of-Living Contributions (continued)

The cost-of-living contributions, expressed as a percentage of the normal rates, are based on the June 30, 2004 actuarial valuation and are as follows:

General Plan A:	78.28%
General Plan B:	21.96%
General Plan C:	23.75%
General Plan D:	20.98%
Safety Plan A:	100.24%
Safety Plan B:	30.86%

The relative magnitude of these amounts reflects the differences in the normal contribution rates for each plan and the different cost-of-living benefits offered by the different plans.

A sample of the current member contribution rates (normal plus cost-of-living) can be found in Exhibit 9.

Full disclosure of the member rates, showing both the normal and the total (normal plus cost-of-living) contribution rates, can be found in Appendix D.

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Exhibit 9: Sample Member Contribution Rates

Current Rates (Based on 2004 Triennial Valuation)				
	Entry Age	Normal	Cost of Living	Total as a % of Pay
General Members				
Plan A	25	2.78%	2.18%	4.96%
	35	3.48%	2.72%	6.20%
	45	4.27%	3.34%	7.61%
	55	4.62%	3.62%	8.24%
Plan B	25	5.57%	1.22%	6.79%
	35	6.95%	1.53%	8.48%
	45	8.55%	1.88%	10.43%
	55	9.24%	2.03%	11.27%
Plan C	25	4.68%	1.11%	5.79%
	35	5.83%	1.38%	7.21%
	45	7.29%	1.73%	9.02%
	55	8.61%	2.04%	10.65%
Plan D	25	4.68%	0.98%	5.66%
	35	5.83%	1.22%	7.05%
	45	7.29%	1.53%	8.82%
	55	8.61%	1.81%	10.42%
Safety Members				
Plan A	25	3.89%	3.90%	7.79%
	35	4.86%	4.87%	9.73%
	45	5.74%	5.75%	11.49%
	55	5.78%	5.79%	11.57%
Plan B	25	7.78%	2.40%	10.18%
	35	9.72%	3.00%	12.72%
	45	11.48%	3.54%	15.02%
	55	11.56%	3.57%	15.13%

Note: A portion of some of the member contribution rates is paid for ("picked up") by the County and is not considered part of the member's contribution account for refund purposes. Such contributions are referred to as the surcharge amount and are subject to change each year. The rates shown in the table are prior to any surcharge payments.

Los Angeles County Employees Retirement Association

Section 6: County Contributions



Contributions to LACERA are determined using the Entry Age Normal Cost Funding Method. The portion of the actuarial present value of retirement benefits allocated to a valuation year by the Actuarial Cost Method is called the Normal Cost. These amounts are usually expressed as a percentage of payroll and called the Normal Cost Contribution Rate. Exhibit 10 illustrates the Normal Cost Rates by type of benefit and for each plan based on this valuation. A comparison with last year is also shown.

During the fiscal year 1994-1995, a Retirement Association Funding Agreement was negotiated with the County. This agreement resulted in the issuance of approximately \$2 billion in Pension Obligation Bonds, the proceeds of which were used to fund the UAAL of the Association. The agreement also allowed that surplus earnings on Association assets for the period July 1, 1994 through June 30, 1998 would be split between the County (75%) and the STAR program (25%). Those excess earnings were used to create the County Contribution Credit Reserve, which can be used by the County to meet its required contribution requirement without adding in new cash deposits to the fund.

Under the 1994 Funding Agreement, the County's contribution rate is set equal to the County's portion of the Normal Cost contribution not payable by the member contributions and some payment towards the UAAL, but only under certain conditions. From 1995 to 2001, no UAAL contributions were required and the County contributed only their portion of the Normal Cost contribution. Under the new 2002 Retirement Benefits Enhancement Agreement, the County must pay the Normal Cost contribution adjusted for a portion of either a positive UAAL or a positive Surplus Funding.

The total calculated County contribution rates for each plan, along with a comparison to the prior year's computed rates, can be found in Exhibit 11. These results are expressed as a percentage of payroll and annual contribution dollars. Note that LACERA's UAAL contribution rate is not determined separately for each plan, but is funded evenly as a percentage of pay over salaries for all members. The total County contribution rate was 14.86% for the fiscal year beginning in 2006.

For the fiscal year beginning in 2007, the required rate decreased to 12.91%. This is equal to the aggregate calculated normal cost contribution rate, of 9.42% based on the 2006 valuation, plus a 30-year amortization payment of the UAAL.

County Contributions (continued)

County Contribution Rate (all values as a % of Payroll)

County Normal Cost	9.42%
30-year Amortization of UAAL	<u>3.49</u>
Total County Contribution	12.91%

The 1.95% decrease in the total County contribution rate was primarily due to the investment gains which caused a 1.84% decrease in the UAAL rate. The UAAL rate reflects a 30-year amortization from the valuation date and the one-year deferral in the implementation of the new County contribution rate effective July 1, 2007.

The change in the calculated normal cost contribution rates from year-to-year is generally due to two factors. These factors are listed in order of magnitude (i.e., experience had the greatest impact this year):

- (1) **Experience:** Normal experience from year-to-year, reflecting differences in both the weighting between membership groups and in their characteristics, as well as on what was assumed to occur during the past fiscal year and what actually occurred, particularly with respect to salary increases. Based on current plan provisions, the aggregate normal cost rate is expected to decrease as a greater number of members are covered by General Plans D and E and Safety B. Additionally, as members transfer between Plan D and Plan E, this will also have an impact.
- (2) **Contribution Shut-Off:** For general members hired prior to April 1973 and all Safety members, member contributions are not collected after the member has 30 years of service. Therefore, the member contributions towards the total annual normal cost is zero, resulting in a sizable increase in the County's share of the normal cost contributions for the years when the member has more than 30 years of service. The County's share of the normal cost rates for those groups can be expected to increase rather than remain level, as otherwise expected under the entry age cost method. As most general members hired prior to April 1973 have now attained 30 years of service, this statement applies mainly to Safety groups.

Los Angeles County Employees Retirement Association

Exhibit 10: Calculated Normal Cost Contribution Rates – June 30, 2006

A. Normal Cost Contribution Rate	General						Safety			Grand Total
	Plan A	Plan B	Plan C	Plan D	Plan E	Total	Plan A	Plan B	Total	
Service Retirement	14.70%	12.84%	11.70%	11.37%	7.20%	10.06%	11.71%	11.46%	11.48%	10.31%
Disability Retirement	1.05%	0.96%	0.94%	1.48%	0.00%	0.91%	12.48%	12.26%	12.27%	3.02%
Death	0.43%	0.41%	0.39%	0.57%	0.00%	0.35%	0.31%	0.29%	0.29%	0.34%
Termination (No Refund)	0.37%	0.25%	0.24%	0.65%	0.60%	0.61%	0.33%	0.38%	0.38%	0.57%
Refund of Member Contributions	0.11%	0.14%	0.12%	0.51%	0.00%	0.29%	0.19%	0.29%	0.28%	0.29%
Total	16.66%	14.60%	13.39%	14.58%	7.80%	12.22%	25.02%	24.68%	24.70%	14.54%
B. Member Contributions	(2.63)%	(6.65)%	(5.74)%	(6.74)%	0.00%	(4.07)%	(1.78)%	(10.20)%	(9.70)%	(5.12)%
C. Net County Normal Cost as of June 30, 2006 (A) - (B)	14.03%	7.95%	7.65%	7.84%	7.80%	8.15%	23.24%	14.48%	15.00%	9.42%
D. Net County Normal Cost as of June 30, 2005	14.22%	7.98%	7.69%	7.83%	7.99%	8.31%	22.56%	14.41%	15.01%	9.53%
E. Increase (Decrease) as a Percentage of Payroll (C) - (D)	(0.19)%	(0.03)%	(0.04)%	0.01%	(0.19)%	(0.16)%	0.68%	0.07%	(0.01)%	(0.11)%

Los Angeles County Employees Retirement Association

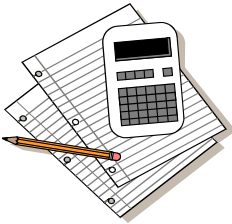
Exhibit 11: Total County Contributions

	General						Safety			All Plans
	Plan A	Plan B	Plan C	Plan D	Plan E	Total	Plan A	Plan B	Total	
A. Normal Cost										
1. Basic Benefits	9.24%	6.38%	6.24%	6.54%	6.54%	6.68%	15.78%	11.89%	12.11%	7.97%
2. Cost-of-Living Benefits	4.79%	1.57%	1.41%	1.30%	1.26%	1.47%	7.46%	2.59%	2.89%	1.45%
3. Total June 30, 2006	14.03%	7.95%	7.65%	7.84%	7.80%	8.15%	23.24%	14.48%	15.00%	9.42%
B. UAAL Contribution Rate	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%
C. Total June 30, 2006 Contribution Rate (A) + (B)	17.52%	11.44%	11.14%	11.33%	11.29%	11.64%	26.73%	17.97%	18.49%	12.91%
D. Total June 30, 2005 Contribution Rate	19.55%	13.31%	13.02%	13.16%	13.32%	13.64%	27.89%	19.74%	20.36%	14.86%
E. Estimated Payroll for fiscal year beginning July 1, 2007	\$ 241	\$ 28	\$ 20	\$ 2,578	\$ 1,637	\$ 4,504	\$ 63	\$ 966	\$ 1,029	\$ 5,533
F. Estimated Annual Contribution* (C x E)	\$ 42	\$ 3	\$ 2	\$ 292	\$ 185	\$ 524	\$ 17	\$ 174	\$ 190	\$ 714
G. Last Year's Estimated Annual Contribution	\$ 55	\$ 4	\$ 3	\$ 306	\$ 216	\$ 584	\$ 20	\$ 175	\$ 195	\$ 779
H. Increase / (Decrease) in Annual Contribution	\$ (13)	\$ (1)	\$ (1)	\$ (14)	\$ (31)	\$ (60)	\$ (3)	\$ (1)	\$ (5)	\$ (65)

* Based upon annualized salary rate as of June 30, 2006 increased by 3.75% wage inflation. Dollar figures in millions.

Los Angeles County Employees Retirement Association

Section 7: Accounting Information



For fiscal years beginning after June 15, 1996, revised GASB reporting standards are required for defined benefit pension plan reporting and disclosures (Statement No. 25). The System adopted the revised reporting standards beginning in 1996. The reporting requirements for Statement No. 25 include certain supplementary information that must be added to the financial statements. These include:

- (1) A Schedule of Funding Progress
- (2) A Schedule of Employer Contributions

The Schedule of Funding Progress, Exhibit 12, compares actuarial assets and liabilities of the System, based on the actuarial funding method used. The required Schedule of Employer Contributions, Exhibit 13, compares the employer contributions required based on the actuarial valuation (the actuarial required contribution, or ARC) with the employer contributions actually made. Information shown in this exhibit comes from LACERA's audited financial statements. The ARC must be calculated based on certain parameters required for disclosure purposes.

We believe the actuarial methods and assumptions used in this valuation to determine the employer's contribution for funding purposes satisfy the GASB reporting requirements.

For fiscal years beginning after June 15, 1997, GASB Statement No. 27 is required for pension accounting by state and local governmental employers.

The comparability of the data from year to year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc. For example, between June 30, 2000 and June 30, 2001, many actuarial assumptions were changed based on the 2001 triennial Investigation of Experience Study. Between the 2002 and 2003 valuations, benefits were enhanced under the MOU package. Assumptions were again changed in 2004 based on the triennial Investigation of Experience.

Exhibit 14 compares the Actuarial Value of Valuation Assets to the types of Actuarial Accrued Liabilities, applying them first to Active Member contributions, then to retirees and beneficiaries, and then the remaining amount to the Active Members benefits. This is referred to as the Solvency Test. Although not required under GASB, this test is part of the CAFR guidelines specified by the Government Finance Officers Association (GFOA).

**Los Angeles County Employees
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**Exhibit 12: Schedule of Funding Progress
(All Dollars In Thousands)**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Valuation Assets</u>	<u>(b) Actuarial Accrued Liabilities</u>	<u>(b-a) Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll⁽¹⁾</u>	<u>[(b-a)/c] UAAL as a Percentage of Covered Payroll</u>
June 30, 1997	\$ 19,642,355	\$ 19,383,641	\$ (258,714)	101.3%	\$ 3,373,314	-7.7%
June 30, 1998	20,851,133	20,959,946	108,813	99.5%	3,562,416	3.1%
June 30, 1999	23,536,116	22,784,706	(751,410)	103.3%	3,858,090	-19.5%
June 30, 2000	25,426,507	24,720,380	(706,127)	102.9%	4,107,964	-17.2%
June 30, 2001	26,490,000	26,489,976	(24)	100.0%	4,398,443	0.0%
June 30, 2002	28,262,129	28,437,493	175,364	99.4%	4,744,340	3.7%
June 30, 2003	26,564,328	30,474,025	3,909,697	87.2%	4,933,615	79.2%
June 30, 2004	27,089,440	32,700,505	5,611,065	82.8%	4,919,531	114.1%
June 30, 2005	29,497,485	34,375,949	4,878,464	85.8%	4,982,084	97.9%
June 30, 2006	32,819,725	36,258,929	3,439,204	90.5%	5,205,804	66.1%

(1) Covered Payroll includes compensation paid to all active employees on which contributions are calculated, as reported by LACERA. Covered Payroll differs from the Active Member Valuation Payroll shown in Table C-1, which is an annualized compensation of only those members who were active on the actuarial valuation date. For years prior to 1999, Covered Payroll is estimated.

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**Exhibit 13: Schedule of Contributions from the Employer
(All Dollars In Thousands)**

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Employer Contributions			Percentage of ARC Contributed
		Cash Payment	Transfer from Reserve Accounts	Total	
6/30/1997	\$277,929	\$1,168	\$277,151	\$278,319	100%
6/30/1998	243,489	9,420	239,777	249,197	102%
6/30/1999	317,285	84,226	248,403	332,629	105%
6/30/2000	342,060	130,319	211,832	342,151	100%
6/30/2001	390,679	193,650	197,029	390,679	100%
6/30/2002	414,708	258,884	155,824	414,708	100%
6/30/2003	518,922	324,709	194,213	518,922	100%
6/30/2004	521,978	395,062	126,916	521,978	100%
6/30/2005	750,352	527,810	222,542	750,352	100%
6/30/2006	855,531	676,667	179,368	856,035*	100%

* Total actual employer contributions differ from the Annual Required Contribution due to transfers from CalPERS and certain adjustments for court cases.

**Los Angeles County Employees
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**Exhibit 14: Solvency Test
(Dollars In Millions)**

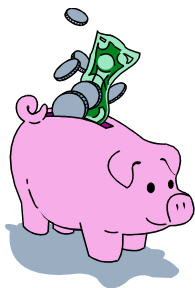
Actuarial Valuation Date	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for			Portion of Actuarial Accrued Liabilities Covered by Assets		
		Active Member Contributions (A)	Retirees and Beneficiaries ⁽¹⁾ (B)	Active Members (Employer Financed Portion) (C)	(A)	(B)	(C)
June 30, 1998	\$ 20,851	\$ 2,643	\$ 11,268	\$ 7,049	100%	100%	98%
June 30, 1999	23,536	2,710	11,863	8,211	100%	100%	109%
June 30, 2000	25,427	3,190	12,922	8,609	100%	100%	108%
June 30, 2001	26,490	3,320	14,368	8,802	100%	100%	100%
June 30, 2002	28,262	3,596	15,424	9,417	100%	100%	98%
June 30, 2003	26,564	3,790	16,844	9,840	100%	100%	60%
June 30, 2004	27,089	4,042	18,857	9,802	100%	100%	43%
June 30, 2005	29,497	4,308	20,238	9,829	100%	100%	50%
June 30, 2006	32,820	4,628	21,377	10,254	100%	100%	66%

(1) Includes deferred vested members.

Los Angeles County Employees Retirement Association

Section 8: Supplemental Information

Cash Flow Projection



Exhibits 15a and 15b are a chart and graph that illustrate both the cash flow history for the past 10 years and a projection on the valuation basis for the next 10 years.

Contributions include both employer and member contributions. The table shows that net cash flow has decreased over the last 10 years. It has leveled off somewhat for the past five years, but it is expected to begin to significantly decrease for the next 10 years. This is a typical pattern for a mature retirement system where it is expected that contributions will be less than benefits and that the system will begin drawing on the fund that has been built up over prior years. The projection shows that the negative projected cash flow is expected to more than double in size from 2007 to 2016.

Note that the actual cash contributions since 1997 do not reflect the transfers made between reserve funds, but only cash coming into the System. Starting in 2007, we assumed no further transfers, only full cash contributions. Thus, the actual contributions in 2006 are less than those in the projections for 2007 and later.

The projected cash flows include contributions, statutory benefits and administrative expenses only. They are based on the actuarial assumptions as stated in Appendix A of this valuation report. The total County contribution rate is assumed to be 14.86% for the first year and 12.91% for the rest of the 10-year projection. The ultimate rate is equal to the required County normal cost rate plus a contribution to finance the UAAL, as calculated in the 2006 valuation. The aggregate Member rate is assumed to stay at the calculated rate for June 30, 2006 of 5.12% of payroll. Expenses are based on the expenses for the year ended June 30, 2006, increased annually with the actuarial inflation assumption of 3.5%.

Any increases or reductions in future contribution rates will increase or decrease the net cash flow. The projected cash flows do not include:

- Projected STAR benefits. STAR benefits that were vested as of January 2006 are included.
- Projected benefits payable under certain insurance contracts for a group of retired members. These payments are netted against the total expected retiree benefits.

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Exhibit 15A: Cash Flow History and Projections – Dollars

Cash Flow History			
Plan Year	Contributions	Benefits & Administrative Expenses ⁽²⁾	Net Cash Flow
<u>Ending</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
1997	172	910	(738)
1998	189	968	(779)
1999	288	1,024	(736)
2000	329	1,094	(765)
2001	410	1,187	(777)
2002	564	1,276	(712)
2003	559	1,379	(820)
2004	658	1,484	(826)
2005	814	1,601	(787)
2006	973	1,842 ⁽³⁾	(869)

Cash Flow Projections⁽¹⁾			
Plan Year	Contributions	Benefits & Administrative Expenses ⁽²⁾	Net Cash Flow
<u>Ending</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2007	1,058	1,822	(764)
2008	998	1,933	(935)
2009	1,035	2,056	(1,021)
2010	1,074	2,174	(1,101)
2011	1,114	2,299	(1,185)
2012	1,156	2,428	(1,272)
2013	1,199	2,562	(1,362)
2014	1,244	2,701	(1,457)
2015	1,291	2,845	(1,554)
2016	1,339	2,995	(1,656)

⁽¹⁾ Future contributions are assumed to be at the 9.42% normal cost rate plus a UAAL payment of 3.49% after the first year.

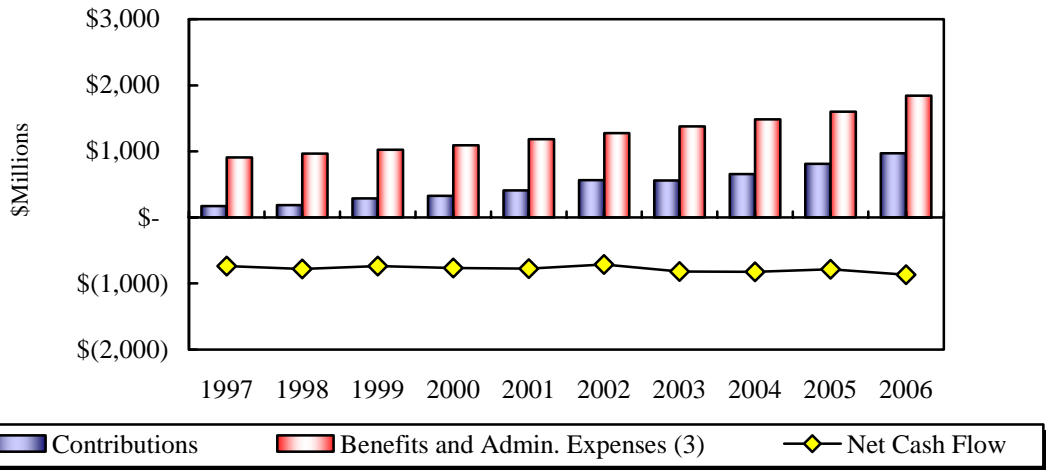
⁽²⁾ Investment expenses are assumed to be covered by investment return.

⁽³⁾ Benefit payments for the plan year ending 2006 include approximately \$94 million in retroactive benefit payments pursuant to the Ventura settlement.

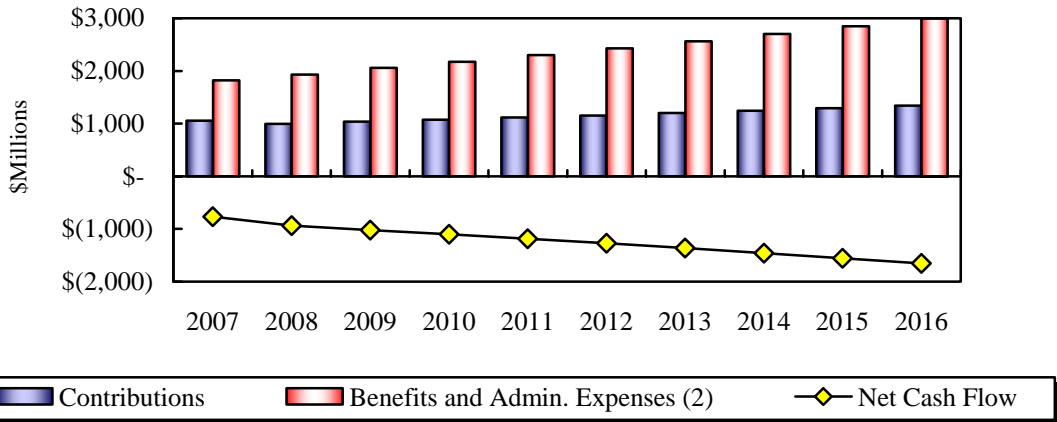
Los Angeles County Employees Retirement Association

Exhibit 15B: Cash Flow History and Projections - Charts

Cash Flow History



Cash Flow Projections⁽¹⁾



- (1) Future contributions are assumed to be at the 9.42% normal cost rate plus a UAAL payment of 3.49% after the first year.
- (2) Investment expenses are assumed to be covered by investment return.
- (3) Benefit payments for the plan year ending 2006 include approximately \$94 million in retroactive benefit payments pursuant to the Ventura settlement.

Los Angeles County Employees Retirement Association

Appendix A: Actuarial Procedures and Assumptions



The actuarial procedures and assumptions used in this valuation are described in this section. The assumptions were reviewed and changed June 30, 2004 as a result of the 2004 triennial Investigation of Experience Study.

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of LACERA and of LACERA itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of LACERA's benefits.

Table A-1 summarizes the assumptions. The mortality rates are taken from the sources listed.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of contributions upon termination of employment while vested.

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-13 were developed from the experience as measured by the 2004 Investigation of Experience Study. The rates are the probabilities a member will leave the system for various reasons.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age).

For members who transferred between plans, entry age is based on original entry into the system.

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL (or Surplus Funding) is amortized as a level percentage of the projected salaries of present and future members of LACERA over a 30-year period from the valuation date, this is commonly referred to as a "rolling 30 year amortization method".

Records and Data

The data used in this valuation consist of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by LACERA and are accepted for valuation purposes without audit.

Replacement of Terminated Members

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. Under this assumption, the normal cost rates for active members will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions or the pattern of the new entrants.

Growth in Membership

For benefit determination purposes, no growth in the membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth in the total number of active members is assumed.

Internal Revenue Code Section 415 Limit

The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

**County
Contributions**

The County contribution rate is set by the Retirement Board based on actuarial valuations.

**Member
Contributions**

The member contribution rates vary by entry age and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section.

The individual member rates by entry age, plan and class are illustrated in Appendix D of the valuation report.

Valuation of Assets

The assets are valued using a three-year smoothed method based on the difference between the expected market value and the actual market value of the assets as of the valuation date. The expected market value is the prior year's market value increased with the net increase in the cash flow of funds, all increased with interest during the past fiscal year at the expected investment return rate assumption. The expected market-value, with three-year smoothing valuation basis for all assets was adopted effective June 30, 2000.

**Investment
Earnings and
Expenses**

The future investment earnings of the assets of LACERA are assumed to accrue at an annual rate of 7.75% compounded annually, net of both investment and administrative expenses. This rate was adopted June 30, 2004.

**Post-retirement
Benefit Increases**

Post-retirement increases are assumed for the valuation in accordance with the benefits provided as described in Appendix B. These adjustments are assumed payable each year in the future as they are less than the expected increase in the Consumer Price Index of 3.5% per year. This rate was adopted June 30, 2004.

**Interest on Member
Contributions**

The annual credited interest rate on member contributions is assumed to be 7.75% compounded semi-annually for an annualized rate of 7.90%. This rate was adopted June 30, 2004.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.75% per annum rate of increase in the general wage level of the membership. These rates were adopted June 30, 2004.

Effective June 30, 2000, increases are assumed to occur mid-year (i.e., January 1) and only apply to base salary, excluding megaflex compensation. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

**Future Salaries
(Continued)**

For plans with a one-year final average compensation period, actual average annual compensation is used. For Plan E, the monthly rate as of June of the valuation year was annualized. Due to irregular compensation payments now included as pensionable earnings, actual annual pay is preferred over annualizing a single monthly payment amount.

**Social Security
Wage Base**

Plan E members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 3.75% per year. Note, statutory provisions describe exactly how to compute the offset for purposes of determining a member's offset amount at time of termination or retirement. This rate was adopted June 30, 2004.

Note that it is assumed all Plan E members born after 1950 have less than 10 years of Social Security-covered service and, therefore, do not have their benefit offset.

Retirement

After members attain age 50 (55 for Plan E members) and have ten years of service, they may retire with a benefit commencing immediately. All members, except Plan E members, may also retire regardless of age after 20 years of service for safety members and after 30 years of service for general members. The retirement rates vary by age and are shown by plan in Tables A-6 through A-13.

All general members who attain or who have attained age 75 in active service and all safety members who have attained age 60 in active service are assumed to retire immediately.

All deferred vested members are assumed to retire at the later of age 50 and earliest eligibility, except for Plan E who are assumed to retire at 65.

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regards to a particular member. For example, a general member hired at age 30 has a probability to withdraw from LACERA due to death, disability or *other termination of employment* until age 50. After age 50, the member could still withdraw due to death, disability or *retirement*. Thus, in no year during the member's projected employment would they be eligible for both a probability of other termination of employment and a probability of retirement.

The retirement probabilities were adopted June 30, 2004.

Disablement	The rates of disablement used in the valuation are also illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2004.				
Mortality – Other Than Disabled Members	The same post-retirement mortality rates are used in the valuation for active members, members retired for service, and beneficiaries. These rates are illustrated in Table A-2. Beneficiary mortality is assumed to be the same assumption as healthy members. Beneficiaries are assumed to be of the opposite sex, and have the same mortality as General members. These rates were adopted June 30, 2004.				
	<table border="0"> <tr> <td style="vertical-align: top;"><i>Males</i></td> <td> <p>General members: RP-2000 Combined Mortality Table for Males, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with ages set back three years.</p> </td> </tr> <tr> <td style="vertical-align: top;"><i>Females</i></td> <td> <p>General members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p> </td> </tr> </table>	<i>Males</i>	<p>General members: RP-2000 Combined Mortality Table for Males, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with ages set back three years.</p>	<i>Females</i>	<p>General members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p>
<i>Males</i>	<p>General members: RP-2000 Combined Mortality Table for Males, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with ages set back three years.</p>				
<i>Females</i>	<p>General members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females, with ages set back two years.</p>				
Mortality – Disabled Members	For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. These rates were adopted June 30, 2001.				
	<table border="0"> <tr> <td style="vertical-align: top;"><i>Males</i></td> <td> <p>General members: RP-2000 Combined Mortality Table for Males, with ages set forward three years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with no age adjustment.</p> </td> </tr> <tr> <td style="vertical-align: top;"><i>Females</i></td> <td> <p>General members: RP-2000 Combined Mortality Table for Females with ages set forward one year.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females with ages set forward three years.</p> </td> </tr> </table>	<i>Males</i>	<p>General members: RP-2000 Combined Mortality Table for Males, with ages set forward three years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with no age adjustment.</p>	<i>Females</i>	<p>General members: RP-2000 Combined Mortality Table for Females with ages set forward one year.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females with ages set forward three years.</p>
<i>Males</i>	<p>General members: RP-2000 Combined Mortality Table for Males, with ages set forward three years.</p> <p>Safety members: RP-2000 Combined Mortality Table for Males, with no age adjustment.</p>				
<i>Females</i>	<p>General members: RP-2000 Combined Mortality Table for Females with ages set forward one year.</p> <p>Safety members: RP-2000 Combined Mortality Table for Females with ages set forward three years.</p>				

**Other Employment
Terminations**

Tables A-6 to A-13 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability or retirement. These rates do not apply to members eligible for service retirement. These rates were adopted June 30, 2004.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement system. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately.

All terminating members are assumed to not be rehired. Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability the remaining members will elect a deferred vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These rates were adopted June 30, 2004.

**Probability of Eligible
Survivors**

For members not currently in pay status, 82% of all males and 65% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be four years younger than male members and four years older than female members. Survivors are assumed to be of the opposite sex as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur.

**Valuation of Vested
Terminated Members**

Complete Final Compensation data is not available to estimate the amount of vested benefit for these members. For valuation purposes, we assume the value of their deferred benefit is equal to three times their accumulated normal contributions plus one times their accumulated COLA contributions as of the valuation date.

Since Plan E is non-contributory, the value of the deferred benefit cannot be estimated under this method. Therefore, for Plan E members who are missing compensation data, Final Compensation is estimated as the average amount for all Plan E members who terminated during the same year and had a valid compensation amount. The retirement benefit is then calculated. The value of the deferred benefit is the value of this benefit deferred to age 65.

Valuation of Annuity Purchases

Over 20 years ago, LACERA purchased single life annuities from two insurance companies for some retired members (currently less than 5% of the retired population). The total liability for these members is calculated and then offset by the expected value of the benefit to be paid by the insurance companies.

For affected members, the insurance companies are responsible for:

- (1) Straight life annuity payments
- (2) Statutory COLAs

LACERA is responsible for:

- (1) Benefit payments payable to any beneficiary
- (2) STAR COLAs

Member Contribution Rate Assumptions

The following assumptions summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the present value of the future benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL, the:

- A. Annuity factor used for general members is based on a 40% / 60% blend of the male and female annuity factors using current valuation assumptions. For Safety members it is based on a 90% / 10% blend of the male and female annuity factors using current valuation assumptions.
- B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 7.75%.
- C. The Final Compensation is based on the salary paid in the year prior to attaining the retirement age.

Example: For a Plan C Member who enters at age 59 or earlier, the Final Compensation at retirement (age 60) will be the monthly average of the annual salaries during age 59.
- D. Member Rates are assumed to increase with entry age. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age (for example, age 53 for General A). In these cases the member contribution rate is adjusted so that it is no less than the value for the previous entry age.

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Table A-1: Summary of Valuation Assumptions as of June 30, 2006

I.	Economic assumptions	
	A. General wage increases	3.75%
	B. Investment earnings	7.75%
	C. Growth in membership	0.00%
	D. Post-retirement benefit increases (varies by plan)	Plan COLA not greater than CPI assumption.
	E. CPI inflation assumption	3.50%
II.	Demographic assumptions	
	A. Salary increases due to service	Table A-5
	B. Retirement	Tables A-6 to A-13
	C. Disablement	Tables A-6 to A-13
	D. Mortality for active members after termination and service retired members.	Table A-2
	Basis – RP-2000 Combined Mortality Table for respective sexes for general members, as adjusted:	
	<u>Class of Members</u>	<u>Age Adjustment</u>
	General – males	-2 years
	General – females	-2 years
	Safety – males	-3 years
	Safety – females	-2 years
	E. Mortality among disabled members	Table A-3
	Basis – RP-2000 Combined Mortality Table, as adjusted:	
	General – males	+3 years
	General – females	+1 year
	Safety – males	0 years
	Safety – females	+3 years
	F. Mortality for beneficiaries.	Table A-2
	Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite sex who has taken a service retirement.	
	G. Other terminations of employment	Tables A-6 to A-13
	H. Refund of contributions on vested termination	Table A-4

**Los Angeles County Employees
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Table A-3: Mortality for Members Retired for Disability

Age	Safety Male	Safety Female	General Male	General Female
20	0.035%	0.020%	0.037%	0.019%
25	0.038%	0.023%	0.039%	0.021%
30	0.044%	0.039%	0.063%	0.031%
35	0.077%	0.060%	0.096%	0.051%
40	0.108%	0.094%	0.130%	0.077%
45	0.151%	0.143%	0.186%	0.122%
50	0.214%	0.221%	0.292%	0.185%
55	0.362%	0.392%	0.527%	0.309%
60	0.675%	0.765%	1.001%	0.581%
65	1.274%	1.345%	1.787%	1.095%
70	2.221%	2.297%	3.039%	1.858%
75	3.783%	3.760%	5.212%	3.097%
80	6.437%	6.251%	8.972%	5.078%
85	11.076%	10.730%	15.059%	8.638%
90	18.341%	17.043%	23.366%	14.460%

**Los Angeles County Employees
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**Table A-4: Immediate Refund of Contributions Upon Termination of Employment
(Excludes Plan E)**

Years of Service	Safety	General
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	35%	45%
6	35%	45%
7	35%	45%
8	33%	44%
9	31%	43%
10	29%	42%
11	27%	41%
12	25%	40%
13	20%	39%
14	15%	38%
15	10%	37%
16	5%	36%
17	0%	35%
18	0%	34%
19	0%	33%
20	0%	32%
21	0%	31%
22	0%	30%
23	0%	24%
24	0%	18%
25	0%	12%
26	0%	6%
27	0%	0%
28	0%	0%
29	0%	0%
30 & Up	0%	0%

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Table A-2: Mortality for Members Retired for Service

Age	Safety Male	Safety Female	General Male	General Female
20	0.030%	0.019%	0.032%	0.019%
25	0.037%	0.020%	0.037%	0.020%
30	0.038%	0.023%	0.039%	0.023%
35	0.056%	0.039%	0.063%	0.039%
40	0.090%	0.060%	0.096%	0.060%
45	0.122%	0.094%	0.130%	0.094%
50	0.173%	0.143%	0.186%	0.143%
55	0.267%	0.221%	0.292%	0.221%
60	0.469%	0.392%	0.527%	0.392%
65	0.876%	0.765%	1.001%	0.765%
70	1.608%	1.345%	1.787%	1.345%
75	2.728%	2.297%	3.039%	2.297%
80	4.691%	3.760%	5.212%	3.760%
85	8.049%	6.251%	8.972%	6.251%
90	13.604%	10.730%	15.059%	10.730%

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Table A-5: Annual Increase in Salary*

<u>Years of Service</u>	<u>Due to Promotion and Longevity</u>	<u>Total Annual Increase*</u>
<1	6.00%	9.98%
1	5.25%	9.20%
2	4.50%	8.42%
3	3.75%	7.64%
4	3.00%	6.86%
5	2.50%	6.34%
6	2.00%	5.83%
7	1.75%	5.57%
8	1.50%	5.31%
9	1.30%	5.10%
10	1.15%	4.94%
11	1.00%	4.79%
12	0.85%	4.63%
13	0.70%	4.48%
14	0.60%	4.37%
15	0.50%	4.27%
16	0.40%	4.17%
17	0.35%	4.11%
18	0.30%	4.06%
19	0.25%	4.01%
20 or More	0.25%	4.01%

* The total expected increase in salary is the increase due to promotions and longevity, adjusted for an assumed 3.75% per annum increase in the general wage level of the membership. The total result is compounded rather than additive.

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Appendix A: Rates of Separation From Active Service Tables A-6 to A-13

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each rate represents the probability that a member will separate from service at each age due to the particular cause. For example, a rate of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed rates needed for each LACERA plan by sex:

Table A-6: General Plan A, B & C Males	A-10: General Plan E Males
A-7: General Plan A, B & C Females	A-11: General Plan E Females
A-8: General Plan D Males	A-12: Safety Plan A & B Males
A-9: General Plan D Females	A-13: Safety Plan A & B Females

Los Angeles County Employees Retirement Association

**Table A-6: Rate of Separation From Active Service For General Members
Plans A, B & C - Male**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0006
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0006
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0007
33	0.0000	0.0050	0.0003	0.0001	N/A	0.0008
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0008
35	0.0000	0.0050	0.0004	0.0001	N/A	0.0009
36	0.0000	0.0050	0.0004	0.0002	N/A	0.0010
37	0.0000	0.0050	0.0005	0.0001	N/A	0.0010
38	0.0000	0.0050	0.0006	0.0002	N/A	0.0011
39	0.0000	0.0050	0.0006	0.0002	N/A	0.0011
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0012
41	0.0300	0.0050	0.0007	0.0003	N/A	0.0013
42	0.0300	0.0050	0.0008	0.0003	N/A	0.0014
43	0.0300	0.0050	0.0009	0.0003	N/A	0.0015
44	0.0300	0.0050	0.0010	0.0004	N/A	0.0016
45	0.0300	0.0050	0.0011	0.0004	N/A	0.0017
46	0.0300	0.0050	0.0012	0.0005	N/A	0.0019
47	0.0300	0.0050	0.0013	0.0005	N/A	0.0020
48	0.0300	0.0050	0.0014	0.0005	N/A	0.0021
49	0.0300	0.0050	0.0016	0.0006	N/A	0.0023
50	0.0300	0.0050	0.0017	0.0006	N/A	0.0024
51	0.0300	0.0050	0.0018	0.0007	N/A	0.0026
52	0.0300	0.0050	0.0020	0.0008	N/A	0.0028
53	0.0300	0.0050	0.0022	0.0008	N/A	0.0030
54	0.0450	0.0050	0.0025	0.0009	N/A	0.0033
55	0.0700	0.0050	0.0027	0.0010	N/A	0.0036
56	0.1000	0.0050	0.0030	0.0011	N/A	0.0040
57	0.1200	0.0050	0.0032	0.0012	N/A	0.0044
58	0.1500	0.0050	0.0036	0.0013	N/A	0.0049
59	0.1800	0.0050	0.0040	0.0015	N/A	0.0054
60	0.2400	0.0050	0.0044	0.0016	N/A	0.0059
61	0.2400	0.0050	0.0048	0.0018	N/A	0.0065
62	0.3500	0.0050	0.0052	0.0019	N/A	0.0070
63	0.2100	0.0050	0.0052	0.0024	N/A	0.0076
64	0.2800	0.0050	0.0052	0.0029	N/A	0.0081
65	0.3500	0.0050	0.0052	0.0034	N/A	0.0086
66	0.2500	0.0050	0.0052	0.0039	N/A	0.0091
67	0.2500	0.0050	0.0052	0.0044	N/A	0.0095
68	0.2500	0.0050	0.0052	0.0049	N/A	0.0099
69	0.2500	0.0050	0.0052	0.0054	N/A	0.0104
70	0.2500	0.0050	0.0052	0.0059	N/A	0.0112
71	0.2500	0.0050	0.0052	0.0064	N/A	0.0123
72	0.2500	0.0050	0.0052	0.0069	N/A	0.0137
73	0.2500	0.0050	0.0052	0.0074	N/A	0.0151
74	0.2500	0.0050	0.0052	0.0079	N/A	0.0169
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0000

Los Angeles County Employees Retirement Association

**Table A-7: Rate of Separation From Active Service For General Members
Plans A, B & C - Female**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
33	0.0000	0.0050	0.0003	0.0001	N/A	0.0004
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0004
35	0.0000	0.0050	0.0004	0.0001	N/A	0.0005
36	0.0000	0.0050	0.0004	0.0002	N/A	0.0005
37	0.0000	0.0050	0.0005	0.0001	N/A	0.0006
38	0.0000	0.0050	0.0006	0.0002	N/A	0.0006
39	0.0000	0.0050	0.0006	0.0002	N/A	0.0006
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0007
41	0.0300	0.0050	0.0007	0.0003	N/A	0.0008
42	0.0300	0.0050	0.0008	0.0003	N/A	0.0009
43	0.0300	0.0050	0.0009	0.0003	N/A	0.0009
44	0.0300	0.0050	0.0010	0.0004	N/A	0.0010
45	0.0300	0.0050	0.0011	0.0004	N/A	0.0011
46	0.0300	0.0050	0.0012	0.0005	N/A	0.0012
47	0.0300	0.0050	0.0013	0.0005	N/A	0.0013
48	0.0300	0.0050	0.0014	0.0006	N/A	0.0014
49	0.0300	0.0050	0.0014	0.0006	N/A	0.0016
50	0.0300	0.0050	0.0016	0.0006	N/A	0.0017
51	0.0300	0.0050	0.0017	0.0007	N/A	0.0018
52	0.0300	0.0050	0.0018	0.0008	N/A	0.0020
53	0.0400	0.0050	0.0019	0.0009	N/A	0.0021
54	0.0700	0.0050	0.0020	0.0010	N/A	0.0023
55	0.0900	0.0050	0.0022	0.0011	N/A	0.0025
56	0.1000	0.0050	0.0022	0.0011	N/A	0.0028
57	0.1200	0.0050	0.0024	0.0012	N/A	0.0030
58	0.1500	0.0050	0.0027	0.0014	N/A	0.0033
59	0.1800	0.0050	0.0030	0.0015	N/A	0.0036
60	0.2000	0.0050	0.0034	0.0017	N/A	0.0039
61	0.2000	0.0050	0.0037	0.0019	N/A	0.0043
62	0.2800	0.0050	0.0040	0.0020	N/A	0.0047
63	0.2200	0.0050	0.0043	0.0022	N/A	0.0050
64	0.2200	0.0050	0.0047	0.0024	N/A	0.0054
65	0.3000	0.0050	0.0051	0.0026	N/A	0.0058
66	0.2400	0.0050	0.0056	0.0028	N/A	0.0062
67	0.2400	0.0050	0.0061	0.0030	N/A	0.0066
68	0.2400	0.0050	0.0066	0.0032	N/A	0.0069
69	0.2400	0.0050	0.0072	0.0034	N/A	0.0073
70	0.2400	0.0050	0.0072	0.0036	N/A	0.0076
71	0.2400	0.0050	0.0072	0.0038	N/A	0.0079
72	0.2400	0.0050	0.0072	0.0040	N/A	0.0085
73	0.2400	0.0050	0.0072	0.0042	N/A	0.0093
74	0.2400	0.0050	0.0072	0.0044	N/A	0.0103
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0000

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**Table A-8: Rate of Separation From Active Service For General Members
Plan D - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0003	0	0.0700
19	0.0000	0.0002	0.0001	N/A	0.0004	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0004	2	0.0425
21	0.0000	0.0002	0.0001	N/A	0.0004	3	0.0350
22	0.0000	0.0002	0.0001	N/A	0.0004	4	0.0300
23	0.0000	0.0002	0.0001	N/A	0.0004	5	0.0283
24	0.0000	0.0002	0.0001	N/A	0.0004	6	0.0267
25	0.0000	0.0002	0.0001	N/A	0.0004	7	0.0250
26	0.0000	0.0002	0.0001	N/A	0.0004	8	0.0240
27	0.0000	0.0002	0.0001	N/A	0.0004	9	0.0230
28	0.0000	0.0002	0.0001	N/A	0.0004	10	0.0220
29	0.0000	0.0002	0.0001	N/A	0.0005	11	0.0210
30	0.0000	0.0002	0.0001	N/A	0.0006	12	0.0200
31	0.0000	0.0002	0.0001	N/A	0.0006	13	0.0190
32	0.0000	0.0002	0.0001	N/A	0.0007	14	0.0180
33	0.0000	0.0003	0.0001	N/A	0.0008	15	0.0170
34	0.0000	0.0003	0.0001	N/A	0.0008	16	0.0160
35	0.0000	0.0004	0.0001	N/A	0.0009	17	0.0150
36	0.0000	0.0004	0.0002	N/A	0.0010	18	0.0144
37	0.0000	0.0005	0.0001	N/A	0.0010	19	0.0138
38	0.0000	0.0006	0.0002	N/A	0.0011	20	0.0132
39	0.0000	0.0006	0.0002	N/A	0.0011	21	0.0126
40	0.0200	0.0006	0.0002	N/A	0.0012	22	0.0120
41	0.0200	0.0007	0.0003	N/A	0.0013	23	0.0116
42	0.0200	0.0008	0.0003	N/A	0.0014	24	0.0112
43	0.0200	0.0009	0.0003	N/A	0.0015	25	0.0108
44	0.0200	0.0010	0.0004	N/A	0.0016	26	0.0104
45	0.0200	0.0011	0.0004	N/A	0.0017	27	0.0100
46	0.0200	0.0012	0.0005	N/A	0.0019	28	0.0100
47	0.0200	0.0013	0.0005	N/A	0.0020	29	0.0100
48	0.0200	0.0014	0.0005	N/A	0.0021	30 & Above	0.0000
49	0.0200	0.0016	0.0006	N/A	0.0023		
50	0.0200	0.0017	0.0006	N/A	0.0024		
51	0.0200	0.0018	0.0007	N/A	0.0026		
52	0.0200	0.0020	0.0008	N/A	0.0028		
53	0.0200	0.0022	0.0008	N/A	0.0030		
54	0.0200	0.0025	0.0009	N/A	0.0033		
55	0.0300	0.0027	0.0010	N/A	0.0036		
56	0.0300	0.0030	0.0011	N/A	0.0040		
57	0.0300	0.0032	0.0012	N/A	0.0044		
58	0.0300	0.0036	0.0013	N/A	0.0049		
59	0.0400	0.0040	0.0015	N/A	0.0054		
60	0.0500	0.0044	0.0016	N/A	0.0059		
61	0.0500	0.0048	0.0018	N/A	0.0065		
62	0.1000	0.0052	0.0019	N/A	0.0070		
63	0.0800	0.0052	0.0024	N/A	0.0076		
64	0.1000	0.0052	0.0029	N/A	0.0081		
65	0.2000	0.0052	0.0034	N/A	0.0086		
66	0.1500	0.0052	0.0039	N/A	0.0091		
67	0.1500	0.0052	0.0044	N/A	0.0095		
68	0.1500	0.0052	0.0049	N/A	0.0099		
69	0.1500	0.0052	0.0054	N/A	0.0104		
70	0.2000	0.0052	0.0059	N/A	0.0112		
71	0.2000	0.0052	0.0064	N/A	0.0123		
72	0.2000	0.0052	0.0069	N/A	0.0137		
73	0.2000	0.0052	0.0074	N/A	0.0151		
74	0.2000	0.0052	0.0079	N/A	0.0169		
75	1.0000	0.0000	0.0000	N/A	0.0000		



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. A-16

Los Angeles County Employees Retirement Association

**Table A-9: Rate of Separation From Active Service For General Members
Plan D - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0002	0	0.0700
19	0.0000	0.0002	0.0001	N/A	0.0002	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0002	2	0.0425
21	0.0000	0.0002	0.0001	N/A	0.0002	3	0.0350
22	0.0000	0.0002	0.0001	N/A	0.0002	4	0.0300
23	0.0000	0.0002	0.0001	N/A	0.0002	5	0.0283
24	0.0000	0.0002	0.0001	N/A	0.0002	6	0.0267
25	0.0000	0.0002	0.0001	N/A	0.0002	7	0.0250
26	0.0000	0.0002	0.0001	N/A	0.0002	8	0.0240
27	0.0000	0.0002	0.0001	N/A	0.0002	9	0.0230
28	0.0000	0.0002	0.0001	N/A	0.0002	10	0.0220
29	0.0000	0.0002	0.0001	N/A	0.0002	11	0.0210
30	0.0000	0.0002	0.0001	N/A	0.0003	12	0.0200
31	0.0000	0.0002	0.0001	N/A	0.0003	13	0.0190
32	0.0000	0.0002	0.0001	N/A	0.0003	14	0.0180
33	0.0000	0.0003	0.0001	N/A	0.0004	15	0.0170
34	0.0000	0.0003	0.0001	N/A	0.0004	16	0.0160
35	0.0000	0.0004	0.0001	N/A	0.0005	17	0.0150
36	0.0000	0.0004	0.0002	N/A	0.0005	18	0.0144
37	0.0000	0.0005	0.0001	N/A	0.0006	19	0.0138
38	0.0000	0.0006	0.0002	N/A	0.0006	20	0.0132
39	0.0000	0.0006	0.0002	N/A	0.0006	21	0.0126
40	0.0200	0.0006	0.0002	N/A	0.0007	22	0.0120
41	0.0200	0.0007	0.0003	N/A	0.0008	23	0.0116
42	0.0200	0.0008	0.0003	N/A	0.0009	24	0.0112
43	0.0200	0.0009	0.0003	N/A	0.0009	25	0.0108
44	0.0200	0.0010	0.0004	N/A	0.0010	26	0.0104
45	0.0200	0.0011	0.0004	N/A	0.0011	27	0.0100
46	0.0200	0.0012	0.0005	N/A	0.0012	28	0.0100
47	0.0200	0.0013	0.0005	N/A	0.0013	29	0.0100
48	0.0200	0.0014	0.0006	N/A	0.0014	30 & Above	0.0000
49	0.0200	0.0014	0.0006	N/A	0.0016		
50	0.0200	0.0016	0.0006	N/A	0.0017		
51	0.0200	0.0017	0.0007	N/A	0.0018		
52	0.0200	0.0018	0.0008	N/A	0.0020		
53	0.0200	0.0019	0.0009	N/A	0.0021		
54	0.0200	0.0020	0.0010	N/A	0.0023		
55	0.0300	0.0022	0.0011	N/A	0.0025		
56	0.0300	0.0022	0.0011	N/A	0.0028		
57	0.0300	0.0024	0.0012	N/A	0.0030		
58	0.0300	0.0027	0.0014	N/A	0.0033		
59	0.0400	0.0030	0.0015	N/A	0.0036		
60	0.0600	0.0034	0.0017	N/A	0.0039		
61	0.0600	0.0037	0.0019	N/A	0.0043		
62	0.0800	0.0040	0.0020	N/A	0.0047		
63	0.0800	0.0043	0.0022	N/A	0.0050		
64	0.1200	0.0047	0.0024	N/A	0.0054		
65	0.2200	0.0051	0.0026	N/A	0.0058		
66	0.1800	0.0056	0.0028	N/A	0.0062		
67	0.1300	0.0061	0.0030	N/A	0.0066		
68	0.2000	0.0066	0.0032	N/A	0.0069		
69	0.2000	0.0072	0.0034	N/A	0.0073		
70	0.2000	0.0072	0.0036	N/A	0.0076		
71	0.2000	0.0072	0.0038	N/A	0.0079		
72	0.2000	0.0072	0.0040	N/A	0.0085		
73	0.2000	0.0072	0.0042	N/A	0.0093		
74	0.2000	0.0072	0.0044	N/A	0.0103		
75	1.0000	0.0000	0.0000	N/A	0.0000		

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**Table A-10: Rate of Separation From Active Service For General Members
Plan E - Male**

<u>Age</u>	<u>Service Retirement</u>	<u>Service Disability</u>	<u>Ordinary Disability</u>	<u>Service Death</u>	<u>Ordinary Death</u>	<u>Years of Service</u>	<u>Other Terminations</u>
18	0.0000	N/A	N/A	N/A	0.0003	0	0.1300
19	0.0000	N/A	N/A	N/A	0.0004	1	0.0700
20	0.0000	N/A	N/A	N/A	0.0004	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0004	3	0.0500
22	0.0000	N/A	N/A	N/A	0.0004	4	0.0400
23	0.0000	N/A	N/A	N/A	0.0004	5	0.0373
24	0.0000	N/A	N/A	N/A	0.0004	6	0.0347
25	0.0000	N/A	N/A	N/A	0.0004	7	0.0320
26	0.0000	N/A	N/A	N/A	0.0004	8	0.0304
27	0.0000	N/A	N/A	N/A	0.0004	9	0.0288
28	0.0000	N/A	N/A	N/A	0.0004	10	0.0272
29	0.0000	N/A	N/A	N/A	0.0005	11	0.0256
30	0.0000	N/A	N/A	N/A	0.0006	12	0.0240
31	0.0000	N/A	N/A	N/A	0.0006	13	0.0232
32	0.0000	N/A	N/A	N/A	0.0007	14	0.0224
33	0.0000	N/A	N/A	N/A	0.0008	15	0.0216
34	0.0000	N/A	N/A	N/A	0.0008	16	0.0208
35	0.0000	N/A	N/A	N/A	0.0009	17	0.0200
36	0.0000	N/A	N/A	N/A	0.0010	18	0.0196
37	0.0000	N/A	N/A	N/A	0.0010	19	0.0192
38	0.0000	N/A	N/A	N/A	0.0011	20	0.0188
39	0.0000	N/A	N/A	N/A	0.0011	21	0.0184
40	0.0000	N/A	N/A	N/A	0.0012	22	0.0180
41	0.0000	N/A	N/A	N/A	0.0013	23	0.0176
42	0.0000	N/A	N/A	N/A	0.0014	24	0.0172
43	0.0000	N/A	N/A	N/A	0.0015	25	0.0168
44	0.0000	N/A	N/A	N/A	0.0016	26	0.0164
45	0.0000	N/A	N/A	N/A	0.0017	27	0.0160
46	0.0000	N/A	N/A	N/A	0.0019	28	0.0160
47	0.0000	N/A	N/A	N/A	0.0020	29	0.0160
48	0.0000	N/A	N/A	N/A	0.0021	30 & Above	0.0160
49	0.0000	N/A	N/A	N/A	0.0023		
50	0.0000	N/A	N/A	N/A	0.0024		
51	0.0000	N/A	N/A	N/A	0.0026		
52	0.0000	N/A	N/A	N/A	0.0028		
53	0.0000	N/A	N/A	N/A	0.0030		
54	0.0000	N/A	N/A	N/A	0.0033		
55	0.0300	N/A	N/A	N/A	0.0036		
56	0.0300	N/A	N/A	N/A	0.0040		
57	0.0300	N/A	N/A	N/A	0.0044		
58	0.0300	N/A	N/A	N/A	0.0049		
59	0.0300	N/A	N/A	N/A	0.0054		
60	0.0300	N/A	N/A	N/A	0.0059		
61	0.0600	N/A	N/A	N/A	0.0065		
62	0.1100	N/A	N/A	N/A	0.0070		
63	0.0700	N/A	N/A	N/A	0.0076		
64	0.1400	N/A	N/A	N/A	0.0081		
65	0.2600	N/A	N/A	N/A	0.0086		
66	0.1700	N/A	N/A	N/A	0.0091		
67	0.1700	N/A	N/A	N/A	0.0095		
68	0.1700	N/A	N/A	N/A	0.0099		
69	0.1700	N/A	N/A	N/A	0.0104		
70	0.2500	N/A	N/A	N/A	0.0112		
71	0.2500	N/A	N/A	N/A	0.0123		
72	0.2500	N/A	N/A	N/A	0.0137		
73	0.2500	N/A	N/A	N/A	0.0151		
74	0.2500	N/A	N/A	N/A	0.0169		
75	1.0000	N/A	N/A	N/A	0.0000		

Los Angeles County Employees Retirement Association

**Table A-11: Rate of Separation From Active Service For General Members
Plan E - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0002	0	0.1300
19	0.0000	N/A	N/A	N/A	0.0002	1	0.0700
20	0.0000	N/A	N/A	N/A	0.0002	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0002	3	0.0500
22	0.0000	N/A	N/A	N/A	0.0002	4	0.0400
23	0.0000	N/A	N/A	N/A	0.0002	5	0.0373
24	0.0000	N/A	N/A	N/A	0.0002	6	0.0347
25	0.0000	N/A	N/A	N/A	0.0002	7	0.0320
26	0.0000	N/A	N/A	N/A	0.0002	8	0.0304
27	0.0000	N/A	N/A	N/A	0.0002	9	0.0288
28	0.0000	N/A	N/A	N/A	0.0002	10	0.0272
29	0.0000	N/A	N/A	N/A	0.0002	11	0.0256
30	0.0000	N/A	N/A	N/A	0.0003	12	0.0240
31	0.0000	N/A	N/A	N/A	0.0003	13	0.0232
32	0.0000	N/A	N/A	N/A	0.0003	14	0.0224
33	0.0000	N/A	N/A	N/A	0.0004	15	0.0216
34	0.0000	N/A	N/A	N/A	0.0004	16	0.0208
35	0.0000	N/A	N/A	N/A	0.0005	17	0.0200
36	0.0000	N/A	N/A	N/A	0.0005	18	0.0196
37	0.0000	N/A	N/A	N/A	0.0006	19	0.0192
38	0.0000	N/A	N/A	N/A	0.0006	20	0.0188
39	0.0000	N/A	N/A	N/A	0.0006	21	0.0184
40	0.0000	N/A	N/A	N/A	0.0007	22	0.0180
41	0.0000	N/A	N/A	N/A	0.0008	23	0.0176
42	0.0000	N/A	N/A	N/A	0.0009	24	0.0172
43	0.0000	N/A	N/A	N/A	0.0009	25	0.0168
44	0.0000	N/A	N/A	N/A	0.0010	26	0.0164
45	0.0000	N/A	N/A	N/A	0.0011	27	0.0160
46	0.0000	N/A	N/A	N/A	0.0012	28	0.0160
47	0.0000	N/A	N/A	N/A	0.0013	29	0.0160
48	0.0000	N/A	N/A	N/A	0.0014	30 & Above	0.0160
49	0.0000	N/A	N/A	N/A	0.0016		
50	0.0000	N/A	N/A	N/A	0.0017		
51	0.0000	N/A	N/A	N/A	0.0018		
52	0.0000	N/A	N/A	N/A	0.0020		
53	0.0000	N/A	N/A	N/A	0.0021		
54	0.0000	N/A	N/A	N/A	0.0023		
55	0.0400	N/A	N/A	N/A	0.0025		
56	0.0400	N/A	N/A	N/A	0.0028		
57	0.0400	N/A	N/A	N/A	0.0030		
58	0.0400	N/A	N/A	N/A	0.0033		
59	0.0400	N/A	N/A	N/A	0.0036		
60	0.0400	N/A	N/A	N/A	0.0039		
61	0.0600	N/A	N/A	N/A	0.0043		
62	0.0900	N/A	N/A	N/A	0.0047		
63	0.0600	N/A	N/A	N/A	0.0050		
64	0.1500	N/A	N/A	N/A	0.0054		
65	0.2500	N/A	N/A	N/A	0.0058		
66	0.1500	N/A	N/A	N/A	0.0062		
67	0.1500	N/A	N/A	N/A	0.0066		
68	0.1500	N/A	N/A	N/A	0.0069		
69	0.1500	N/A	N/A	N/A	0.0073		
70	0.2500	N/A	N/A	N/A	0.0076		
71	0.2500	N/A	N/A	N/A	0.0079		
72	0.2500	N/A	N/A	N/A	0.0085		
73	0.2500	N/A	N/A	N/A	0.0093		
74	0.2500	N/A	N/A	N/A	0.0103		
75	1.0000	N/A	N/A	N/A	0.0000		

Los Angeles County Employees Retirement Association

**Table A-12: Rate of Separation From Active Service For Safety Members
Plan A & B - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0050	0.0003	0.0001	0.0003	0	0.0400
19	0.0000	0.0050	0.0003	0.0001	0.0003	1	0.0350
20	0.0000	0.0050	0.0003	0.0001	0.0003	2	0.0300
21	0.0000	0.0050	0.0003	0.0001	0.0003	3	0.0250
22	0.0000	0.0050	0.0003	0.0001	0.0003	4	0.0150
23	0.0000	0.0050	0.0003	0.0001	0.0003	5	0.0133
24	0.0000	0.0050	0.0003	0.0001	0.0003	6	0.0117
25	0.0000	0.0050	0.0003	0.0001	0.0003	7	0.0100
26	0.0000	0.0050	0.0003	0.0001	0.0003	8	0.0092
27	0.0000	0.0050	0.0003	0.0001	0.0003	9	0.0084
28	0.0000	0.0050	0.0003	0.0001	0.0003	10	0.0076
29	0.0000	0.0050	0.0003	0.0001	0.0003	11	0.0068
30	0.0000	0.0050	0.0003	0.0001	0.0004	12	0.0060
31	0.0000	0.0050	0.0003	0.0001	0.0004	13	0.0056
32	0.0000	0.0050	0.0003	0.0001	0.0004	14	0.0052
33	0.0000	0.0052	0.0003	0.0001	0.0004	15	0.0048
34	0.0000	0.0054	0.0003	0.0001	0.0004	16	0.0044
35	0.0000	0.0056	0.0003	0.0001	0.0004	17	0.0040
36	0.0000	0.0058	0.0003	0.0001	0.0004	18	0.0032
37	0.0000	0.0060	0.0004	0.0001	0.0004	19	0.0024
38	0.0000	0.0064	0.0004	0.0001	0.0004	20 & Above	0.0000
39	0.0000	0.0068	0.0004	0.0001	0.0004		
40	0.0100	0.0072	0.0004	0.0001	0.0005		
41	0.0100	0.0076	0.0004	0.0001	0.0006		
42	0.0100	0.0080	0.0005	0.0001	0.0006		
43	0.0100	0.0088	0.0005	0.0001	0.0007		
44	0.0100	0.0096	0.0005	0.0001	0.0008		
45	0.0100	0.0104	0.0006	0.0001	0.0008		
46	0.0100	0.0112	0.0006	0.0001	0.0009		
47	0.0100	0.0120	0.0007	0.0001	0.0010		
48	0.0100	0.0136	0.0007	0.0001	0.0010		
49	0.0100	0.0152	0.0008	0.0001	0.0011		
50	0.0100	0.0168	0.0014	0.0001	0.0011		
51	0.0200	0.0184	0.0019	0.0001	0.0012		
52	0.0250	0.0200	0.0025	0.0001	0.0013		
53	0.0300	0.0300	0.0030	0.0001	0.0014		
54	0.1200	0.0500	0.0036	0.0001	0.0015		
55	0.2400	0.1500	0.0036	0.0001	0.0016		
56	0.1800	0.1500	0.0036	0.0001	0.0017		
57	0.1800	0.1500	0.0036	0.0001	0.0019		
58	0.2000	0.1500	0.0036	0.0001	0.0020		
59	0.3000	0.1500	0.0036	0.0001	0.0021		
60	1.0000	0.0000	0.0038	0.0000	0.0000		

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**Table A-13: Rate of Separation From Active Service For Safety Members
Plan A & B - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0050	0.0006	0.0001	0.0002	0	0.0400
19	0.0000	0.0050	0.0006	0.0001	0.0002	1	0.0350
20	0.0000	0.0050	0.0006	0.0001	0.0002	2	0.0300
21	0.0000	0.0050	0.0006	0.0001	0.0002	3	0.0250
22	0.0000	0.0050	0.0006	0.0001	0.0002	4	0.0150
23	0.0000	0.0050	0.0006	0.0001	0.0002	5	0.0133
24	0.0000	0.0050	0.0006	0.0001	0.0002	6	0.0117
25	0.0000	0.0050	0.0006	0.0001	0.0002	7	0.0100
26	0.0000	0.0050	0.0006	0.0001	0.0002	8	0.0092
27	0.0000	0.0050	0.0006	0.0001	0.0002	9	0.0084
28	0.0000	0.0050	0.0006	0.0001	0.0002	10	0.0076
29	0.0000	0.0050	0.0006	0.0001	0.0002	11	0.0068
30	0.0000	0.0060	0.0006	0.0001	0.0003	12	0.0060
31	0.0000	0.0070	0.0006	0.0001	0.0003	13	0.0056
32	0.0000	0.0080	0.0006	0.0001	0.0003	14	0.0052
33	0.0000	0.0090	0.0006	0.0001	0.0004	15	0.0048
34	0.0000	0.0100	0.0006	0.0001	0.0004	16	0.0044
35	0.0000	0.0110	0.0008	0.0001	0.0005	17	0.0040
36	0.0000	0.0120	0.0008	0.0001	0.0005	18	0.0032
37	0.0000	0.0125	0.0008	0.0001	0.0006	19	0.0024
38	0.0000	0.0130	0.0008	0.0001	0.0006	20 & Above	0.0000
39	0.0000	0.0135	0.0008	0.0001	0.0006		
40	0.0500	0.0140	0.0010	0.0001	0.0007		
41	0.0500	0.0145	0.0010	0.0001	0.0008		
42	0.0500	0.0150	0.0010	0.0001	0.0009		
43	0.0500	0.0155	0.0010	0.0001	0.0009		
44	0.0500	0.0160	0.0012	0.0001	0.0010		
45	0.0500	0.0165	0.0012	0.0001	0.0011		
46	0.0500	0.0170	0.0014	0.0001	0.0012		
47	0.0500	0.0175	0.0014	0.0001	0.0013		
48	0.0500	0.0180	0.0016	0.0001	0.0014		
49	0.0500	0.0185	0.0020	0.0001	0.0016		
50	0.0500	0.0190	0.0022	0.0001	0.0017		
51	0.0300	0.0300	0.0026	0.0001	0.0018		
52	0.0300	0.0350	0.0028	0.0001	0.0020		
53	0.0500	0.0400	0.0034	0.0001	0.0021		
54	0.1200	0.0450	0.0040	0.0001	0.0023		
55	0.2200	0.0700	0.0048	0.0001	0.0025		
56	0.1800	0.1200	0.0054	0.0001	0.0028		
57	0.2400	0.1200	0.0060	0.0001	0.0030		
58	0.3200	0.1200	0.0066	0.0001	0.0033		
59	0.4000	0.1200	0.0072	0.0001	0.0036		
60	1.0000	0.0000	0.0078	0.0000	0.0000		

Los Angeles County Employees Retirement Association

Appendix B: Summary of Plan Provisions

All actuarial calculations are based on our understanding of the statutes governing the LACERA as contained in the County Employees Retirement Plan (CERL) of 1937, with provisions adopted by the LACERA Board, effective through July 1, 2006. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the State Code. This summary does not attempt to cover all the detailed provisions of the law.

Government Code Sections or Board of Investments Bylaws

MEMBERSHIP

Permanent employees of Los Angeles County (County) and participating districts who work $\frac{3}{4}$ time or more are eligible for membership in LACERA. (31551, 31552, Bylaws)

Employees eligible for safety membership (law enforcement, fire fighting and lifeguards) become safety members on the first day of the month after date of hire. (31558)

All other employees become general members on the first day of the month after date of hire, or the first day of the month after they make an election of either Plan D or Plan E, depending on the law in effect at that time. (31493, 31493.5, 31493.6, Bylaws)

Elective officers become members on the first day of the month after filing a declaration with the Board of Retirement (Board). (31553, 31562)

General members in Plan E may transfer all their Plan E service credit to Plan D during an approved transfer period by making the required contributions. Transferred members relinquish, waive, and forfeit any and all vested or accrued benefits available under any other retirement plan and are entitled only to the benefits of Plan D.

RETIREMENT PLANS

The County has established seven defined benefit plans (General Plans A, B, C, D and E and Safety Plans A and B) and two defined contribution plans (General Plan F and Safety Plan F) based on a member's date of entry into LACERA. (31494.1, 31494.3)

Plan A: General and safety members - prior to September 1977.

Plan B: General members – September 1977 through September 1978. Safety members – September 1977 to present.

Plan C: General members – October 1978 through May 1979.

RETIREMENT PLANS (Continued)

Plan D:	General members – Hired June 1979 through January 3, 1982; and those hired on or after January 4, 1982 and elect Plan D instead of Plan E; or, former Plan E general members who elected to transfer to Plan D.	
Plan E:	General members – hired on or after January 4, 1982, unless they elect Plan D; or, former general members in Plans A-D who elected to transfer to Plan E.	(31487, 31496)
Plan F:	General members in Plan D and safety members in Plan B who first became members on or after January 1, 1990, and are subject to the limitations set forth in Section 415 of the Internal Revenue Code of 1986. Currently there are no members participating in Plan F. No further description of Plan F is included here.	(31510)

MEMBER CONTRIBUTIONS

Plans A-D:	Contributions are based on the entry age and class of each member and are required of all members in Plans A, B, C, and D. Current member rates are shown in Appendix D. Section 5 provides additional detail on how these rates are calculated.	(31620)
	Contributions cease when general members are credited with 30 years of service in a contributory plan provided they were members of LACERA or a reciprocal system on March 7, 1973, and continuously thereafter. All safety member are eligible for the 30-year cessation of contributions.	(31625.2, 31836.1)
	Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Investments on amounts that have been on deposit for at least six months.	(31591, 31700)
	In addition to the normal contributions, members pay one-half of the cost of their plan’s COLA. This is discussed further in Section 5 of this report.	(31873)

EMPLOYER CONTRIBUTIONS

The employer (County or district) contributes to the retirement fund a percent of the total compensation provided for all members based on an actuarial investigation, valuation and recommendation of the actuary.	(31453, 31454 31581)
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SERVICE RETIREMENT ALLOWANCE

<u>Eligibility:</u>		(31672)
Plans A- D:	General members: Age 50 with 10 years of County service; Any age with 30 years of service; or Age 70 regardless of service.	
	Safety members: Age 50 with 10 years of County service; Any age with 20 years of service; or Age 60 regardless of service (Mandatory retirement age for members hired before April 1, 1997). No mandatory retirement for members hired on or after April 1, 1997.	(31662.4, 31662.6, 31663.25)
Plan E:	Age 65 with 10 years of service. A reduced benefit is also payable at age 55 with 10 years of service.	(31491) .
<u>Final Compensation:</u>		
Plans A-D:	Monthly average of a member's compensation during the last year of service.	(31462.3, 31461.45)
Plan E:	Monthly average of a member's compensation for the last three years of service.	(31676.11)
The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code.		(31671)
<u>Monthly Allowance:</u>		
	Safety members: 1/50 x Final Compensation x Safety age factor x Years of service. (The Safety Plan A and Safety Plan B age factors are the same.)	(31664)
Plans A-D:	General members: 1/60 x Final Compensation x a Plan specific age factor x years of service.	(31676.1) (31676.11) (31676.14)

SERVICE RETIREMENT ALLOWANCE (Continued)

Unmodified Retirement Allowance (Normal Form):

Plans A-D:	Life Annuity payable to retired member with 65% continuance to an eligible survivor (or eligible children).	(31760.12, 31785.4)
Plan E:	Life Annuity payable to retired member with 55% continuance to an eligible survivor (or eligible children).	(31491, 31492.1)
Eligible survivor includes certain domestic partners.		(31780.2)

Optional Retirement Allowance:

A member may elect to have the actuarial equivalent of the service or disability retirement allowance applied to a lesser retirement allowance during the retired member's life in order to provide an optional survivor allowance.	(31760.1, 31785) (31492)
---	--------------------------------

Unmodified Plus:	Members with eligible survivors may elect a higher percent than the standard unmodified continuance, up to 100%. The benefit is actuarially reduced from the unmodified amount. The elected percent of the member's reduced allowance is payable to the eligible survivor.	(31760.5)
Option 1:	Member's allowance is reduced to pay a cash refund of any unpaid annuity payments (up to the amount of the member's contributions at retirement) to the member's estate or to a beneficiary having an insurable interest in the life of the member.	(31761)
Option 2:	100% of member's reduced allowance is payable to a surviving spouse or beneficiary having an insurable interest in the life of the member.	(31762)
Option 3:	50% of member's reduced allowance is payable to a surviving spouse or beneficiary having an insurable interest in the life of the member.	(31763)
Option 4:	Other % of member's reduced allowance is payable to a surviving spouse or beneficiary(ies) having an insurable interest in the life of the member.	(31764)

SERVICE RETIREMENT ALLOWANCE (Continued)

A member may not revoke and name another beneficiary if the member elects Option 2, 3 or 4. (31782)

Pension: Advance Option The Pension Advance Option is available to members who are fully insured under Social Security for the purpose of coordinating a member's retirement allowance with benefits receivable from Social Security. It is not available to disability retirees or members who elect Option 2, 3 or 4. The allowance is increased prior to age 62 and then reduced after 62 by amounts which have equivalent actuarial values. The automatic 65% continuance for eligible spouses of members who elect the Pension Advance Option is based on the unmodified allowance the member would have received if the member had not elected the option. (31810, 31811)

All Allowances: All allowances are made on a pro-rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. For deaths that occur mid-month, the full month's payment is made. (31600)

SERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility: (31720, 31720.5)
Plans A-D: Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.

Plan E: Not available under Plan E. (31487)

Monthly Allowance: Greater of (1) 50% of final compensation, and (2) the service retirement allowance, if eligible to retire. (31727.4)

Normal Form Of Payment: Life Annuity with 100% continuance to a surviving spouse (or eligible children). (31760, 31786)

NONSERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility:

- | | | |
|-------------------|---|----------------|
| Plans A-D: | Any age with 5 years of service, and permanently incapacitated for the performance of duty. | (31720, 31836) |
| Plan E: | Not available under Plan E. | (31487) |

Monthly Allowance:

- | | | |
|-------------------------|--|---------------------|
| | The monthly allowance is equal to a service retirement allowance if the member is eligible to retire, otherwise allowance equals (a) or (b) where: | (31726,
31726.5) |
| General Members: | (a) 90% of 1/60 of Final Compensation x years of service, if member must rely on service in another retirement system in order to be eligible to retire, or allowance exceeds 1/3 of final compensation. | (31727(a)) |
| | (b) 90% 1/60 of Final Compensation x years of service projected to age 65, not to exceed 1/3 of Final Compensation. | (31727(b)) |
| Safety Members: | 1/60 is replaced by 1/50 and age 65 is replaced by age 55 in (a) and (b) above. | (31727.2) |

Normal Form Of Payment:

- | | |
|---|--|
| Life Annuity with 65% continuance to a surviving spouse (or eligible children). | (31760,
31760.1,
31760.12,
31785,
31785.4) |
|---|--|

SERVICE-CONNECTED DEATH BENEFITS

Eligibility:

- | | | |
|-------------------|--|---------|
| Plans A-D: | Active members who die in service as a result of injury or disease arising out of and in the course of employment. | (31787) |
| Plan E: | Not available under Plan E. | (31487) |

Monthly Allowance:

- | | |
|--|---------|
| An annual death allowance is payable monthly to an eligible survivor (or eligible children) equal to 50% of the member's Final Compensation. | (31787) |
|--|---------|

SERVICE-CONNECTED DEATH BENEFITS (Continued)

Optional Combined Benefit: (31781.3)

In lieu of the monthly allowance above, a surviving spouse may elect:

- (a) A lump sum equal to 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation), plus
- (b) A monthly payment equal to 50% of the member's Final Compensation, reduced by a monthly amount, which is the actuarial equivalent of (a) above based on the age of surviving spouse.

Death Benefit (Lump Sum): (31781)

The member's normal contributions and interest, plus 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation).

Additional Allowance for Children: (31787.5)

25% of death allowance (whether or not the monthly allowance or combined benefit is chosen) for one child, 40% for two children, and 50% for three or more children.

(31787.6)

Additional Amount for Spouse of Safety Member:

A surviving spouse of a safety member is also entitled to receive a lump-sum death benefit equal to 12 x monthly rate of compensation at the time of member's death in addition to all other benefits.

***Note:** For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the monthly allowance or the lump sum, whichever is more valuable.*

NONSERVICE-CONNECTED DEATH BENEFITS

Eligibility: (31780)

Plans A-D: Active members who die while in service or while physically or mentally incapacitated for the performance of duty.

Plan E: Not available under Plan E. (31487)

NONSERVICE-CONNECTED DEATH BENEFITS (Continued)

Death Benefit (Lump Sum): (31781)

The member's normal contributions and interest, plus 1/12 of the Compensation earned in preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation).

Optional Death Benefit:

In lieu of the lump-sum death benefit, the following several optional death benefits are available to provide flexibility to survivors.

First Optional Death Benefit:

If a member who would have been entitled to a non-service-connected disability retirement allowance dies prior to retirement as a result of such disability, the surviving spouse (or eligible children) may elect to receive an optional death allowance equal to 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31781.1, 31781.12)

Second Optional Death Benefit:

If a member dies prior to reaching the minimum retirement age but has 10 or more years of County service, a surviving spouse (or eligible children) may elect to leave the amount of the death benefit on deposit until the earliest date the member could have retired and at that time receive the allowance provided for in Section 31765 (an Option 3 benefit) or 31765.2 (a 65% continuance). (31781.2, 31765.2)

Third Optional Death Benefit:

A surviving spouse of a member who dies after five years of County service may elect a combined benefit equal to:

- (a) A lump sum equal to 1/12 of the compensation earnable in the preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation), plus (31781.3)
- (b) A monthly payment equal to 65% of the monthly retirement allowance to which the member have been entitled if the member retired or been retired for a non-service-connected disability as of the date of death, reduced by a monthly amount which is the actuarial equivalent of (a) above based on the age of surviving spouse. (31781.1, 31781.12)

NONSERVICE-CONNECTED DEATH BENEFITS (Continued)

Fourth Optional Death Benefit:

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary, the spouse (or eligible children) may elect to receive 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31765.1, 31765.2)

Fifth Optional Death Benefit:

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary and survives the member by not less than 30 days the spouse (or eligible children) may elect to receive the same retirement allowance as the spouse would have received had the member retired on the date of death and selected Option 3. (31765)

***Note:** For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the first optional death benefit or the lump sum, whichever is more valuable.*

POST-RETIREMENT DEATH BENEFIT

Plans A-D: A one-time lump-sum benefit of \$5,000 is payable to the estate or to the beneficiary designated by the member upon the death of any member while receiving a retirement allowance. This is in addition to any other death or survivor benefits. The amount may be paid from surplus earnings of the retirement system, if any, but is currently paid by the County based on agreement with LACERA. It is not included for valuation purposes. (31789.1)

Plan E: The only death benefits payable after retirement are the continuance allowances described above under Unmodified and Optional Retirement Allowances. There is no \$5,000 lump-sum payment under Plan E. (31492)

DEFERRED VESTED BENEFITS

<u>Eligibility:</u>		(31700)
Plans A-D:	5 years of county or reciprocal service. member contributions must be left on deposit.	
Plan E:	Age 55 with 10 years of service.	(31491)
<u>Monthly Allowance:</u>		(31703, 31704, 31705)
Plans A-D:	Same as service retirement allowance; payable anytime after the member would have been eligible for service retirement.	
	If a terminated member dies before the effective date of the deferred retirement allowance, the member's accumulated contributions are paid to the estate or to the named beneficiary.	(31702)
Plan E:	Same as service retirement allowance at normal retirement age 65 or in an actuarially equivalent reduced amount at early retirement, after age 55.	(31491)

TRANSFERS BETWEEN PLAN D AND PLAN E

Members in Plan D may transfer to Plan E on a prospective basis. Members in Plan E may transfer to Plan D on a prospective basis. (31494.2, 31494.5)

RECIPROCITY:

Plans A-E:

Reciprocal benefits are may be granted to members who are entitled to retirement benefits from two or more retirement systems established under the CERL or from a County retirement system and the California Public Employees' Retirement System (CalPERS). Reciprocity also applies to the members of the State Teachers' Retirement System Defined Benefit Plan. (31830, 31840.4, 31840.8)

Final Compensation may be based on service with CalPERS or another County retirement system, if greater.

(31835)

Deferred members are eligible for disability and death benefits from LACERA, if disabled while a member of CalPERS or another County retirement system, but combined benefits are limited.

TRANSFER FROM CALPERS

Whenever firefighting or law enforcement functions performed by a city of the state subject to the California Public Employees Retirement Law are transferred to the County, fire authority, or district, employees performing those functions become members of LACERA. LACERA and CalPERS may enter into an agreement whereby the members' service credit plus the members' and the cities' or states' retirement contributions are transferred from CalPERS to LACERA. (31657)

COST OF LIVING INCREASES

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the Consumer Price Index (CPI) from the previous January 1 to the current January 1, to the nearest ½ of 1%. (31870, 31870.1)

Plan A: Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase.

Plans B-D: Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. (31870, 31870.1)

When the CPI exceeds 2 or 3%, the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation. It may be used in future years to provide cost-of-living increases when the CPI falls below 2 or 3%, depending on the retirement plan.

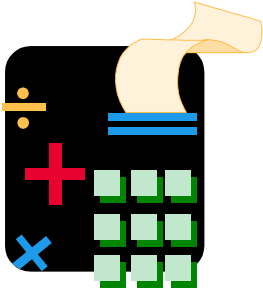
Plan E: Members (and their beneficiaries) are limited to a maximum 2% cost of living increase. The 2% is pro-rated based on service earned after June 4, 2002. “Elective COLA” increases for service earned prior to June 4, 2002 may be purchased by the member. (31495.5)

STAR PROGRAM

Members who have a COLA Accumulation of more than 20% resulting from CPI increases that exceeded the maximum cost-of-living increases that could be granted are eligible for a supplemental cost-of-living increase effective January 1 known as the Supplemental Targeted Adjustment for Retirees Cost-of-Living Adjustment (STAR COLA). These benefits are not evaluated in this report, or as part of the actuarially required funding amount, unless they have been vested by the Board of Investments. (318874.3(b))

Los Angeles County Employees Retirement Association

Appendix C: Valuation Data and Schedules



On the following table, Exhibit C-1, we present a summary of LACERA membership at June 30, 2006 for active members. Similar information is shown in Exhibit C-2Ret for retired members and C-2Def for deferred vested members.

The number of total active members increased by 2.6% and the total salary increased by 5.6% since the last valuation. The total number of retired members and their beneficiaries increased by 2.5%, while the average retirement benefit amount increased by 4.8%. Note that the retiree benefits included in the 2006 valuation include the final Ventura settlement.

Note that salary amounts shown are the prior year annual pensionable earnings for those members of plans with a one-year final compensation period. For plans with a three-year final compensation period (Plan E only), the monthly rate of pay at June 2006 is shown.

Additional statistical data on both active and retired members is shown in the following tables. Additional detailed summaries are supplied to the system staff in a supplementary report.

Exhibit C-3: Age Distribution of Active Members

Exhibit C-4: Age, Service, Compensation Distribution of Active Members

Exhibit C-5: Age, Retirement Year, Benefit Amount and Plan Distribution of Retired Members

Exhibits C-4 and C-5 are shown for all plans combined as well as for each plan separately.

Data on LACERA membership as of June 30, 2006 was supplied to us by the system staff. Based on our review of this data and discussions with LACERA staff, we made the following adjustments to the retiree data:

Original count for retirees and beneficiaries:	50,858
+ Retirees/beneficiaries on July, 2006 retiree payroll, but not included on June 30, 2006 data	152
- Duplicate records	<u>(18)</u>
Retiree and beneficiary records in valuation	50,992

All active and deferred records supplied by LACERA were included in the valuation.

Los Angeles County Employees Retirement Association

Exhibit C-1: LACERA Membership – Active Members as of June 30, 2006

	Sex	Vested	NonVested	Total Number	Annual Salary	Average Age	Average Monthly Salary	Average Credited Service
General Members								
Plan A	M	1,166	1	1,167	\$ 96,298,560	58.8	\$ 6,877	32.5
	F	2,030	3	2,033	131,739,396	57.4	5,400	32.2
Plan B	M	123	1	124	10,471,440	57.1	7,037	28.5
	F	251	-	251	16,050,000	55.8	5,329	27.9
Plan C	M	88	-	88	7,153,824	56.2	6,774	27.6
	F	189	-	189	11,812,200	55.5	5,208	27.1
Plan D	M	10,202	4,373	14,575	859,672,908	44.2	4,915	9.8
	F	20,786	8,763	29,549	1,556,671,260	43.2	4,390	9.8
Plan E	M	5,567	1,791	7,358	472,907,028	50.2	5,356	17.8
	F	12,878	8,955	21,833	1,104,372,132	46.5	4,215	14.7
Total		53,280	23,887	77,167	\$ 4,267,148,748	45.7	\$ 4,608	13.0
Safety Members								
Plan A	M	481	-	481	\$ 54,374,736	55.1	\$ 9,420	33.0
	F	51	-	51	5,443,440	53.9	8,895	31.7
Plan B	M	8,282	1,380	9,662	810,070,800	40.8	6,987	14.4
	F	1,046	224	1,270	99,490,428	38.4	6,528	11.9
Total		9,860	1,604	11,464	\$ 969,379,404	41.2	\$ 7,047	15.0
Grand Total		63,140	25,491	88,631	\$ 5,236,528,152	45.1	\$ 4,924	13.3

**Los Angeles County Employees
Retirement Association**

Exhibit C-2Ret: LACERA Membership – Retired Members as of June 30, 2006

	Sex	Number	Annual Allowance	Average Age	Average Monthly Benefit
General Members					
Plan A	M	12,534	\$ 537,946,525	73.2	\$ 3,577
	F	18,213	504,100,296	74.6	2,307
Plan B	M	142	4,249,661	68.8	2,494
	F	363	8,267,945	69.6	1,898
Plan C	M	115	2,577,989	68.7	1,868
	F	238	4,293,804	69.7	1,503
Plan D	M	1,698	39,056,692	64.5	1,917
	F	2,887	52,276,352	64.6	1,509
Plan E	M	1,818	30,176,663	68.7	1,383
	F	3,301	40,727,293	68.1	1,028
Total		41,309	\$ 1,223,673,220	72.2	\$ 2,469
Safety Members					
Plan A	M	6,370	\$ 420,666,519	67.5	\$ 5,503
	F	1,805	74,315,304	70.3	3,431
Plan B	M	1,127	42,387,311	49.0	3,134
	F	381	12,000,127	45.3	2,625
Total		9,683	\$ 549,369,261	65.0	\$ 4,728
Grand Total		50,992	\$ 1,773,042,481	70.8	\$ 2,898

**Los Angeles County Employees
Retirement Association**

**Exhibit C-2Def: LACERA Membership – Deferred Vested Members as of June 30, 2006
Subtotaled by Plan and Retirement Type**

	<u>Sex</u>	<u>Number</u>	<u>Average Age</u>
<i>General Members</i>			
Plan A	M	149	60.0
	F	258	57.2
Plan B	M	15	57.7
	F	34	54.7
Plan C	M	8	58.3
	F	21	53.5
Plan D	M	856	45.6
	F	1,528	44.1
Plan E	M	1,433	51.0
	F	2,719	51.4
Total		7,021	49.5
<i>Safety Members</i>			
Plan A	M	15	57.3
	F	-	-
Plan B	M	353	38.5
	F	70	40.3
Total		438	39.4
<i>Grand Total</i>		7,459	48.9

**Los Angeles County Employees
Retirement Association**

**Exhibit C-2a: LACERA Membership – Retired Members as of June 30, 2006
Subtotaled by Plan and Retirement Type**

<u>Plan</u>	<u>Retirement Type</u>	<u>Number</u>	<u>Annual Benefits in Thousands</u>	<u>Average Monthly Benefit</u>
General Plans:				
Plan A				
	Healthy	22,810	\$ 867,730	\$ 3,170
	Disabled	2,813	71,705	2,124
	Beneficiaries	5,124	102,612	1,669
	Total	<u>30,747</u>	<u>\$ 1,042,047</u>	<u>\$ 2,824</u>
Plan B				
	Healthy	408	\$ 10,800	\$ 2,206
	Disabled	68	1,271	1,558
	Beneficiaries	29	446	1,282
	Total	<u>505</u>	<u>\$ 12,517</u>	<u>\$ 2,066</u>
Plan C				
	Healthy	259	\$ 5,298	\$ 1,705
	Disabled	64	1,281	1,668
	Beneficiaries	30	293	814
	Total	<u>353</u>	<u>\$ 6,872</u>	<u>\$ 1,622</u>
Plan D				
	Healthy	3,155	\$ 63,361	\$ 1,674
	Disabled	1,050	23,713	1,882
	Beneficiaries	380	4,259	934
	Total	<u>4,585</u>	<u>\$ 91,333</u>	<u>\$ 1,660</u>
Plan E				
	Healthy	4,824	\$ 68,727	\$ 1,187
	Disabled	0	0	N/A
	Beneficiaries	295	2,177	615
	Total	<u>5,119</u>	<u>\$ 70,904</u>	<u>\$ 1,154</u>
Safety Plans:				
Plan A				
	Healthy	3,006	\$ 206,918	\$ 5,736
	Disabled	3,883	240,207	5,155
	Beneficiaries	1,286	47,857	3,101
	Total	<u>8,175</u>	<u>\$ 494,982</u>	<u>\$ 5,046</u>
Plan B				
	Healthy	237	\$ 10,283	\$ 3,616
	Disabled	1,180	41,828	2,954
	Beneficiaries	91	2,276	2,084
	Total	<u>1,508</u>	<u>\$ 54,387</u>	<u>\$ 3,005</u>
Grand Totals		50,992	1,773,042	2,898

**Los Angeles County Employees
Retirement Association**

**Exhibit C-2b: LACERA Membership – Retired Members as of June 30, 2006
Subtotaled by Retirement Type and Plan**

<u>Type</u>	<u>Plan</u>	<u>Number</u>	<u>Annual Benefits in Thousands</u>	<u>Average Monthly Benefit</u>
Healthy Retirees				
	General A	22,810	\$ 867,730	\$ 3,170
	General B	408	10,800	2,206
	General C	259	5,298	1,705
	General D	3,155	63,361	1,674
	General E	4,824	68,727	1,187
	Safety A	3,006	206,918	5,736
	Safety B	237	10,283	3,616
	Total	<u>34,699</u>	<u>\$ 1,233,117</u>	<u>\$ 2,961</u>
Disabled Retirees				
	General A	2,813	\$ 71,705	\$ 2,124
	General B	68	1,271	1,558
	General C	64	1,281	1,668
	General D	1,050	23,713	1,882
	Safety A	3,883	240,207	5,155
	Safety B	1,180	41,828	2,954
	Total	<u>9,058</u>	<u>\$ 380,005</u>	<u>\$ 3,496</u>
Beneficiaries				
	General A	5,124	\$ 102,612	\$ 1,669
	General B	29	446	1,282
	General C	30	293	814
	General D	380	4,259	934
	General E	295	2,177	615
	Safety A	1,286	47,857	3,101
	Safety B	91	2,276	2,084
	Total	<u>7,235</u>	<u>\$ 159,920</u>	<u>\$ 1,842</u>
Grand Totals		50,992	\$ 1,773,042	\$ 2,898

Los Angeles County Employees Retirement Association

Exhibit C-3: Age Distribution of Active Members as of June 30, 2006

	Age Groups						Total
	0-29	30-39	40-49	50-59	60-69	70+	
General Plans:							
Plan A							
Male	-	-	-	753	377	37	1,167
Female	-	-	15	1,513	461	44	2,033
Plan B							
Male	-	-	2	89	31	2	124
Female	-	-	28	171	43	9	251
Plan C							
Male	-	-	7	66	14	1	88
Female	-	-	30	114	40	5	189
Plan D							
Male	1,351	3,959	4,482	3,467	1,176	140	14,575
Female	3,100	8,654	9,171	6,594	1,853	177	29,549
Plan E							
Male	212	925	2,127	2,777	1,203	114	7,358
Female	1,471	4,507	6,685	6,745	2,207	218	21,833
Safety Plans:							
Plan A							
Male	-	-	2	462	17	-	481
Female	-	-	-	51	-	-	51
Plan B							
Male	800	3,402	4,066	1,369	25	-	9,662
Female	166	551	439	114	-	-	1,270
Grand Totals:	7,100	21,998	27,054	24,285	7,447	747	88,631

Los Angeles County Employees Retirement Association

Exhibit C-4: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006 All Plans

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	669	349	86	56	51	19	0	0	0	0	0	0	1,230
25-29	1,608	1,133	597	454	697	1,378	3	0	0	0	0	0	5,870
30-34	1,100	843	595	547	892	4,880	536	23	0	0	0	0	9,416
35-39	786	640	442	392	730	4,880	2,827	1,820	57	8	0	0	12,582
40-44	589	499	314	253	550	3,271	2,578	4,324	1,181	81	13	5	13,658
45-49	483	405	279	218	430	2,679	1,780	3,255	2,332	1,432	61	42	13,396
50-54	358	318	208	159	331	2,086	1,427	2,454	1,814	2,457	1,441	141	13,194
55-59	184	179	131	95	212	1,491	1,141	1,756	1,143	1,730	2,049	980	11,091
60-64	76	77	56	51	122	728	666	959	583	776	712	728	5,534
65 & Over	24	52	14	24	51	375	398	561	322	370	221	248	2,660
Total Count	5,877	4,495	2,722	2,249	4,066	21,787	11,356	15,152	7,432	6,854	4,497	2,144	88,631

Average Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	34,367	32,655	33,340	34,115	36,340	34,519	-	-	-	-	-	-	33,882
25-29	39,067	40,192	41,716	45,930	45,829	46,304	45,052	-	-	-	-	-	42,589
30-34	40,998	45,014	46,495	49,565	50,254	53,513	59,971	61,114	-	-	-	-	50,695
35-39	44,156	46,381	50,351	55,125	53,253	57,072	64,875	62,936	61,563	93,555	-	-	57,848
40-44	42,098	45,017	48,040	52,117	50,930	54,445	64,431	68,525	68,631	68,830	96,079	105,238	60,949
45-49	43,879	48,726	48,602	52,517	50,252	52,992	62,054	68,642	78,558	65,666	74,034	101,481	63,407
50-54	49,463	51,012	51,990	53,303	53,933	52,914	59,738	64,467	75,376	72,218	64,533	77,759	63,895
55-59	52,147	49,383	49,496	55,120	51,430	53,242	57,248	61,767	69,672	70,873	71,669	67,769	63,992
60-64	61,101	56,793	60,958	59,058	58,938	54,463	56,245	59,969	69,196	64,647	65,106	69,236	62,255
65 & Over	82,029	76,360	81,227	68,142	51,740	58,033	53,717	56,698	65,105	62,621	61,042	67,053	60,358
Avg. Annual Compensation	41,776	44,531	47,092	50,901	50,591	53,947	61,786	65,448	73,390	69,119	67,924	69,589	59,082



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-4a: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006
General Plan A**

Count														
Age	Years of Service												Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	1	2	12	0	0	15
50-54	0	0	0	1	0	3	8	8	22	58	548	50	0	698
55-59	0	0	1	1	0	9	14	31	41	121	909	441	0	1,568
60-64	0	0	0	0	1	10	13	26	30	37	302	238	0	657
65 & Over	0	0	0	0	0	4	5	2	18	19	96	118	0	262
Total Count	0	0	1	2	1	26	40	67	112	237	1,867	847	0	3,200

Compensation														
Age	Years of Service												Average Comp.	
	0-1	1-2	2-3	3-4	4-5	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	-	-	-	-	-	-	-	-	48,684	62,226	57,946	-	-	57,899
50-54	-	-	-	71,580	-	70,260	52,938	64,960	66,663	70,722	61,061	67,555	-	62,511
55-59	-	-	69,948	128,292	-	50,855	72,559	79,169	77,341	85,219	71,736	69,423	-	72,342
60-64	-	-	-	-	54,132	64,768	84,846	83,226	78,673	81,723	71,712	78,695	-	75,706
65 & Over	-	-	-	-	-	83,847	71,702	62,946	98,873	109,102	67,881	77,764	-	77,730
Avg. Annual Compensation	-	-	69,948	99,936	54,132	63,521	72,521	78,562	78,805	82,846	68,312	73,080	-	71,262



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Los Angeles County Employees Retirement Association

**Exhibit C-4b: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006
General Plan B**

Count														
Age	Years of Service												Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	2	0	2	26	0	0	0	30
50-54	0	0	0	0	0	0	1	2	4	104	15	0	0	126
55-59	0	0	0	0	0	4	0	3	2	103	21	1	0	134
60-64	0	0	1	0	0	0	0	1	1	47	8	0	0	58
65 & Over	0	0	0	0	0	0	0	0	0	24	3	0	0	27
Total Count	0	0	1	0	0	4	3	6	9	304	47	1	0	375

Compensation														
Age	Years of Service												Average Comp.	
	0-1	1-2	2-3	3-4	4-5	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	-	-	-	-	-	-	59,556	-	47,442	56,001	-	-	-	55,667
50-54	-	-	-	-	-	-	143,832	58,428	71,781	65,566	83,708	-	-	68,431
55-59	-	-	-	-	-	80,472	-	67,108	129,210	75,630	81,407	78,420	-	77,310
60-64	-	-	21,672	-	-	-	-	60,180	163,716	71,909	75,046	-	-	72,856
65 & Over	-	-	-	-	-	-	-	-	-	61,174	58,608	-	-	60,889
Avg. Annual Compensation	-	-	21,672	-	-	80,472	87,648	63,060	89,349	68,792	79,604	78,420	-	70,724



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-4c: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006
General Plan C**

Count														
Age	Years of Service												Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	1	1	2	33	0	0	0	37
50-54	0	0	0	0	0	1	0	0	1	78	2	0	0	82
55-59	0	0	0	0	0	0	0	3	5	87	3	0	0	98
60-64	0	0	0	0	0	0	0	1	2	34	2	0	0	39
65 & Over	0	0	0	0	0	0	0	0	0	19	2	0	0	21
Total Count	0	0	0	0	0	1	1	5	10	251	9	0	0	277

Compensation														
Age	Years of Service												Average Comp.	
	0-1	1-2	2-3	3-4	4-5	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	-	-	-	-	-	-	84,672	42,588	96,288	52,433	-	-	-	55,409
50-54	-	-	-	-	-	75,540	-	-	70,224	73,438	100,242	-	-	74,078
55-59	-	-	-	-	-	-	-	91,992	75,833	69,351	106,180	-	-	71,502
60-64	-	-	-	-	-	-	-	68,868	127,866	58,733	131,280	-	-	66,258
65 & Over	-	-	-	-	-	-	-	-	-	58,564	68,766	-	-	59,536
Avg. Annual Compensation	-	-	-	-	-	75,540	84,672	77,486	89,770	66,142	102,124	-	-	68,469



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

Exhibit C-4d: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006 General Plan D

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	398	204	51	38	31	9	0	0	0	0	0	0	731
25-29	1,143	765	364	319	408	719	2	0	0	0	0	0	3,720
30-34	777	578	355	387	545	2,810	231	9	0	0	0	0	5,692
35-39	585	425	275	283	475	2,883	1,324	657	14	0	0	0	6,921
40-44	429	333	212	197	408	2,053	1,328	1,710	352	21	0	0	7,043
45-49	337	279	192	152	309	1,751	1,038	1,512	639	392	9	0	6,610
50-54	251	218	149	121	229	1,359	859	1,296	616	599	122	6	5,825
55-59	125	123	96	66	154	974	726	948	444	402	116	62	4,236
60-64	39	45	42	41	83	464	405	532	245	231	32	34	2,193
65 & Over	13	28	13	18	28	212	243	323	151	114	7	3	1,153
Total Count	4,097	2,998	1,749	1,622	2,670	13,234	6,156	6,987	2,461	1,759	286	105	44,124

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	32,379	29,597	33,125	32,984	34,142	35,883	-	-	-	-	-	-	31,804
25-29	37,588	38,812	42,297	44,307	42,263	42,021	45,456	-	-	-	-	-	40,251
30-34	40,265	43,878	46,748	49,104	47,868	50,876	52,544	52,783	-	-	-	-	48,122
35-39	44,368	46,098	50,718	53,030	51,765	55,203	59,719	53,838	49,143	-	-	-	53,947
40-44	40,455	44,461	50,153	51,162	50,912	54,522	61,417	62,483	59,940	53,469	-	-	56,255
45-49	43,248	47,901	50,580	50,440	50,445	54,310	61,245	65,833	67,340	59,029	63,971	-	58,375
50-54	45,327	51,114	52,698	52,207	52,620	55,394	60,922	64,993	72,609	65,911	62,380	71,760	60,572
55-59	49,038	48,739	51,842	52,860	52,395	54,696	58,458	63,702	73,860	69,278	75,003	71,037	61,027
60-64	56,497	55,317	61,030	58,186	57,280	55,221	56,748	60,905	70,478	66,461	76,616	81,788	60,764
65 & Over	74,313	76,974	84,622	64,549	48,530	60,686	54,780	58,339	64,757	61,773	90,708	68,340	60,211
Avg. Annual Compensation	40,444	43,574	48,293	49,628	49,277	53,402	59,697	62,702	68,827	64,802	69,836	74,483	54,763



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-4e: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006
General Plan E**

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	178	98	33	10	10	9	0	0	0	0	0	0	338
25-29	294	251	190	77	150	382	1	0	0	0	0	0	1,345
30-34	221	188	194	114	181	1,150	125	6	0	0	0	0	2,179
35-39	161	152	122	69	161	1,215	759	591	23	0	0	0	3,253
40-44	143	129	80	45	101	933	813	1,429	468	30	0	0	4,171
45-49	143	110	82	63	106	819	586	1,232	832	651	17	0	4,641
50-54	105	90	56	37	96	692	519	991	777	1,046	587	37	5,033
55-59	59	53	34	26	58	480	393	751	591	830	794	420	4,489
60-64	37	32	13	10	38	245	245	397	302	423	363	447	2,552
65 & Over	11	24	1	6	22	157	149	236	152	193	113	126	1,190
Total Count	1,352	1,127	805	457	923	6,082	3,590	5,633	3,145	3,173	1,874	1,030	29,191

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	30,522	30,881	32,239	26,588	32,255	31,473	-	-	-	-	-	-	30,754
25-29	35,906	38,163	38,367	44,078	40,613	39,670	44,244	-	-	-	-	-	38,743
30-34	37,556	42,710	42,115	46,265	44,172	45,090	45,906	46,446	-	-	-	-	43,892
35-39	40,516	41,493	44,279	57,875	46,600	49,604	57,875	50,632	47,148	-	-	-	50,219
40-44	45,148	40,987	37,196	53,169	43,374	47,543	58,132	59,415	53,909	55,621	-	-	53,923
45-49	45,192	46,103	43,173	56,600	46,397	46,893	56,994	63,302	66,345	52,780	57,570	-	56,860
50-54	59,228	46,447	49,168	56,394	55,351	46,911	55,554	60,036	66,750	58,462	55,289	60,137	57,429
55-59	58,733	48,860	42,267	55,296	48,869	48,430	53,740	57,744	63,412	61,829	59,096	59,509	57,965
60-64	65,955	58,869	63,746	62,632	62,685	50,351	53,343	56,586	66,374	61,450	57,493	61,982	59,030
65 & Over	91,149	75,643	37,092	78,922	54,622	53,141	51,100	54,399	61,240	59,068	53,321	55,714	56,369
Avg. Annual Compensation	42,055	42,386	41,613	51,444	46,525	47,141	55,553	58,807	63,659	58,585	57,231	60,141	54,033



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Los Angeles County Employees Retirement Association

**Exhibit C-4f: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006
Safety Plan A**

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	1	0	1	2
50-54	0	0	0	0	0	0	0	0	4	77	126	19	226
55-59	0	0	0	0	0	0	0	1	0	44	195	47	287
60-64	0	0	0	0	0	0	0	1	0	2	5	8	16
65 & Over	0	0	0	0	0	0	0	0	0	0	0	1	1
Total Count	0	0	0	0	0	0	0	2	4	124	326	76	532

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	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	-	-	-	-	-	-	-	-	-	86,880	-	105,120	96,000
50-54	-	-	-	-	-	-	-	-	95,007	107,739	108,889	106,969	108,090
55-59	-	-	-	-	-	-	-	80,712	-	107,123	116,999	115,570	115,124
60-64	-	-	-	-	-	-	-	112,428	-	118,260	102,838	133,243	120,568
65 & Over	-	-	-	-	-	-	-	-	-	-	-	228,060	228,060
Avg. Annual Compensation	-	-	-	-	-	-	-	96,570	95,007	107,522	113,647	116,623	112,440



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Los Angeles County Employees Retirement Association

Exhibit C-4g: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2006 Safety Plan B

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	93	47	2	8	10	1	0	0	0	0	0	0	161
25-29	171	117	43	58	139	277	0	0	0	0	0	0	805
30-34	102	77	46	46	166	920	180	8	0	0	0	0	1,545
35-39	40	63	45	40	94	782	744	572	20	8	0	0	2,408
40-44	17	37	22	11	41	285	437	1,185	361	30	13	5	2,444
45-49	3	16	5	3	15	109	153	510	856	327	23	41	2,061
50-54	2	10	3	0	6	31	40	157	390	495	41	29	1,204
55-59	0	3	0	2	0	24	8	19	60	143	11	9	279
60-64	0	0	0	0	0	9	3	1	3	2	0	1	19
65 & Over	0	0	0	0	1	2	1	0	1	1	0	0	6
Total Count	428	370	166	168	472	2,440	1,566	2,452	1,691	1,006	88	85	10,932

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	50,233	49,624	57,000	48,897	47,240	49,656	-	-	-	-	-	-	49,883
25-29	54,381	53,572	51,596	57,313	61,923	66,569	-	-	-	-	-	-	59,822
30-34	54,046	59,168	63,011	61,621	64,719	72,095	79,270	81,489	-	-	-	-	69,769
35-39	55,709	60,080	64,565	65,205	72,170	75,563	83,300	86,098	86,834	93,555	-	-	79,365
40-44	57,887	64,076	67,105	64,935	69,727	76,479	85,307	88,230	96,192	92,792	96,079	105,238	86,463
45-49	52,128	81,152	61,718	72,008	73,518	77,649	86,809	89,920	98,868	101,338	98,535	101,393	94,555
50-54	55,908	89,868	69,480	-	81,338	75,774	87,844	88,146	97,274	104,774	104,616	99,939	98,336
55-59	-	85,044	-	90,804	-	86,847	93,009	89,250	92,602	102,057	106,876	98,911	97,409
60-64	-	-	-	-	-	115,891	101,456	238,536	83,196	91,518	-	121,248	112,621
65 & Over	-	-	-	-	78,204	109,188	95,472	-	97,248	73,656	-	-	93,826
Avg. Annual Compensation	53,655	58,822	61,024	61,131	65,964	73,714	83,948	88,126	97,535	102,767	102,048	101,094	83,202



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Los Angeles County Employees Retirement Association

Exhibit C-5: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006 All Plans

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1960	1960-64	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-05		
Under 35	0	0	0	0	2	0	9	16	63	26	116	\$ 1,411
35-39	0	0	0	0	0	0	11	47	100	31	189	2,627
40-44	0	0	0	0	0	3	67	136	166	38	410	2,563
45-49	0	0	0	0	6	42	108	154	171	50	531	2,533
50-54	0	0	0	11	54	80	125	194	384	291	1,139	2,216
55-59	0	0	9	104	176	162	224	550	1,886	1,253	4,364	3,285
60-64	1	3	26	190	266	257	645	1,886	3,727	1,374	8,375	3,775
65-69	0	19	64	198	255	541	1,594	2,445	2,756	843	8,715	3,295
70-74	9	42	112	231	601	1,212	2,344	1,967	1,358	358	8,234	2,912
75-79	31	63	114	538	1,255	1,592	1,950	1,025	639	219	7,426	2,593
80-84	41	65	235	1,038	1,489	1,355	857	457	449	146	6,132	2,316
85-89	27	67	344	928	935	386	248	241	261	71	3,508	2,002
90-94	27	94	267	521	193	38	64	76	80	17	1,377	1,742
95-99	24	67	155	75	1	0	11	28	15	4	380	1,424
100 & Over	27	33	29	1	0	0	1	2	3	0	96	1,008
Total Count	187	453	1,355	3,835	5,233	5,668	8,258	9,224	12,058	4,721	50,992	
Avg Monthly Benefit	\$ 1,107	\$ 1,384	\$ 1,629	\$ 2,064	\$ 2,203	\$ 2,612	\$ 3,120	\$ 2,982	\$ 3,468	\$ 3,256		\$ 2,898



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Los Angeles County Employees Retirement Association

**Exhibit C-5a: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
General Plan A**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06		
Under 35	0	0	0	0	0	0	4	4	16	4	28	\$ 1,253
35-39	0	0	0	0	0	0	0	2	4	3	9	1,583
40-44	0	0	0	0	0	1	1	3	1	2	8	1,470
45-49	0	0	0	0	1	3	2	7	8	3	24	1,626
50-54	0	0	0	5	16	13	15	29	107	67	252	2,017
55-59	0	0	3	57	59	42	60	264	659	463	1,607	3,092
60-64	1	1	14	90	110	100	381	905	1,860	687	4,149	3,867
65-69	0	9	40	115	117	366	1,051	1,389	1,430	231	4,748	3,500
70-74	2	18	68	152	420	868	1,718	1,217	486	124	5,073	3,046
75-79	14	28	65	393	924	1,241	1,564	527	317	107	5,180	2,604
80-84	20	42	169	799	1,279	1,219	612	286	306	107	4,839	2,244
85-89	13	37	281	861	914	345	192	197	214	58	3,112	1,954
90-94	19	64	240	520	192	30	52	65	71	15	1,268	1,691
95-99	20	55	154	75	1	0	11	27	12	3	358	1,360
100 & Over	23	33	29	1	0	0	1	2	3	0	92	1,006
Total Count	112	287	1,063	3,068	4,033	4,228	5,664	4,924	5,494	1,874	30,747	
Avg Monthly Benefit	\$ 903	\$ 1,043	\$ 1,322	\$ 1,782	\$ 1,889	\$ 2,378	\$ 3,114	\$ 3,048	\$ 3,929	\$ 4,088		\$ 2,824



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Los Angeles County Employees Retirement Association

**Exhibit C-5b: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
General Plan B**

Age	Retirement Year										Total Count	Average Monthly Benefit	
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06			
Under 35	0	0	0	0	0	0	0	0	0	0	0	0	\$ -
35-39	0	0	0	0	0	0	0	0	0	0	0	0	-
40-44	0	0	0	0	0	0	0	0	0	0	0	0	-
45-49	0	0	0	0	0	0	1	0	0	0	0	1	2,550
50-54	0	0	0	0	0	1	1	2	5	8	17	1,176	
55-59	0	0	0	0	3	4	5	6	21	13	52	2,097	
60-64	0	0	0	0	2	3	4	18	47	19	93	2,449	
65-69	0	0	0	0	2	3	7	21	53	16	102	2,691	
70-74	0	0	0	0	1	12	13	34	18	7	85	2,173	
75-79	0	0	0	0	4	10	36	24	9	1	84	1,584	
80-84	0	0	0	0	1	20	18	7	5	2	53	1,423	
85-89	0	0	0	0	4	5	2	3	3	0	17	902	
90-94	0	0	0	0	0	1	0	0	0	0	1	767	
95-99	0	0	0	0	0	0	0	0	0	0	0	-	
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-	
Total Count	0	0	0	0	17	59	87	115	161	66	505		
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 905	\$ 859	\$ 1,395	\$ 1,902	\$ 2,661	\$ 3,159		\$ 2,066	



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Los Angeles County Employees Retirement Association

**Exhibit C-5c: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
General Plan C**

Age	Retirement Year										Total Count	Average Monthly Benefit	
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06			
Under 35	0	0	0	0	0	0	0	0	0	0	0	0	\$ -
35-39	0	0	0	0	0	0	0	0	0	0	0	0	-
40-44	0	0	0	0	0	0	0	0	0	1	0	1	3,446
45-49	0	0	0	0	0	0	0	0	1	0	0	1	971
50-54	0	0	0	1	1	5	2	3	5	5	5	22	1,563
55-59	0	0	0	0	4	2	1	2	21	5	35	35	1,688
60-64	0	0	0	0	1	2	8	10	17	11	49	49	1,773
65-69	0	0	0	0	0	7	11	10	25	11	64	64	1,854
70-74	0	0	0	0	0	4	13	20	26	8	71	71	1,807
75-79	0	0	0	0	3	11	19	13	9	3	58	58	1,455
80-84	0	0	0	0	4	8	16	1	2	2	33	33	967
85-89	0	0	0	0	1	8	4	2	3	0	18	18	1,291
90-94	0	0	0	0	0	0	0	1	0	0	1	1	1,400
95-99	0	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	1	14	47	74	63	109	45	353		
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ 1,307	\$ 758	\$ 799	\$ 1,109	\$ 1,610	\$ 2,123	\$ 2,406			\$ 1,622



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Los Angeles County Employees Retirement Association

**Exhibit C-5d: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
General Plan D**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06		
Under 35	0	0	0	0	0	0	2	4	16	8	30	\$ 884
35-39	0	0	0	0	0	0	3	5	13	6	27	1,469
40-44	0	0	0	0	0	0	10	21	44	10	85	1,522
45-49	0	0	0	0	0	6	17	38	47	13	121	1,742
50-54	0	0	0	0	4	8	24	57	142	141	376	1,374
55-59	0	0	0	1	2	20	44	119	300	182	668	1,634
60-64	0	0	0	0	4	13	51	193	380	253	894	1,910
65-69	0	0	0	0	6	19	60	193	430	242	950	1,856
70-74	0	0	0	0	2	22	69	230	333	96	752	1,635
75-79	0	0	0	0	6	19	96	189	100	34	444	1,385
80-84	0	0	0	1	8	23	66	52	28	11	189	1,233
85-89	0	0	0	0	2	6	21	4	9	1	43	982
90-94	0	0	0	0	0	0	4	0	0	1	5	1,165
95-99	0	0	0	0	0	0	0	0	1	0	1	509
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	2	34	136	467	1,105	1,843	998	4,585	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ 4,103	\$ 1,230	\$ 1,145	\$ 1,234	\$ 1,474	\$ 1,741	\$ 1,995		\$ 1,660



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Los Angeles County Employees Retirement Association

**Exhibit C-5e: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
General Plan E**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06		
Under 35	0	0	0	0	0	0	0	2	2	1	5	\$ 692
35-39	0	0	0	0	0	0	0	0	2	0	2	556
40-44	0	0	0	0	0	0	0	0	1	1	2	650
45-49	0	0	0	0	0	0	0	0	2	1	3	1,333
50-54	0	0	0	0	0	0	0	2	7	5	14	748
55-59	0	0	0	0	0	0	1	8	279	277	565	584
60-64	0	0	0	0	0	0	2	179	532	312	1,025	1,001
65-69	0	0	0	0	0	1	65	303	687	330	1,386	1,502
70-74	0	0	0	0	1	28	138	382	430	102	1,081	1,334
75-79	0	0	0	0	5	42	168	229	135	46	625	1,045
80-84	0	0	0	0	7	57	124	72	55	10	325	894
85-89	0	0	0	0	6	22	21	14	6	2	71	803
90-94	0	0	0	0	1	7	3	1	3	0	15	472
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	0	20	157	522	1,192	2,141	1,087	5,119	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 332	\$ 386	\$ 715	\$ 870	\$ 1,304	\$ 1,508		\$ 1,154



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Los Angeles County Employees Retirement Association

**Exhibit C-5f: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
Safety Plan A**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06		
Under 35	0	0	0	0	2	0	0	3	5	0	10	\$ 1,310
35-39	0	0	0	0	0	0	1	0	3	0	4	4,576
40-44	0	0	0	0	0	0	1	1	1	0	3	2,524
45-49	0	0	0	0	0	1	2	2	4	0	9	4,393
50-54	0	0	0	5	20	21	14	38	33	18	149	3,571
55-59	0	0	6	46	101	75	88	124	534	257	1,231	5,670
60-64	0	2	12	100	145	138	188	564	853	74	2,076	5,886
65-69	0	10	24	83	130	143	397	525	124	13	1,449	5,396
70-74	7	24	44	79	177	276	389	83	64	21	1,164	4,747
75-79	17	35	49	145	312	268	64	43	68	28	1,029	4,160
80-84	21	23	66	238	189	28	21	39	53	14	692	3,916
85-89	14	30	63	67	8	0	8	21	26	10	247	3,265
90-94	8	30	27	1	0	0	5	9	6	1	87	2,752
95-99	4	12	1	0	0	0	0	1	2	1	21	2,562
100 & Over	4	0	0	0	0	0	0	0	0	0	4	1,043
Total Count	75	166	292	764	1,084	950	1,178	1,453	1,776	437	8,175	
Avg Monthly Benefit	\$ 1,411	\$ 1,973	\$ 2,750	\$ 3,192	\$ 3,492	\$ 4,497	\$ 5,327	\$ 5,807	\$ 6,687	\$ 6,702		\$ 5,046

Los Angeles County Employees Retirement Association

**Exhibit C-5g: Distribution of Retired Members by Age and Retirement Year as of June 30, 2006
Safety Plan B**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-06		
Under 35	0	0	0	0	0	0	3	3	24	13	43	\$ 1,989
35-39	0	0	0	0	0	0	7	40	78	22	147	2,879
40-44	0	0	0	0	0	2	55	111	118	25	311	2,886
45-49	0	0	0	0	5	32	86	106	110	33	372	2,817
50-54	0	0	0	0	13	32	69	63	85	47	309	2,920
55-59	0	0	0	0	7	19	25	27	72	56	206	3,876
60-64	0	0	0	0	4	1	11	17	38	18	89	3,444
65-69	0	0	0	0	0	2	3	4	7	0	16	2,879
70-74	0	0	0	0	0	2	4	1	1	0	8	2,425
75-79	0	0	0	0	1	1	3	0	1	0	6	767
80-84	0	0	0	0	1	0	0	0	0	0	1	948
85-89	0	0	0	0	0	0	0	0	0	0	0	-
90-94	0	0	0	0	0	0	0	0	0	0	0	-
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	0	31	91	266	372	534	214	1,508	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 1,699	\$ 1,903	\$ 2,621	\$ 2,890	\$ 3,183	\$ 3,901		\$ 3,005



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Los Angeles County Employees Retirement Association

Appendix D: Member Contribution Rates

This section illustrates the member normal contribution rates and the normal plus cost-of-living contribution rates by entry age.

Los Angeles County Employees Retirement Association

Exhibit D-1: Normal Member Contribution Rates

Entry Age	General				Safety	
	Plan A	Plan B	Plan C	Plan D	Plan A	Plan B
16	2.28%	4.56%	3.83%	3.83%	3.34%	6.67%
17	2.33%	4.67%	3.92%	3.92%	3.34%	6.67%
18	2.39%	4.77%	4.00%	4.00%	3.34%	6.67%
19	2.44%	4.88%	4.10%	4.10%	3.41%	6.82%
20	2.49%	4.99%	4.19%	4.19%	3.49%	6.97%
21	2.55%	5.10%	4.28%	4.28%	3.56%	7.13%
22	2.61%	5.21%	4.38%	4.38%	3.64%	7.29%
23	2.66%	5.33%	4.48%	4.48%	3.72%	7.45%
24	2.72%	5.45%	4.58%	4.58%	3.81%	7.61%
25	2.78%	5.57%	4.68%	4.68%	3.89%	7.78%
26	2.85%	5.69%	4.79%	4.79%	3.98%	7.96%
27	2.91%	5.82%	4.89%	4.89%	4.07%	8.14%
28	2.97%	5.95%	5.00%	5.00%	4.16%	8.32%
29	3.04%	6.08%	5.11%	5.11%	4.25%	8.51%
30	3.11%	6.22%	5.23%	5.23%	4.35%	8.70%
31	3.18%	6.36%	5.34%	5.34%	4.45%	8.90%
32	3.25%	6.50%	5.46%	5.46%	4.55%	9.11%
33	3.32%	6.65%	5.58%	5.58%	4.66%	9.31%
34	3.40%	6.80%	5.71%	5.71%	4.76%	9.52%
35	3.48%	6.95%	5.83%	5.83%	4.86%	9.72%
36	3.56%	7.11%	5.96%	5.96%	4.96%	9.92%
37	3.64%	7.27%	6.10%	6.10%	5.06%	10.13%
38	3.72%	7.44%	6.24%	6.24%	5.16%	10.32%
39	3.80%	7.60%	6.38%	6.38%	5.26%	10.51%
40	3.88%	7.76%	6.52%	6.52%	5.35%	10.70%
41	3.96%	7.93%	6.67%	6.67%	5.44%	10.89%
42	4.04%	8.09%	6.83%	6.83%	5.53%	11.06%
43	4.12%	8.24%	6.98%	6.98%	5.61%	11.23%
44	4.20%	8.40%	7.13%	7.13%	5.68%	11.37%
45	4.27%	8.55%	7.29%	7.29%	5.74%	11.48%
46	4.35%	8.69%	7.44%	7.44%	5.78%	11.55%
47	4.42%	8.83%	7.59%	7.59%	5.78%	11.56%
48	4.48%	8.97%	7.74%	7.74%	5.78%	11.56%
49	4.54%	9.08%	7.88%	7.88%	5.78%	11.56%
50	4.58%	9.17%	8.02%	8.02%	5.78%	11.56%
51	4.61%	9.23%	8.16%	8.16%	5.78%	11.56%
52	4.62%	9.24%	8.29%	8.29%	5.78%	11.56%
53	4.62%	9.24%	8.41%	8.41%	5.78%	11.56%
54	4.62%	9.24%	8.52%	8.52%	5.78%	11.56%
55	4.62%	9.24%	8.61%	8.61%	5.78%	11.56%
56	4.62%	9.24%	8.66%	8.66%	5.78%	11.56%
57	4.62%	9.24%	8.67%	8.67%	5.78%	11.56%
58	4.62%	9.24%	8.67%	8.67%	5.78%	11.56%
59	4.62%	9.24%	8.67%	8.67%	5.78%	11.56%
60	4.62%	9.24%	8.67%	8.67%	5.78%	11.56%

**For general members entering after age 60, the rate equals the rate at age 60. Likewise, for Safety members entering after age 50, the rate equals the rate at age 50.*

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Exhibit D-2: Normal Plus Cost-of-Living Member Contribution Rates

Entry Age	General				Safety	
	Plan A	Plan B	Plan C	Plan D	Plan A	Plan B
16	4.06%	5.56%	4.74%	4.63%	6.69%	8.73%
17	4.15%	5.70%	4.85%	4.74%	6.69%	8.73%
18	4.26%	5.82%	4.95%	4.84%	6.69%	8.73%
19	4.35%	5.95%	5.07%	4.96%	6.83%	8.92%
20	4.44%	6.09%	5.19%	5.07%	6.99%	9.12%
21	4.55%	6.22%	5.30%	5.18%	7.13%	9.33%
22	4.65%	6.35%	5.42%	5.30%	7.29%	9.54%
23	4.74%	6.50%	5.54%	5.42%	7.45%	9.75%
24	4.85%	6.65%	5.67%	5.54%	7.63%	9.96%
25	4.96%	6.79%	5.79%	5.66%	7.79%	10.18%
26	5.08%	6.94%	5.93%	5.79%	7.97%	10.42%
27	5.19%	7.10%	6.05%	5.92%	8.15%	10.65%
28	5.29%	7.26%	6.19%	6.05%	8.33%	10.89%
29	5.42%	7.42%	6.32%	6.18%	8.51%	11.14%
30	5.54%	7.59%	6.47%	6.33%	8.71%	11.38%
31	5.67%	7.76%	6.61%	6.46%	8.91%	11.65%
32	5.79%	7.93%	6.76%	6.61%	9.11%	11.92%
33	5.92%	8.11%	6.91%	6.75%	9.33%	12.18%
34	6.06%	8.29%	7.07%	6.91%	9.53%	12.46%
35	6.20%	8.48%	7.21%	7.05%	9.73%	12.72%
36	6.35%	8.67%	7.38%	7.21%	9.93%	12.98%
37	6.49%	8.87%	7.55%	7.38%	10.13%	13.26%
38	6.63%	9.07%	7.72%	7.55%	10.33%	13.50%
39	6.77%	9.27%	7.90%	7.72%	10.53%	13.75%
40	6.92%	9.46%	8.07%	7.89%	10.71%	14.00%
41	7.06%	9.67%	8.25%	8.07%	10.89%	14.25%
42	7.20%	9.87%	8.45%	8.26%	11.07%	14.47%
43	7.35%	10.05%	8.64%	8.44%	11.23%	14.70%
44	7.49%	10.24%	8.82%	8.63%	11.37%	14.88%
45	7.61%	10.43%	9.02%	8.82%	11.49%	15.02%
46	7.76%	10.60%	9.21%	9.00%	11.57%	15.11%
47	7.88%	10.77%	9.39%	9.18%	11.57%	15.13%
48	7.99%	10.94%	9.58%	9.36%	11.57%	15.13%
49	8.09%	11.07%	9.75%	9.53%	11.57%	15.13%
50	8.17%	11.18%	9.92%	9.70%	11.57%	15.13%
51	8.22%	11.26%	10.10%	9.87%	11.57%	15.13%
52	8.24%	11.27%	10.26%	10.03%	11.57%	15.13%
53	8.24%	11.27%	10.41%	10.17%	11.57%	15.13%
54	8.24%	11.27%	10.54%	10.31%	11.57%	15.13%
55	8.24%	11.27%	10.65%	10.42%	11.57%	15.13%
56	8.24%	11.27%	10.72%	10.48%	11.57%	15.13%
57	8.24%	11.27%	10.73%	10.49%	11.57%	15.13%
58	8.24%	11.27%	10.73%	10.49%	11.57%	15.13%
59	8.24%	11.27%	10.73%	10.49%	11.57%	15.13%
60	8.24%	11.27%	10.73%	10.49%	11.57%	15.13%

**For general members entering after age 60, the rate equals the rate at age 60. Likewise, for Safety members entering after age 50, the rate equals the rate at age 50.*

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Appendix E: Glossary

The following definitions include excerpts from a list adopted by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA and include terms used exclusively by LACERA. Defined terms are capitalized throughout this Appendix.

Accrued Benefit	The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.
Actuarial Accrued Liability	That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.
Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.
Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.
Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.
Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
Amortization Payment	That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Contingency Reserve	Reserves accumulated for future earning deficiencies, investment losses, and other contingencies. Additions include investment income and other revenues; deductions include investment expense, administrative expense, interest allocated to other reserves, funding the STAR Reserve, and distributions to the Contribution Credit Reserve. The Contingency Reserve is used to satisfy the California Government Code requirement for (31592 and 31592.2) LACERA to reserve 1% of the assets against earning deficiencies, investment losses, and other contingencies.
County Contribution Credit Reserve	The accumulated balance of the County's proportionate share of excess earnings as stipulated in Retirement System Funding Agreement between LACERA and the County. Additions include distributions from excess earning during the fiscal years ending 1994 through 1998 and related earnings. Deductions include payments, as the County authorizes, for future employer contributions due LACERA and for funding a portion of the Retiree Healthcare Program under the provisions of Internal Revenue Code 401(h).
Employer Reserve	The accumulation of employer contributions for future retirement benefit payments. Additions include contributions from employers and related earnings. Deductions include annuity payments to retired members and survivors, lump sum death benefit payments to member survivors, and supplemental disability payments.
Entry Age Actuarial Cost Method	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
Funded Ratio	A measurement of the funded status of the system. The Funded Ratio is calculated by dividing the Valuation Assets by the Actuarial Accrued Liability. For example, a Funded Ratio of 90% indicates assets are 10% less than liabilities.
Member Reserve	The accumulation of member contributions. Additions include member contributions and related earnings. Deductions include annuity payments to retirees and refunds to members.
Non-Valuation Reserves	Reserves excluded from the calculation of contribution rates, including the Contingency Reserve, the STAR reserve, the County Contribution Credit Reserve, and any other reserves specifically excluded by the Board of Investments.

Normal Cost	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Open Amortization Period	As discussed in the Actuarial Cost Method section of Appendix C, LACERA uses an open (often referred to as “rolling”) 30-year amortization period. That is, the amortization begins again or is recalculated at each valuation date. This is as opposed to a closed (or “fixed”) amortization period which is a specific number of years that is counted from one date and declines to zero with the passage of time.
Plan Year	A twelve-month period beginning July 1 and ending June 30.
Projected Benefits	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
STAR Reserve	Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3.
Supplemental Targeted Adjustment for Retirees (STAR) Benefits	Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.
Surplus Funding	The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability. Standard actuarial terminology defines this as the “Funding Excess”. LACERA uses the term “Surplus Funding”.
Unfunded Actuarial Accrued Liability	The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.
Valuation Date	The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.
Valuation Reserves	All reserves excluding the Non-Valuation Reserves.