

*Employees' Retirement System of the
County of Milwaukee*

Actuarial Valuation Report

January 1, 2012

June, 2012

June 28, 2012

The Retirement Board
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the Employees' Retirement System of the County of Milwaukee as of January 1, 2012. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2012, including pension and survivor benefits; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2013.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. Based on our recommendations in May 2007, the Board adopted revised actuarial assumptions effective with the January 1, 2007 valuation. Minor adjustments in the assumptions and methods were adopted by the Board in 2008 and 2009 as well. The assumptions and methods used in this January 1, 2012 valuation report remain unchanged from the January 1, 2011 valuation report. Plan amendments have been reflected in the valuation since the January 1, 2011 valuation report.

Effective January 1, 2012, the normal retirement age was increased to age 64 for future hires only for DC48, Building Trades and FNHP. The multiplier was decreased from 2.0% to 1.6% for current members' future service and future hires' total service for the DC48, Building Trades and FNHP effective August 1, 2011, January 1, 2012 and January 1, 2012, respectively. Effective January 1, 2011 Elected Officials and Non-Represented employees contributed 2% of compensation. For all Non-Represented employees (other than elected officials), the contribution rate increased to 3% of compensation effective June 12, 2011 and to 4% of compensation effective December 11, 2011. Note that for purposes of the contribution rates shown in the report, these amounts are gross contribution amounts. It is our understanding that County staff will net out the amount of employee contributions that are collected to arrive at a net County contribution.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the Plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the Plan. The actuary performs an analysis of Plan experience periodically and recommends changes if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. The Experience Study for the period January 1, 2001 to December 31, 2005 was prepared by Buck Consultants and approved by the Board for use beginning with the January 1, 2007 actuarial valuation and will remain in effect for valuation purposes until such time as the Board adopts revised assumptions. The next Experience Study will be based on the period from January 1, 2006 to December 31, 2011 and upon approval by the Board will be the basis of valuations performed from January 1, 2013 through January 1, 2017. Actuarial Standards of Practice now require that the likelihood and extent of future mortality improvements be considered for valuations performed on or after June 30, 2011. We will explore this issue in more detail during the experience review to be conducted before the

January 1, 2013 valuation in accordance with Section 201.24(8.15) of the Ordinance. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Table 15.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary. For 2012 we received the data in multiple files. We received the counts of members to include in the January 1, 2012 valuation separately from members' benefit information. Missing information was updated with either supplemental information sent or by using assumptions based on the prior year's data. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

Funding Adequacy

The 2011 valuation performed last year resulted in an Actual Funding Contribution of \$26,808,037 against which \$28,275,624 (adjusted for interest shown on Table 11) and \$3,313,807 member contributions were actually contributed. The excess of \$4,781,394 will be amortized over five years.

The Actual Funding Contribution for 2012, based on the results of this valuation, is \$24,875,193. It is expected that \$27,407,519 (\$27,407,519 in expected contribution plus \$0 interest) will be contributed during 2013 on behalf of the 2012 plan year. The excess contribution of \$2,532,326 will be amortized over five years.

Budget Contribution

The 2013 Budget Contribution, expected to be contributed in 2014, is \$30,582,000.

Financial Results and Membership Data

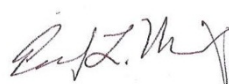
Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Qualified actuaries completed the valuation in accordance with accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. The undersigned with actuarial designations are qualified to render the opinions contained in this report.

Respectfully submitted,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary



Emily Urbaniak
Consultant, Retirement

LL/EU:pl

EMPLOYEES’ RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE
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Executive Summary

This report presents the actuarial valuation as of January 1, 2012 for the Employees' Retirement System of the County of Milwaukee. The principal valuation results include:

- The Actual Funding Contribution for fiscal year 2012, which is \$24,875,193.
- The Annual Required Contribution for fiscal year 2012 in accordance with GASB requirements, which is \$28,406,232. GASB requires that the unfunded liability be amortized over a period of not more than thirty years. Typically the Annual Required Contribution and the Actual Funding Contribution are the same. Because the effective amortization period of the Actual Funding Contribution is over thirty years, the Annual Required Contribution cannot be the same as the Actual Funding Contribution. We have independently calculated the Annual Required Contribution as the normal cost plus interest plus a thirty year amortization of the unfunded liability.
- The Budget Contribution for fiscal year 2013, which is \$30,582,000.
- The total funded ratio of the plan determined as of January 1, 2012, which is 89.2% based on the accrued liability and the actuarial value of assets. On a market value basis, the plan is 84.6% funded.
- The determination of the actuarial gain or loss as of January 1, 2012, which is a loss of \$58,347,601.
- Annual disclosure as of January 1, 2012 as required by Statement No. 25 of the Governmental Accounting Standards Board.

The valuation was based on membership and financial data submitted by the Retirement System.

Changes Since Last Year

Legislative and Administrative Changes

No legislative or administrative changes have been adopted since the previous valuation, other than those that are listed below:

- Effective January 1, 2012, the normal retirement age was increased to age 64 for future hires only for DC48, Building Trades and FNHP. The multiplier was decreased from 2.0% to 1.6% for current members' future service and future hires' total service for the DC48, Building Trades and FNHP effective August 1, 2011, January 1, 2012 and January 1, 2012, respectively.
- State mandated contributions were implemented during the past year. Our development of the state mandated contributions can be found on page 16.

Note that for purposes of the contribution rates shown in the report, these amounts are gross contribution amounts. It is our understanding that County staff will net out the amount of employee contributions that are collected to arrive at a net County contribution.

Actuarial Assumptions and Methods

The results of this January 1, 2012 actuarial valuation report are based on the same actuarial assumptions and methods as the January 1, 2011 actuarial valuation. The actuarial assumptions and methods are outlined in Table 15.

Contribution Amounts

The results of the valuation as of January 1, 2012 determine the Actual Funding Contribution and Annual Required Contribution for fiscal year 2012 and the Budget Contribution for fiscal year 2013. The Actual Funding Contribution for fiscal year 2012 is \$24,875,193. The Annual Required Contribution for GASB 25 disclosure for fiscal year 2012 is \$28,406,232. The Budget Contribution for fiscal year 2013 is \$30,582,000. The actual 2012 contribution and budgeted 2013 contribution were based on assumptions and methods as adopted by the Board and participant data as of January 1, 2012.

Reasons for Change in Budget Contribution Calculated by the Actuary

The Budget Contribution calculated by the actuary increased from \$30,398,000 for fiscal year 2012 to \$30,582,000 for fiscal year 2013. A reconciliation of the increase of \$184,000 is shown in the following table:

Item	Amount
1. 2012 Budget Contribution	\$ 30,398,000
2. Increase / (Decrease) during 2010 due to	
a. Unanticipated liability loss (gain)	\$ (4,451,000)
b. Asset experience other than expected	1,747,000
c. 2011 reimbursable expenses other than assumed	(47,000)
d. 2011 contribution variance other than assumed	(24,000)
e. Full recognition of bases other than assumed	(118,000)
f. Decrease due to plan changes	<u>(2,630,000)</u>
g. Total	<u>(5,523,000)</u>
3. 2012 Actual Contribution (1 + 2)	\$ 24,875,000
4. Expected Increase / (Decrease) during 2012 due to	
a. Normal cost and existing amortization schedule	\$ 1,017,000
b. Phase-in of deferred asset (gains) losses	5,107,000
c. Amortization of 2012 reimbursable expenses	217,000
d. Expected contribution variance for 2012	(634,000)
e. Full recognition of 2001 reimbursable expenses	-
f. Increase due to plan changes	<u>-</u>
g. Total	<u>5,707,000</u>
5. 2013 Budget Contribution (3 + 4)	\$ 30,582,000

Summary of Principal Results

Summarized below are the principal financial results for the Employees' Retirement System of the County of Milwaukee based upon the actuarial valuation as of January 1, 2012. Comparable results from the January 1, 2011 valuation are also shown.

Item	January 1, 2012	January 1, 2011
Demographics		
<u>Active Members</u>		
• Number	3,972	4,448
• Average Annual Pay	\$ 48,023	\$ 49,831
<u>Inactive Members</u>		
• Members Receiving Benefits		
• Number	7,747	7,441
• Average Annual Benefit Payment	\$ 19,212	\$ 19,243
• Members With Deferred Benefits		
• Number	1,341	1,493
• Average Annual Benefit Payment	\$ 7,114	\$ 6,843
Actual Funding Contribution		
	(Fiscal Year 2012)	(Fiscal Year 2011)
• Normal Cost with Interest	\$ 14,488,711	\$ 19,480,089
• Net Amortization Payments	<u>10,386,482</u>	<u>7,327,948</u>
• Total Contribution	\$ 24,875,193	\$ 26,808,037
Actuarial Funded Status		
• Accrued Liability	\$ 2,059,553,667	\$ 2,091,926,651
• Actuarial Value of Assets	<u>1,836,542,926</u>	<u>1,929,427,864</u>
• Unfunded Accrued Liability	\$ 223,010,741	\$ 162,498,787
• Funded Ratio	89.2 %	92.2 %

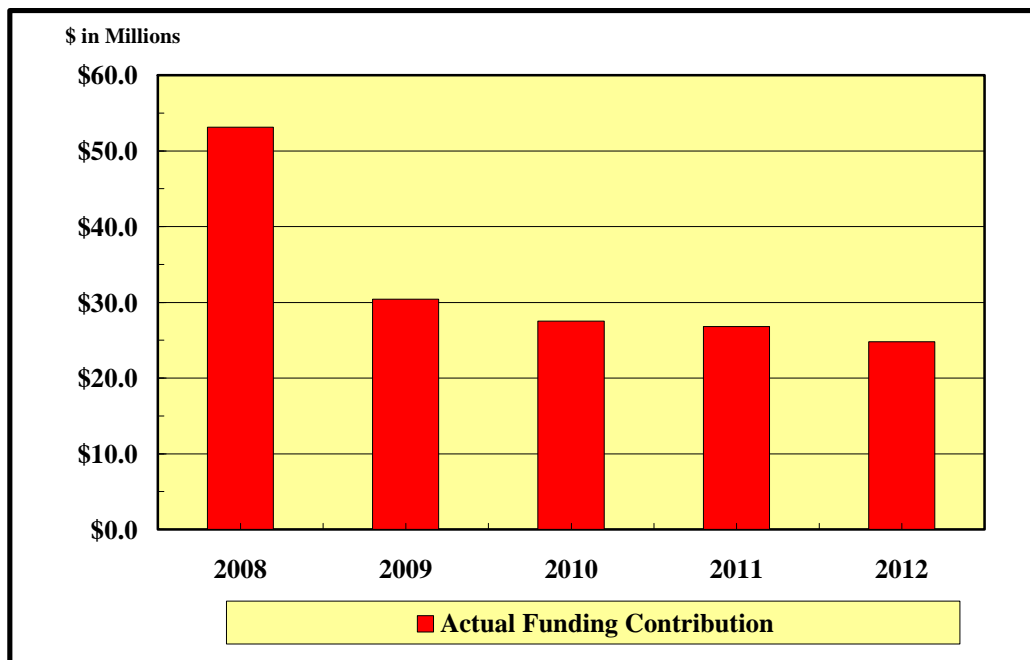
Five-Year History of Principal Financial Results

Five-Year History of Contribution Amounts

Valuation as of January 1	Actual Funding Contributions		
	Normal Cost with Interest	Net Amortization Payments	Total
2012	\$ 14,488,711	\$ 10,386,482	\$ 24,875,193
2011	19,480,089	7,327,948	26,808,037
2010	20,736,844	6,813,146	27,549,990
2009	21,395,539	8,959,996	30,355,535
2008	21,012,737	32,050,873	53,063,610

The following chart shows a five-year history of employer contribution amounts:

Five-Year History of Actual Funding Contributions



Funded Ratio

The financing objective of the System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code, i.e., a schedule of 5, 10, or 30 years for each change in the unfunded accrued liability according to Section 3.1.

The total Actual Funding Contribution of \$24,875,193, when taken together with the contributions payable by the members and asset returns, is the amount sufficient to achieve the financing objective for 2012.

The System's total funded ratio on the funding basis is measured by comparing the actuarial value of assets (based on a 5-year moving average market value) with the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees.

On this basis, the System's funded ratio is 89.2% as of January 1, 2012. This funded ratio is based on an actuarial value of assets of \$1,836,542,926 and an accrued liability of \$2,059,553,667.

Reasons for Change in the Total Funded Ratio

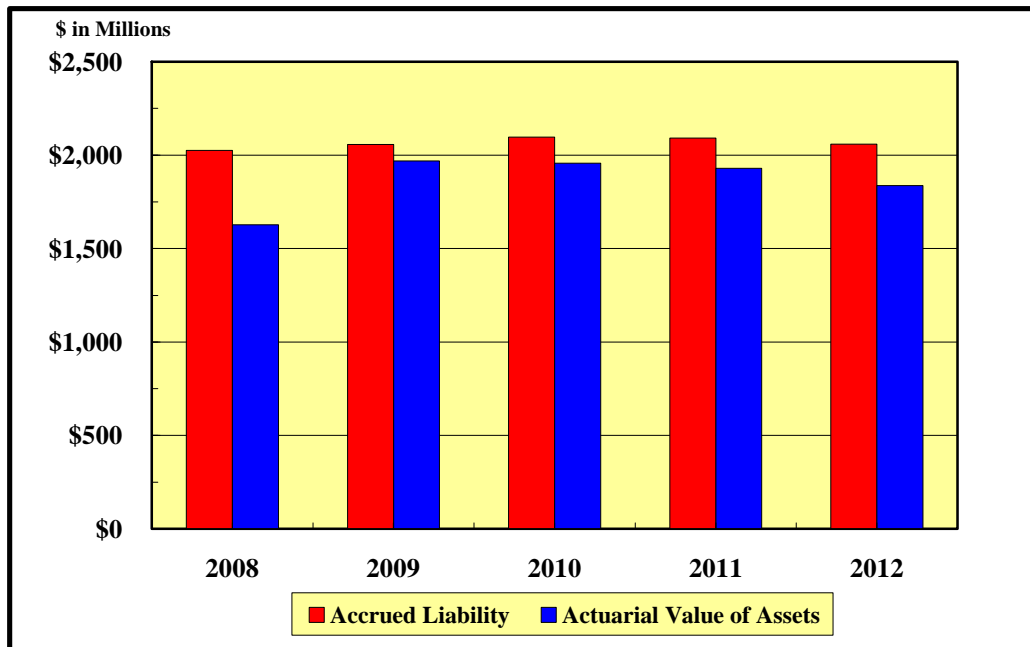
The total funded ratio decreased from 92.2% as of January 1, 2011 to 89.2% as of January 1, 2012. The decrease is due to net recognition of asset losses from calendar years 2008 and 2007. Returns from 2011 were substantially worse than the expected return assumption of 8.0%. Overall liability experience was somewhat better than expected, which helped offset some of the decrease caused by asset experience.

Five-Year History of Total Funded Ratio
(\$ Amounts in Thousands)

Valuation as of January 1	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2012	\$ 2,059,554	\$ 1,836,543	\$ 223,011	89.2%
2011	2,091,927	1,929,428	162,499	92.2
2010	2,097,332	1,956,444	140,888	93.3
2009	2,057,377	1,968,518	88,859	95.7
2008	2,024,923	1,627,288	397,635	80.4

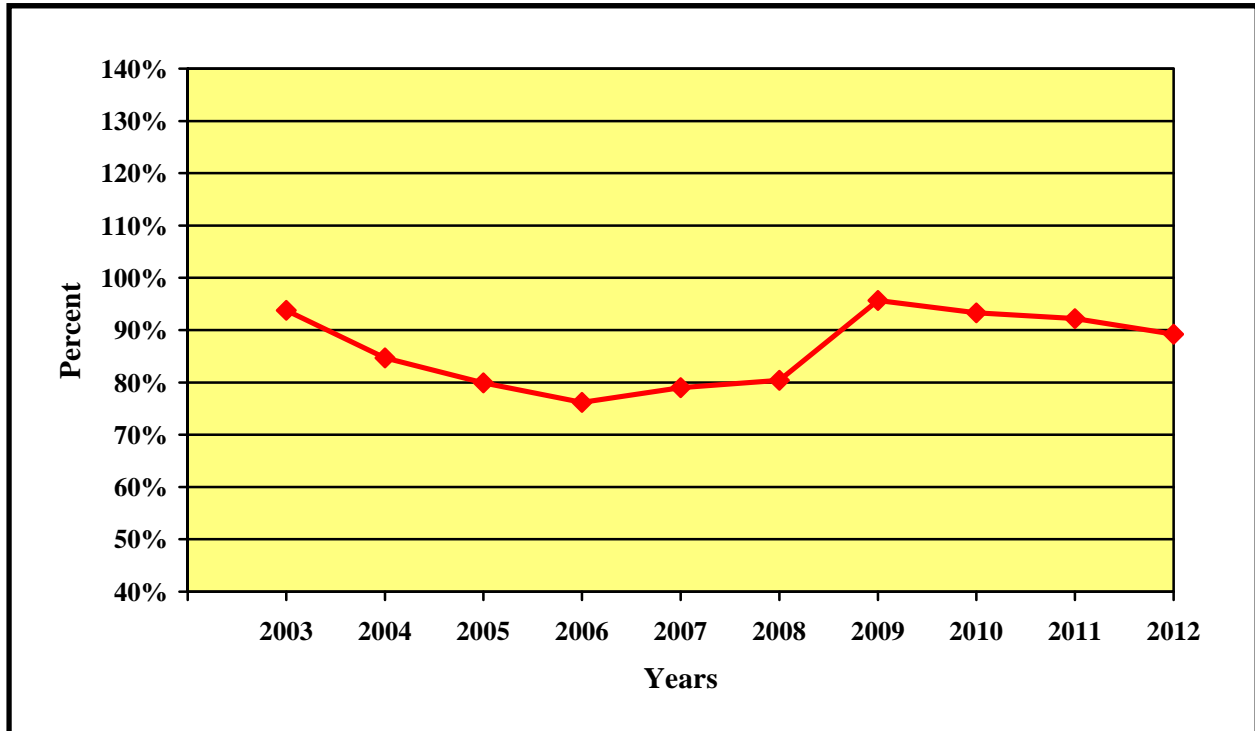
The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

Five-Year History of Accrued Liability and Actuarial Value of Assets



The following chart shows a ten-year history of the total funded ratio:

Ten-Year History of Total Funded Ratio
(2003 - 2012)



GASB No. 25 Disclosure

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the “schedule of funding progress” and the “schedule of employer contributions” in the System’s financial statements.

The “schedule of funding progress” shows historical trend information about the System’s actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded ratio is measured by comparing the actuarial value of assets (based on a 5-year moving average market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System’s funding method and reflects future pay increases for active employees. On this basis, the System’s funded ratio is 89.2% as of January 1, 2012. This funded ratio is based on an actuarial value of assets of \$1,836,542,926 and an accrued liability of \$2,059,553,667.

The “schedule of employer contributions” shows historical trend information about the annual required contribution (ARC) for pensions of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost for pensions plus amortization of the unfunded actuarial accrued liability for pensions. The maximum period of amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. The maximum amortization period decreased from 40 years to 30 years in 2007. The employer contributions to the System are equal to the normal cost plus a payment towards each change in the unfunded accrued liability, which are amortized over 5, 10 or 30-year periods, depending on the source of the changes. In 2011 and 2012, the ARC was set at the normal cost plus interest plus a thirty year amortization of the unfunded liability. Please refer to page one of this report for more details. The ARC and the actual employer percentage contributed for the six fiscal years ending December 31, 2012 are shown in Table 14.

Rate of Return

The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) for fiscal years 2007 through 2011 is shown in the table below. The return based on the actuarial value of assets used for determining annual contribution rates is also shown.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year. The actuarial assets are the assets recognized for valuation purposes. Actuarial assets are based on a smoothed market value that spreads the difference between the actual and expected return over a period of five years. The rate of return on the actuarial value of assets is a measure of the increase in the actuarial value of assets from the beginning of the fiscal year to the end of the fiscal year. The rates of return shown below have been developed by the actuary for illustrative purposes only. They are based on simplifying assumptions and as such, likely will not exactly match the returns presented by your investment consultants. The reader is encouraged to use the returns developed by the investment consultants.

Five Year History of Asset Returns

As of 12/31	Asset Values		Estimated Rates of Return		
	Market	Actuarial	Market	Actuarial	Assumed
2011	\$ 1,742,106,887	\$ 1,836,542,926	0.2%	3.5%	8.0%
2010	1,895,166,843	1,929,427,864	11.7%	5.5%	8.0%
2009	1,822,539,885	1,956,443,729	20.4%	3.9%	8.0%
2008	1,595,610,970	1,968,518,479	(22.5%)	3.4%	8.0%
2007	1,666,511,165	1,627,287,632	6.3%	13.2%	8.0%

Compound Rate of Return (five years): 2.1% 5.9%

TABLE 1**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**

Item	January 1, 2012	January 1, 2011
Participant Data		
1. Number of Participants		
a) Active Participants	3,972	4,448
b) Participants with Deferred Benefits	1,341	1,493
c) Participants Receiving Benefits	7,747	7,441
d) Total	13,060	13,382
2. Annualized Salaries	\$ 190,747,973	\$ 221,647,443
3. Annual Annuities	\$ 148,838,576	\$ 143,188,151
Valuation Results		
4. Present Value of Future Benefits		
a) Active Participants	\$ 634,010,949	\$ 770,715,962
b) Participants with Deferred Benefits	64,746,242	69,435,621
c) Participants Receiving Benefits	1,457,267,062	1,379,441,317
d) Total	\$ 2,156,024,253	\$ 2,219,592,900
5. Present Value of Future Normal Cost	\$ 96,470,586	\$ 127,666,249
6. Actuarial Accrued Liability: (4 - 5)	\$ 2,059,553,667	\$ 2,091,926,651
7. Actuarial Value of Assets	\$ 1,836,542,926	\$ 1,929,427,864
8. Funded Status: (7 / 6)	89.2 %	92.2 %
9. Unfunded Actuarial Accrued Liability: (6 - 7)	\$ 223,010,741	\$ 162,498,787
10. Normal Cost Rate	7.309 %	8.457 %
11. Normal Cost for the Plan Year	\$ 13,941,769	\$ 18,744,724
Actual Funding Contribution and Annual Required Contribution for Fiscal Year *		
12. Actual Funding Contribution Calculated by Actuary		
a) Normal Cost with Interest	\$ 14,488,711	\$ 19,480,089
b) Net Annual Amortization Payments	10,386,482	7,327,948
c) Total Contribution: ((a + b), not less than zero)	\$ 24,875,193	\$ 26,808,037

* Effective January 1, 2011 Elected Officials and Non-Represented employees contributed 2% of compensation. For all Non-Represented employees (other than elected officials), the contribution rate increased to 3% of compensation effective June 12, 2011 and to 4% of compensation effective December 11, 2011. During 2011, State mandated contributions were implemented. The amounts shown above are gross of member contributions.

TABLE 2
SECURITY OF PROMISED BENEFITS
UNFUNDED ACTUARIAL ACCRUED LIABILITY
FUNDED STATUS

Item	January 1, 2012	January 1, 2011
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	\$ 500,987,742	\$ 602,295,270
Withdrawal Benefits	26,372,313	28,670,953
Disability Benefits	4,111,707	4,795,519
Death Benefits	<u>6,068,601</u>	<u>7,287,971</u>
Total Active	537,540,363	643,049,713
b. Participants with Deferred Benefits	64,746,242	69,435,621
c. Participants Receiving Benefits	<u>1,457,267,062</u>	<u>1,379,441,317</u>
d. Total All Participants	\$ 2,059,553,667	\$ 2,091,926,651
2. Actuarial Value of Assets	<u>1,836,542,926</u>	<u>1,929,427,864</u>
3. Unfunded Actuarial Accrued Liability (1d - 2)	\$ 223,010,741	\$ 162,498,787
4. Funded Status: (2 / 1d)	89.2%	92.2%

The interest rate used as of January 1, 2012 and January 1, 2011 was 8.00%

TABLE 3**ACTUARIAL GAIN/(LOSS) FOR PLAN YEAR ENDING**

Item	December 31, 2011	December 31, 2010
1. Actuarial Accrued Liability at the Beginning of the Year	\$ 2,091,926,651	\$ 2,097,332,110
2. Increases/(Decreases) During the Year		
a. Normal Cost for the Year	18,744,724	19,954,037
b. Member Contributions	-	75,583
c. Benefit Payments and Refunds	(187,530,154)	(162,802,590)
d. Assumed Interest to End of Year	160,862,600	162,185,516
e. Plan and Assumption Changes	(275,129)	(227,128)
f. Total: (a + b + c + d + e)	(8,197,959)	19,185,419
3. Expected Liability at the End of the Year: (1 + 2)	2,083,728,692	2,116,517,529
4. Actuarial Accrued Liability at the End of the Year	2,059,553,667	2,091,926,651
5. Liability Gain/(Loss): (3 - 4)	\$ 24,175,025	\$ 24,590,878
6. Actuarial Value of Assets at the Beginning of the Year	\$ 1,929,427,864	\$ 1,956,443,729
7. Increases/(Decreases) During the Year		
a. County Contributions	28,275,594	32,893,562
b. Member Contributions for Service Purchases	3,313,807	75,583
c. Pension Obligation Bond Proceeds	-	-
d. Benefit Payments and Refunds	(187,530,154)	(162,802,590)
e. Administrative Expenses payable to the County	(1,548,921)	(1,310,356)
f. Assumed Interest to End of Year	147,127,362	150,131,785
g. Total: (a + b + c + d + e + f)	(10,362,312)	18,987,984
8. Expected Actuarial Assets at the End of the Year	1,919,065,552	1,975,431,713
9. Actuarial Value of Assets at the End of the Year	1,836,542,926	1,929,427,864
10. Actuarial Asset Gain/(Loss): (9 - 8)	\$ (82,522,626)	\$ (46,003,849)
11. Total Gain/(Loss): (5 + 10)	\$ (58,347,601)	\$ (21,412,971)

Effective January 1, 2012, the normal retirement age was increased to age 64 for future hires only for DC48, Building Trades and FNHP. The multiplier was decreased from 2.0% to 1.6% for current members' future service and future hires' total service for the DC48, Building Trades and FNHP effective August 1, 2011, January 1, 2012 and January 1, 2012, respectively.

Effective January 1, 2011 Elected Officials and Non-Represented employees contributed 2% of compensation. For all Non-Represented employees (other than elected officials), the contribution rate increased to 3% of compensation effective June 12, 2011 and to 4% of compensation effective December 11, 2011. State mandated contributions were implemented by 2011, as well.

Note that for purposes of the contribution rates shown in the report, these amounts are gross contribution amounts. It is our understanding that County staff will net out the amount of employee contributions that are collected to arrive at a net County contribution.

TABLE 4**AMORTIZATION SCHEDULE FOR ACTUAL FUNDING CONTRIBUTION
FOR 2012 PLAN YEAR**

Type of Payment	Amortization Period				Balances		Payment
	Date Created	Initial Years	Remaining Years	Last Payment	Initial	Outstanding	
1. Charges							
Expense	1/1/2003	10	1	2012	\$ 1,017,500	\$ 141,401	\$ 152,713
Expense	1/1/2004	10	2	2013	1,052,422	280,685	157,398
Reestablished unfunded	1/1/2004	30	22	2033	257,960,162	298,347,894	22,084,260
Expense	1/1/2005	10	3	2014	1,053,714	405,398	157,308
Loss	1/1/2005	30	23	2034	88,729,863	100,386,940	7,236,370
Expense	1/1/2006	10	4	2015	972,805	480,178	144,977
Assumption Change	1/1/2006	30	24	2035	95,861,177	105,899,628	7,446,993
Expense	1/1/2007	10	5	2016	988,048	587,922	147,248
Expense	1/1/2008	10	6	2017	915,868	630,984	136,491
Method Change	1/1/2008	30	26	2037	48,020,858	51,148,992	3,438,962
Expense	1/1/2009	10	7	2018	1,031,291	800,180	153,693
Loss	1/1/2009	30	27	2038	70,007,095	73,529,056	4,843,946
Expense	1/1/2010	10	8	2019	1,312,156	1,123,755	195,550
Loss	1/1/2010	30	28	2039	84,943,001	87,865,749	5,678,641
Expense	1/1/2011	10	9	2020	1,310,356	1,219,902	195,282
Loss	1/1/2011	30	29	2040	21,412,971	21,789,681	1,383,099
Expense	1/1/2012	10	10	2021	1,548,921	1,548,921	230,835
Loss	1/1/2012	30	30	2041	58,347,601	58,347,601	3,641,322
Total Charges						\$ 804,534,867	\$ 57,425,088
2. Credits							
Gain	1/1/2006	30	24	2035	\$ 12,975,497	\$ 14,334,271	\$ 1,008,004
Gain	1/1/2007	30	25	2036	55,348,557	59,706,616	4,102,458
Assumption Change	1/1/2007	30	25	2036	26,558,457	28,649,630	1,968,523
Gain	1/1/2008	30	26	2037	61,342,303	65,338,210	4,392,963
Pension Obligation Bond Proceeds	1/1/2009	30	27	2038	363,950,833	382,260,708	25,182,559
Variance	1/1/2010	5	3	2014	30,784,078	19,869,601	7,710,071
Plan Change	1/1/2010	30	28	2039	1,589,892	1,644,597	106,288
Variance	1/1/2011	5	4	2015	5,343,718	4,432,846	1,338,369
Plan Change	1/1/2011	30	29	2040	227,128	231,124	14,670
Variance	1/1/2012	5	5	2016	4,781,394	4,781,394	1,197,531
Plan Change	1/1/2012	30	30	2041	275,129	275,129	17,170
Total						\$ 581,524,126	\$ 47,038,606
3. Net Amount (1 - 2)						\$ 223,010,741	\$ 10,386,482

Annual amortization payments of the reestablished unfunded actuarial accrued liability (UAAL), and changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll, assuming payroll growth of 3.5% per year over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years. As the result of the sale of \$397,797,000 in Pension Obligation Bonds, all existing bases at January 1, 2009 arising from variances between amounts contributed to the System and actual contribution requirements were considered fully recognized. This reduced the net outstanding balance of amortizations by \$33,846,167.

The recognized balances have been offset against the proceeds of the sale of the Pension Obligation Bonds.

The remaining amount of \$363,950,833 has been amortized as a level percent of payroll over a period of 30 years.

TABLE 5

**DEVELOPMENT OF NORMAL COST
FOR CURRENT AND PRIOR PLAN YEAR ACTUAL FUNDING CALCULATIONS**

Item	January 1, 2012	January 1, 2011
1. Present Value of Projected Benefits		
a. Active Participants		
Retirement Benefits	\$ 573,360,812	\$ 700,898,418
Withdrawal Benefits	38,699,612	43,597,505
Disability Benefits	13,984,607	16,603,170
Death Benefits	7,965,918	9,616,869
Total Active	634,010,949	770,715,962
b. Participants with Deferred Benefits	64,746,242	69,435,621
c. Participants Receiving Benefits	1,457,267,062	1,379,441,317
d. Total All Participants	2,156,024,253	2,219,592,900
2. Actuarial Value of Assets	1,836,542,926	1,929,427,864
3. Unfunded Actuarial Accrued Liability	223,010,741	162,498,787
4. Present Value of Future Normal Costs (1d - 2 - 3)	96,470,586	127,666,249
5. Present Value of Future Salaries	1,319,892,855	1,509,565,199
6. Normal Cost Rate (4 / 5)	7.309%	8.457%
7. Expected Salaries for the Plan Year*	190,747,973	221,647,443
8. Normal Cost for the Plan Year (6 x 7)	13,941,769	18,744,724

* Prior-year earnings increased by the salary assumption and limited by the IRS compensation limit for those under the mandatory retirement age.

TABLE 6**COUNTY AND MEMBERS CONTRIBUTION REQUIREMENTS****COUNTY CONTRIBUTION REQUIREMENTS**

Item	2013 Budget	2012	
		Actual	Budget
1. Normal Cost with Interest	\$ 14,996,000	\$ 14,488,711	\$ 20,162,000
2. Net Annual Amortizations	<u>15,586,000</u>	<u>10,386,482</u>	<u>10,236,000</u>
3. Total Contribution (1 + 2), not less than zero)	\$ 30,582,000	\$ 24,875,193	\$ 30,398,000

The budgeted contributions shown above for the 2013 and 2012 plan years were estimated based on participant data as of January 1, 2012, and January 1, 2011, respectively. The actual contribution for the 2012 plan year was determined based on participant data as of January 1, 2012. A contribution of \$28,406,232 satisfies the pension accounting requirements of GASB Statement Nos. 25 and 27.

Note that for purposes of the contribution rates shown in the report, these amounts are gross contribution amounts. It is our understanding that County staff will net out the amount of employee contributions that are collected to arrive at a net County contribution.

STATE MANDATED MEMBER CONTRIBUTIONS

Item	Results Based on Current Contributions			
	Non-Contributors	Public Safety	General	All Members
Valuation Results as of January 1, 2012				
1. Present Value of Future Benefits				
a) Active Participants *	\$ -	\$ 92,204,575	\$ 541,806,374	\$ 634,010,949
b) Participants with Deferred Benefits	64,746,242	-	-	64,746,242
c) Participants Receiving Benefits	<u>1,457,267,062</u>	<u>-</u>	<u>-</u>	<u>1,457,267,062</u>
d) Total	\$ 1,522,013,304	\$ 92,204,575	\$ 541,806,374	\$ 2,156,024,253
2. Present Value of Future Normal Cost	\$ -	\$ 14,268,454	\$ 82,202,132	\$ 96,470,586
3. Actuarial Accrued Liability: (1 - 2)	\$ 1,522,013,304	\$ 77,936,121	\$ 459,604,242	\$ 2,059,553,667
4. Actuarial Value of Assets	\$ 1,357,208,026	\$ 69,497,112	\$ 409,837,788	\$ 1,836,542,926
5. Funded Status: (4 / 3)	89.2%	89.2%	89.2%	89.2%
6. Unfunded Actuarial Accrued Liability: (3 - 4)	\$ 164,805,278	\$ 8,439,009	\$ 49,766,454	\$ 223,010,741
7. Normal Cost Rate	0.000%	8.483%	7.137%	7.309%
8. Total Normal Cost for the Plan Year	\$ -	\$ 1,718,117	\$ 12,223,652	\$ 13,941,769
Projected Employee Contribution for 2013				
1. Actual Contribution for 2012				
a) Normal Cost with Interest	\$ -	\$ 1,785,520	\$ 12,703,191	\$ 14,488,711
b) Net Annual Amortization Payments **	<u>7,675,626</u>	<u>393,038</u>	<u>2,317,818</u>	<u>10,386,482</u>
c) Total Contribution: ((a + b), not less than zero)	\$ 7,675,626	\$ 2,178,558	\$ 15,021,009	\$ 24,875,193
2. Employee Contribution (50% of 1c for Contributors)	N/A	\$ 1,089,279	\$ 7,510,505	N/A
3. Expected Salaries in 2012	0	20,252,697	170,495,276	190,747,973
4. Employee Contribution Rate (2÷3)	N/A	5.4%	4.4%	N/A

* The actives in the Public Safety group include 320 members comprised of Represented Firefighters and Sheriffs and Non-Represented Firefighters and Sheriffs.

** The Net Annual Amortization Payments for the Contributors was prorated based on the contributors' actuarial accrued liability compared to total actuarial accrued liability of the Retirement System. These payments include amortization payments for administrative expenses.

TABLE 7**SUMMARY STATEMENT OF MARKET VALUE OF PLAN ASSETS**

Asset Category	December 31, 2011	December 31, 2010
1. Cash and Cash Equivalents	\$ 84,107,639	\$ 62,074,448
2. Investments at Fair Value		
a. Domestic common and preferred stocks	\$ 387,653,669	\$ 443,312,312
b. Futures Contracts	1,104,141	258,362
c. Corporate bonds	249,379,922	347,665,724
d. International common and preferred stocks	306,112,944	351,785,721
e. Federal agency and mortgage-backed certificates	133,475,643	116,571,497
f. International fixed income	14,673,730	10,814,665
g. U.S. Government and state obligations	75,427,923	78,257,732
h. Real estate investment trusts	114,522,432	95,306,754
i. Long/Short Hedge Funds	174,104,924	190,166,445
j. Infrastructure	134,188,424	129,471,845
k. Venture capital	27,604,723	25,101,387
l. Total Investments	1,618,248,475	1,788,712,444
3. Contributions Receivable for OBRA and ERS	29,524,818	33,675,846
4. (Payable) to OBRA Pension Plan	(1,543,452)	(1,402,225)
6. Net All Other Receivables (Liabilities)	11,769,407	12,106,330
7. Net Assets Held in Trust for ERS Pension Benefits (1 + 2l + 3 + 4 + 5 + 6)	\$ 1,742,106,887	\$ 1,895,166,843

TABLE 8**SUMMARY RECONCILIATION OF MARKET VALUE OF PLAN ASSETS**

Item	For Year Ending December 31, 2011	For Year Ending December 31, 2010
1. Market Value of Assets at the Beginning of the Year	\$ 1,895,166,843	\$ 1,822,539,885
2. Contributions for Plan Year		
a. County	\$ 28,275,594	\$ 32,893,562
b. Member	3,313,807	75,583
c. Total	<u>31,589,401</u>	<u>32,969,145</u>
3. Disbursements for Plan Year		
a. Benefit payments and refunds	\$ 187,530,154	\$ 162,802,590
b. Administrative expenses payable to County	1,548,921	1,310,356
c. Total	<u>189,079,075</u>	<u>164,112,946</u>
4. Proceeds of Pension Obligation Bonds	-	-
5. Market Value of Assets at the End of the Year	1,742,106,887	1,895,166,843
6. Net Investment Income * (5 - 1 - 2c + 3c - 4)	4,429,718	203,770,759
7. Expected Net Investment Income (8.00% per annum)	144,386,480	139,419,478
8. Gain (Loss) on Market Value of Assets (6 - 7)	(139,956,762)	64,351,281
9. Estimated Rate of Return	0.2%	11.7%

* Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 9

**DERIVATION OF ACTUARIAL VALUE OF PLAN ASSETS
AS OF DECEMBER 31, 2011**

1. Market Value of Assets as of December 31, 2011				\$ 1,742,106,887
2. Determination of Deferred Gain (Loss)				
		Percentage		
Year	Gain/(Loss)	Deferred	Amount Deferred	
2011	\$ (139,956,762)	80%	\$ (111,965,410)	
2010	64,351,281	60%	38,610,768	
2009	190,363,140	40%	76,145,256	
2008	(486,133,267)	20%	(97,226,653)	
2007	(27,533,110)	0%	-	
Total				(94,436,039)
3. Actuarial Value of Assets (1 - 2)				\$ 1,836,542,926

TABLE 10

**SUMMARY RECONCILIATION OF ACTUARIAL VALUE OF PLAN ASSETS
AS OF DECEMBER 31, 2011**

Item	For Year Ending December 31, 2011	For Year Ending December 31, 2010
1. Actuarial Value of Assets at the Beginning of the year	\$ 1,929,427,864	\$ 1,956,443,729
2. Contributions for Plan Year		
a. County	\$ 28,275,594	\$ 32,893,562
b. Member	3,313,807	75,583
c. Total	<u>31,589,401</u>	<u>32,969,145</u>
3. Disbursements for Plan Year		
a. Benefit payments and refunds	\$ 187,530,154	\$ 162,802,590
b. Administrative expenses payable to County	1,548,921	1,310,356
c. Total	<u>189,079,075</u>	<u>164,112,946</u>
4. Proceeds of Pension Obligation Bonds	-	-
5. Actuarial Value of Assets at the End of the Year	1,836,542,926	1,929,427,864
6. Net Investment Income * (5 - 1 - 2c + 3c - 4)	64,604,736	104,127,936
7. Expected Net Investment Income (8.00% per annum)	147,127,362	150,131,785
8. Gain (Loss) on Actuarial Value of Assets (6 - 7)	(82,522,626)	(46,003,849)
9. Estimated Rate of Return	3.5%	5.5%

* Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 11
CONTRIBUTIONS FOR 2011 PLAN YEAR
AND VARIANCE FROM THE FUNDING CALCULATION CONTRIBUTION

Item				Amount
1. Total Funding Calculation, End-of-Year Basis, for 2011 Plan Year (from January 1, 2011 actuarial valuation report)				\$ 26,808,037
2. Total Contributions Made, End-of-Year Basis				
Contribution Made	Fraction of a Year Invested	Contribution Amount	Interest to Year End*	End of Year Amount
Bi-weekly	50.0%	\$ 776	\$ 30	\$ 806
2/29/2012	0.0%	2,750,000	-	2,750,000
3/15/2012	0.0%	4,800,000	-	4,800,000
4/16/2012	0.0%	4,228,000	-	4,228,000
5/15/2012	0.0%	4,500,000	-	4,500,000
6/15/2012	0.0%	7,272,435	-	7,272,435
7/16/2012	0.0%	4,724,383	-	4,724,383
Total		\$ 28,275,594	\$ 30	\$ 28,275,624
3. Total Member Contributions				\$ 3,313,807
4. Variance from Funding Calculation Amount** (2 + 3 - 1)				\$ 4,781,394

* Interest to 12/31/2011 at 8.00% per annum

** Variance will be amortized on a level dollar basis over five years.

Note that for purposes of the contribution rates shown in the report, these amounts are gross contribution amounts. It is our understanding that County staff will net out the amount of employee contributions that are collected to arrive at a net County contribution.

TABLE 12**GASB NOS. 25 AND 27 DISCLOSURE INFORMATION
FOR CURRENT AND PRIOR PLAN YEAR****Equivalent Single Amortization Period**

Item	January 1, 2012	January 1, 2011
1. Covered Payroll	\$ 190,747,973	\$ 221,647,443
2. Unfunded Amount	223,010,741	162,498,787
3. Amortization Payment	10,386,482	7,327,948
4. Payment as a Level Percentage of Payroll (3 / 1)	5.45%	3.31%
5. Weighted Average Amortization Period (2 / 3)	21.47	22.18
6. Equivalent Single Amortization Period (Nearest Whole Year)	80	145

Net Pension Obligation

Item	January 1, 2012	January 1, 2011
1. Annual Required Contribution (ARC)	\$ 28,406,232	\$ 29,621,216
2. Interest on Net Pension Obligation	(33,065,169)	(32,346,284)
3. Adjustment to ARC	<u>25,793,892</u>	<u>25,233,095</u>
4. Annual Pension Cost (APC)	21,134,955	22,508,027
5. Contributions made*	<u>(27,407,519)</u>	<u>(31,494,090)</u>
6. Increase (Decrease) in Net Pension Obligation	(6,272,564)	(8,986,063)
7. Net Pension Obligation at Beginning of Year	<u>(413,314,614)</u>	<u>(404,328,551)</u>
8. Net Pension Obligation at End of Year**	(419,587,178)	(413,314,614)
9. Percent of APC Contributed	129.68%	139.92%

* Contributions for 2012 are estimated based on the County budget

** NPO at December 31, 2012 is estimated based on expected contributions to be made for the year

TABLE 13

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

(\$ Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	(Overfunded) Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	(Overfunded) Unfunded as a Percentage of Covered Payroll [(b - a) / c]
1/1/2012	\$ 1,836,543	\$ 2,059,554	89.2%	\$ 223,011	\$ 190,748	116.9%
1/1/2011	1,929,428	2,091,927	92.2%	162,499	221,647	73.3%
1/1/2010	1,956,444	2,097,332	93.3%	140,888	237,040	59.4%
1/1/2009	1,968,518	2,057,377	95.7%	88,859	233,820	38.0%
1/1/2008	1,627,288	2,024,923	80.4%	397,635	227,364	174.9%

TABLE 14

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB STATEMENT NO. 25 DISCLOSURE**

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed
2012	\$ 28,406,232	96.5 % *
2011	29,621,216	106.3
2010	29,529,322	106.0
2009	30,355,535	1508.1
2008	53,063,610	65.7

* Contributions for 2012 are estimated based on the County budget

The information presented above was determined as part of the actuarial valuation as of the dates indicated (i.e., the contribution determined by the valuation completed as of January 1, 2011 was contributed in the fiscal year ending December 31, 2011).

Additional information as of the latest actuarial valuation follows:

Valuation Date:	01/01/2012
Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level percent of payroll, closed
Remaining Amortization Period:	5-30 Years
Asset Valuation Method:	5-year smoothed market

Actuarial Assumptions:

- Investment Rate of Return	8.00%
- Payroll Growth	3.50%

TABLE 15**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS****ASSUMPTIONS**

Interest Rate: 8.0% per annum, compounded annually. The components are 3.0% for inflation and 5.0% for the real rate of return.

Separation From Service: Illustrative rates of assumed separation from service are shown in the following tables.

Annual Rates per 100 Participants

Mortality*				
Attained Age	Healthy Pensioners		Disabled Pensioners	
	Males	Females	Males	Females
45	0.13	0.11	2.26	0.75
50	0.19	0.19	2.90	1.15
55	0.31	0.38	3.54	1.65
60	0.59	0.76	4.20	2.18
65	1.11	1.26	5.02	2.80
70	1.86	1.96	6.26	3.76
75	2.87	3.40	8.21	5.22
80	5.03	5.86	10.94	7.23
85	8.61	10.72	14.16	10.02

* Healthy pensioners: The sex-distinct UP-1994 Mortality Table projected to 2010, set back 1 year for males and set forward 4 years for females.

Active members: 70% of the rates applicable to healthy pensioners.

Disabled pensioners: RP2000 Disabled Mortality Table.

TABLE 15

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Annual Rates per 100 Participants

Attained Age	Withdrawal – Ultimate			Disability
	General Employees	Elected Officials*	Deputy Sheriffs	
20	10.00	2.00	13.50	0.00
25	9.40	2.00	11.70	0.04
30	9.00	2.00	6.90	0.07
35	6.60	2.00	3.60	0.12
40	4.70	2.00	2.40	0.19
45	3.75	2.00	2.00	0.22
50	2.95	2.00	2.00	0.22
55	2.30	2.00	2.00	0.22
60	0.00	0.00	0.00	0.22
65	0.00	0.00	0.00	0.22

* Select rates for elected officials assume no turnover for first four years.

Annual Rates per 100 Participants

Attained Age	Withdrawal – Select Rates by Year of Employment				
	General Employees				
	0	1	2	3	4
20	36.0	25.0	25.0	15.0	12.5
25	31.2	23.4	20.4	15.0	11.9
30	27.1	22.4	16.8	13.2	9.1
35	24.7	21.4	14.8	11.4	7.2
40	22.3	19.2	14.0	10.4	6.7
45	21.5	16.8	14.0	10.0	5.9
50	21.5	14.8	14.0	10.0	7.6
55	21.5	14.0	14.0	10.0	9.0

TABLE 15

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Annual Rates per 100 Participants

Retirement Rates				
Attained Age	General Employees (backdrop eligible)	General Employees (not backdrop eligible)	Elected Officials	Deputy Sheriffs
45-49	19.8	0.0	0.0	26.0
50-54	19.8	7.0	0.0	31.0
55	19.8	15.0	19.8	16.0
56	19.8	15.0	19.8	40.0
57	23.0	15.0	23.0	40.0
58	20.4	15.0	20.4	40.0
59	24.8	15.0	24.8	40.0
60	19.4	20.0	19.4	40.0
61	22.5	20.0	22.5	75.0
62	28.4	20.0	28.4	80.0
63	26.6	20.0	26.6	50.0
64	24.3	25.0	24.3	50.0
65	30.4	30.0	30.4	100.0
66	22.5	30.0	22.5	100.0
67	25.7	30.0	25.7	100.0
68	34.2	30.0	34.2	100.0
69	36.0	30.0	36.0	100.0
70	100.0	100.0	100.0	100.0

TABLE 15

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Salary Increase: Effective average of 4.5% per annum, compounded annually. Representative values are as follows:

Annual Rate of Salary Increase

Age	General Employees	Elected Officials	Deputy Sheriffs
20	10.0%	3.5%	9.5%
25	8.2	3.5	9.2
30	5.8	3.5	8.4
35	5.0	3.5	7.4
40	4.6	3.5	5.7
45	4.0	3.5	4.3
50	3.3	3.5	3.4
55	3.0	3.5	3.0
60	3.0	3.5	3.0
Average	3.9	3.5	6.1

Payroll Growth: 3.5% per annum.

MISCELLANEOUS

Percentage Married/Age Difference: Male 80%, female 80%. Beneficiaries are assumed to be the same age as the participant.

Percentage Married with at Least One Dependent Child: 21.6% for General Employees, 43.2% for Deputy Sheriffs and Elected Officials. For those who die prior to age 60, it is assumed at least one child will remain a dependent until the member would have turned age 60.

Backdrop Rate: 75% of eligible retirees are assumed to elect a backdrop. Of those electing, 75% are assumed to take the maximum period available to them and 25% take half the maximum period available based on eligibility for an unreduced retirement benefit.

Assumed Type of Disability: For represented employees the assumption is 10% Ordinary and 90% Accidental and for non-represented employees, the assumption is 95% Ordinary and 5% Accidental.

TABLE 15**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**

(Continued)

METHODS

Calculations: The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system, and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the Aggregate Entry Age Normal Cost Method. The outstanding balance of the unfunded actuarial accrued liability (UAAL) as of January 1, 2004 and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years. POB proceeds were not subject to the contribution variance requirements.

Asset Valuation Method: A five-year moving market average value of assets that recognizes the actuarial expected investment return immediately and spreads the difference between the actual and expected return over a period of five years.

DATA

Census and Assets: The valuation was based on members of the System as of January 1, 2012 and does not take into account future members. All census data was supplied by the System and was subject to reasonable consistency checks. Asset data was supplied by the System.

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS****MEMBERSHIP**

Any person regularly employed by the County at an annual wage or salary, including any person employed by the State of Wisconsin, but receiving part of his compensation from the County.

VESTING SERVICE

Service during period of employment in the County or in any department in any town, village, city or metropolitan sewerage commission in the County, which department has by consolidation or merger been absorbed by the County.

Creditable service shall consist of “prior service”, “military service”, and “membership service”, for which service credit is allowable under Section 4, Chapter 201, Laws of 1937, as well as service under Executive Order 11231, July 8, 1965, for Vietnam. Additional credit for periods of military service will be earned in accordance with the following chart:

Years of Service with Milwaukee County	Maximum Years of Military Service Granted
0-4	0
5-9	1
10-14	2
15-19	3
20+	4

BENEFIT SERVICE

Same as vesting service except service prior to becoming a participant does not count.

EARNINGS

Earnable compensation is the full rate of compensation payable to member if he worked the full normal working time for his position, including authorized overtime payments and the compensation rate assumed to have been received while the member is on authorized leave of absence. In cases where compensation includes maintenance, the Pension Board shall fix the value of that part of the compensation not payable in

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

money. Compensation shall not exceed \$245,000 in the pension calculation as indexed for changes in the cost of living.

For all members except certain deputy sheriffs hired on or after January 1, 1982, the final average salary means the average annual salary for the highest three (3) consecutive years of service. For deputy sheriffs hired on or after January 1, 1982, excluding DA Investigators and non-represented deputy sheriffs, the final average salary means the average annual salary for the highest five (5) consecutive years of service. For DA Investigators and non-represented deputy sheriffs hired before July 1, 1995 and all non-deputy sheriff members hired before January 1, 1982, the final average salary is increased 7.5% for each year worked after January 1, 2001 to a maximum of 25%.

**VOLUNTARY
EMPLOYEE
CONTRIBUTION**

Up to 10% of earnings, provided that the employee was contributing on January 1, 1971.

**MANDATORY
EMPLOYEE
CONTRIBUTION**

Effective January 1, 2011 Elected Officials and Non-Represented employees contributed 2% of compensation. For all Non-Represented employees (other than elected officials), the contribution rate increased to 3% of compensation effective June 12, 2011 and to 4% of compensation effective December 11, 2011.

BENEFITS

Normal Retirement

Eligibility

Elected Officials:

Age 60, or age 55 with 30 years of service. For elected officials hired before January 1, 2006, the combination of age and service adding up to 75 (Rule of 75) also applies.

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

General Employees:

For firefighters, Federated Nurses, and Machinists:

Age 60 with 5 years of service, or age 55 with 30 years of service. For firefighters hired before December 1, 1996, Federated Nurses hired before January 1, 1997, and Machinists hired before January 1, 1994, Rule of 75 also applies. For Federated Nurses and Machinists hired after January 1, 2012, age 64 or age 55 with 30 years of service.

For Attorneys, Skilled Trades, non-represented employees, DC48, and Teamco:

Age 60, or age 55 with 30 years of service. For attorneys, Skilled Trades, and non-represented employees hired before January 1, 2006 and DC48 and Teamco hired before January 1, 1994, Rule of 75 also applies.

For attorneys, Skilled Trades, non-represented employees, and TEAMCO hired after January 1, 2010, age 64 or age 55 with 30 years of service.

For DC48 hired after August 1, 2011, age 64 or age 55 with 30 years of service.

For non-represented employees (excluding Elected Officials, Deputy Sheriffs), attorneys, machinists and TEAMCO hired after January 1, 2010, retirement age is 64.

Deputy Sheriffs:

Age 57, or age 55 with 15 years of service. For deputy sheriffs, DA Investigators, and non-represented deputy sheriffs hired before January 1, 1994, Rule of 75 also applies.

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

Amount

Elected Officials:

For elected officials hired before March 15, 2002, 2.5% of final average salary per year of service before October 14, 2010 and 1.6% of final average salary per year of service thereafter, not greater than 80%. For elected officials hired on or after March 15, 2002, 2.0% of final average salary per year of service before October 14, 2010 and 1.6% of final average salary per year of service thereafter, not greater than 80%.

General Employees:

2.0% of final average salary per year of service, not greater than 80%. For non-represented employees (excluding Elected Officials and Deputy Sheriffs), 1.6% of final average salary per year of service from January 1, 2010; for attorneys and TEAMCO, the 1.6% provision is effective May 1, 2010; for machinists, June 1, 2010; for DC48, effective August 1, 2011; for building trades and FNHP, effective January 1, 2012.

Deputy Sheriffs:

For deputy sheriffs hired before July 1, 1995 and DA Investigators and non-represented deputy sheriffs, 2.5% of final average salary per year of service, not greater than 80%. For deputy sheriffs hired on or after July 1, 1995, 2.0% of final average salary per year of service, not greater than 80%.

For all members, 1.6% of final average salary per year of service after 80% of final average salary has been reached.

In addition to the pension portion, the benefit includes any voluntary contribution balance. Benefits should not be less than under previous system.

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

Early Retirement

Eligibility	Age 55 with 15 years of service.
Amount	Benefits reduced by 5/12 of 1% for each month by which commencement of payments precedes Normal Retirement Age. For deputy sheriffs, DA Investigators, and non-represented deputy sheriffs, benefit reduction does not apply.

Ordinary Disability Benefit

Eligibility	After 15 years of service.
Amount	Benefits calculated as for normal retirement benefits. Minimum benefit is 25% of final average salary.

Accidental Disability Benefit

Eligibility	Immediate.
Amount	Benefits are the same as normal retirement benefits if the employee has attained the minimum Normal Retirement Age. If less than Normal Retirement Age at time of disability, the benefit is computed the same as for normal retirement but is not less than 75% or 60% of final average salary.

Elected Officials

For elected officials hired before February 19, 1987, the benefit is not less than 75% of final average salary. For all other elected officials, the benefit is not less than 60% of final average salary.

General Employees

For non-represented employees hired before February 19, 1987, attorneys hired on or after January 1, 1987, Skilled Trades hired before October 30, 1987, Federated Nurses hired before January 1, 1987, Machinists hired before May 18, 1988, DC48 hired before July 24, 1987, and Teamco hired before January 12, 1988, the benefit is not less than 75% of final

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

average salary. For all other general employees, the benefit is not less than 60% of final average salary.

Deputy Sheriffs

For all deputy sheriffs, the benefit is not less than 75% of final average salary. For DA Investigators and non-represented deputy sheriffs hired on or after February 19, 1987, the benefit is not less than 60% of final average salary.

Ordinary Death Benefit

Upon the death of a deputy sheriff in active service for any cause other than accidental, the surviving spouse or child shall be entitled to receive the benefit under the provision of survivor benefits if the deceased member has completed at least one (1) year of service and is not eligible for normal retirement.

Accidental Death Benefit

Upon the death of a deputy sheriff caused by an accident in active duty, a survivorship benefit equal to fifty (50) percent of final average salary shall be granted to the following members:

- 1) A surviving spouse for life or until remarriage, or
- 2) If there is no spouse or spouse dies or remarries before the youngest child has attained age 18, the benefit is payable to his child(ren) under age 18 until the youngest child attains said age, or
- 3) If there is no spouse or child(ren) under age 18, the benefit is payable to his dependent father or mother to continue for life.

The monthly benefit aforementioned shall not be less than the benefit under ordinary death benefit section if death had not occurred in performance of duty.

Lump Sum Benefit Upon Death

Upon a death of members, a lump sum benefit of one-half the final average salary of the deceased member, not greater than two thousand dollars (\$2,000) shall be paid to designated beneficiary if such member has completed one (1) year of service and no survivors' benefits payable under any other survivorship benefits.

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

Deferred Vested Benefit

Upon termination of employment, a member who does not elect to withdraw any part of his membership account shall be eligible for a deferred vested benefit if:

- 1) The accrued benefit at age 60 is at least \$10 per month
- 2) 5 years of service

The benefit is computed the same as for a normal retirement benefit considering earnings and service prior to date of termination.

Survivor Benefit

Upon the death of a member prior to age 60 and after completing at least one (1) year of service, a monthly benefit equal to 40% of the member's salary for the year of his death less monthly survivor benefits payable under the Social Security law shall be payable to his surviving spouse if she has at least one dependent child and was married to the member at least one (1) year prior to his death. Upon attainment of age 60 the dependent spouse shall be paid a benefit equal to 50% of the normal pension which the member would have received assuming service had continued to accrue to age 60 and the final average salary determined at death. In addition, a monthly benefit equal to 10% of the member's monthly salary less the benefits payable to child under Social Security law shall be payable to each eligible children until he attains age 18 or marries, or until attainment of age 22 if he is a student and not married.

Any member eligible for normal retirement may elect the protective survivorship option by selecting option 2 or 3 under the Optional Benefit section. This survivorship option shall become effective at the death of the member. If any member eligible to elect an option shall die in active service, without selecting an option, his surviving spouse shall be paid a survivorship benefit equal to the amount that would have been payable if such member had retired under option 3 immediately prior to his death.

Optional Benefit

In lieu of the full retirement benefit, any member at retirement may elect to receive an actuarial equivalent reduced retirement benefit in accordance with the following options:

TABLE 16**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**

(Continued)

- Option 1. In case of death before benefits attributable to his mandatory account have equaled the amount of his membership account at the date of retirement, the balance shall be paid to a designated beneficiary or to his estate; or
- Option 2. At the death of the member, one-half of the reduced benefit shall be continued throughout the life of designated beneficiary; or
- Option 3. At the death of the member, the same reduced benefit shall be continued throughout the life of designated beneficiary.

Other Benefits

Simple COLA	2% of original benefit increase per year to retired employees (surviving beneficiary receives proportionate amount based on survivorship percentage).
Contribution Refund	Refund of employee voluntary contribution upon severance.
Backdrop Benefit	Employee may opt to receive a monthly benefit earned as of a specific date in the past (backdrop date). The backdrop date may not be prior to the earliest date that the member was eligible to retire and shall not be less than one (1) year prior to the date the member leaves active County service. Employee receives a cash payment equal to monthly benefits that would have been paid between backdrop date and actual retirement date plus interest earned.
	Members not eligible for backdrop benefits are Elected Officials, non-represented employees and deputy sheriffs hired on or after March 15, 2002, Machinists and Teamco hired on or after November 4, 2005, Attorneys hired on or after January 1, 2006, Federated Nurses hired on or after December 15, 2005, Firefighters hired on or after June 19, 2007 and DC48 hired on or after February 1, 2007.

TABLE 17**SUMMARY OF MEMBERSHIP DATA
AS OF JANUARY 1, 2012****Active Participants**

Item	General Employees	Deputy Sheriffs *	Elected Officials	Total
Number of Participants	3,648	301	23	3,972
Average Annual Salaries **	\$ 46,568	\$ 64,477	\$ 63,519	\$ 48,023
Average Age	45.7	44.5	51.9	45.6
Average Service	11.2	17.1	10.9	11.6

* Includes 10 non-represented deputy sheriffs.

** The salaries shown in the table above represent a rate of pay increased by the salary assumption.

Inactive Participants

Item	Number	Annual Annuities	Average Annuities	Average Age
Participants with Deferred Benefits	1,341	\$ 9,540,304	\$ 7,114	51.8
Retired Participants	6,589	132,541,423	20,116	70.3
Beneficiaries	914	11,683,309	12,783	77.3
Disability Retirees	<u>244</u>	<u>4,613,844</u>	<u>18,909</u>	<u>63.9</u>
Total	9,088	\$ 158,378,880	\$ 17,427	68.1

TABLE 18**ACTIVE MEMBERSHIP STATISTICS (UNAUDITED)**

	<u>2011</u>
Members as of January 1	5,941 *
Changes during the year:	
New enrollments	473
Nonvested terminations	(512)
Retirements	(557)
Deaths in active service	(14)
New deferred beneficiaries	0
Data Adjustment	(18)
Members as of December 31	<u><u>5,313</u></u> *
*This total includes vested inactive members.	

RETIREMENTS AND SURVIVORS (UNAUDITED)

	Retirements granted							Survivors & Benefi- ciaries	Total	
	Maxi- mum Pension	Options								
		Refund	100%	75%	50%	25%	10-yr			Other
January 1, 2011	3,010	474	1,266	210	1,095	370	167	50	799	7,441
Changes during the year:										
Adjustments (actuary) *	56	(78)	1	-	2	-	-	-	31	12
Retirements	310	2	119	20	40	52	14	-	91	648
Pensioner deaths	(251)	-	(41)	(2)	(48)	(4)	(1)	-	(7)	(354)
December 31, 2011	3,125	398	1,345	228	1,089	418	180	50	914	7,747

* Adjustments as a result of reclassifications made to beginning balances by the actuary:

EXHIBIT I**ACTIVE MEMBERSHIP DATA – ALL EMPLOYEES****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2012**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	68 \$19,852									68 \$19,852
25-29	262 \$29,869	16								278 \$30,431
30-34	218 \$32,765	99 \$44,883	31 \$47,196							348 \$37,513
35-39	190 \$36,946	98 \$48,976	136 \$50,921	20 \$58,811						444 \$44,872
40-44	156 \$37,341	99 \$48,598	192 \$52,273	121 \$59,603	26 \$49,788	4				598 \$49,111
45-49	116 \$37,520	83 \$50,997	117 \$48,567	141 \$53,947	152 \$55,437	35 \$58,425	2			646 \$50,217
50-54	92 \$35,122	94 \$52,324	119 \$49,700	116 \$54,894	195 \$52,219	65 \$58,236	18			699 \$50,600
55-59	77 \$42,363	62 \$46,187	85 \$47,453	109 \$53,071	133 \$59,966	63 \$61,856	25 \$63,756	3		557 \$53,219
60-64	41 \$43,852	44 \$55,269	46 \$54,984	50 \$54,926	43 \$65,185	17 \$76,720	14	7		262 \$58,545
Over 64	10	11	20 \$47,259	17	7	2	5			72 \$ 50,544
Total	1,230 \$34,291	606 \$48,944	746 \$50,307	574 \$55,462	556 \$55,903	186 \$61,445	64 \$65,490	10		3,972 \$48,023

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT II**ACTIVE MEMBERSHIP DATA – GENERAL EMPLOYEES****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2012**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	68 \$19,852									68 \$20,155
25-29	262 \$29,869	16								278 \$30,431
30-34	216 \$32,249	98 \$44,806	24 \$43,360							338 \$36,696
35-39	187 \$36,742	98 \$48,976	102 \$47,469	11						398 \$42,952
40-44	155 \$37,244	98 \$48,559	149 \$49,203	51 \$53,591	23 \$48,059	4				480 \$45,613
45-49	114 \$36,971	83 \$50,997	109 \$47,753	97 \$49,714	129 \$54,041	29 \$55,429	2			563 \$48,218
50-54	92 \$35,122	94 \$52,324	112 \$48,999	102 \$53,922	180 \$51,139	63 \$57,619	18			661 \$49,838
55-59	77 \$42,363	59 \$44,437	85 \$47,453	104 \$52,254	126 \$59,775	62 \$61,845	24 \$63,028	3		540 \$52,710
60-64	40 \$43,637	43 \$54,538	46 \$54,984	48 \$54,609	41 \$65,548	15	14	7		254 \$58,399
Over 64	10	10	19	16	7	1	5			68 \$ 49,514
Total	1,221 \$34,078	599 \$48,705	646 \$48,548	429 \$52,575	506 \$55,140	174 \$60,696	63 \$65,241	10		3,648 \$46,568

* Compensation in cells with fewer than 20 records has been suppressed.
Eight non-represented deputy sheriffs are included with Deputy Sheriffs exhibit.

EXHIBIT III**ACTIVE MEMBERSHIP DATA – DEPUTY SHERIFFS****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2012**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29										
30-34	1		7							8
35-39	1		34	9						44
			\$61,981							\$62,989
40-44			43	70	3					116
			\$63,630	\$64,717						\$64,289
45-49			7	44	23	6				80
				\$64,004	\$63,987					\$64,499
50-54			7	13	15	2				37
										\$64,911
55-59				2	7	1	1			11
60-64				2	1	2				5
Over 64										
Total	2		98	140	49	11	1			301
			\$62,567	\$64,506	\$64,582					\$64,477

* Compensation in cells with fewer than 20 records has been suppressed.
Includes 8 non-represented deputy sheriffs.

EXHIBIT IV**ACTIVE MEMBERSHIP DATA – ELECTED OFFICIALS****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2012**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25										
25-29										
30-34	1	1								2
35-39	2									2
40-44	1	1								2
45-49	2		1							3
50-54				1						1
55-59		3		3						6
60-64	1	1			1					3
Over 64		1	1	1		1				4
Total	7	7	2	5	1	1				23
										\$63,519

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT V**ACTIVE AND DEFERRED VESTED MEMBERS OBTAINING
RETIREMENT ELIGIBILITY OVER NEXT FIVE CALENDAR YEARS****Actives Reaching Retirement Eligibility**

Year	General Employees	Elected Officials	Deputy Sheriffs	Total
Eligible at Valuation Date	863	11	29	903
2012	156	0	14	170
2013	146	0	12	158
2014	122	1	18	141
2015	164	1	18	183
2016	112	1	18	131
Total Over Next 5 Years	700	3	80	783
Grand Total Eligible	1,563	14	109	1,686

Deferred Vesteds Reaching Retirement Age

Year	Total
2012	98
2013	111
2014	96
2015	87
2016	69
Total Over Next 5 Years	461

EXHIBIT VI**RETIREE AND BENEFICIARY MEMBERSHIP DATA
AS OF JANUARY 1, 2012****NUMBER AND AVERAGE ANNUAL BENEFIT**

Age Last Birthday	Number	Annual Benefit	Average Annual Benefit
Retired Participants			
Under 60	519	\$ 14,008,156	\$ 26,991
60 - 64	1,258	27,194,780	21,617
65 - 69	1,450	30,935,790	21,335
70 - 74	966	19,871,521	20,571
75 - 79	799	15,779,103	19,749
Over 79	1,597	24,752,069	15,499
Total	6,589	\$ 132,541,419	\$ 20,116
Beneficiary Participants			
Under 60	220	\$ 3,058,180	\$ 13,901
60 - 64	83	1,229,392	14,812
65 - 69	133	1,964,484	14,771
70 - 74	208	2,694,274	12,953
75 - 79	160	1,886,696	11,792
Over 79	110	850,285	7,730
Total	914	\$ 11,683,311	\$ 12,783
Disabled Participants			
Under 60	147	\$ 3,008,257	\$ 20,464
60 - 64	40	711,544	17,789
65 - 69	16	289,467	18,092
70 - 74	24	387,035	16,126
75 - 79	12	160,305	13,359
Over 79	5	57,235	11,447
Total	244	\$ 4,613,843	\$ 18,909
Grand Total			
Average Annual Benefit	7,747	\$ 148,838,573	\$ 19,212

EXHIBIT VII**5-YEAR HISTORY OF MEMBERSHIP DATA****Active Participants**

Valuation as of January 1	Number of Active Participants	Percentage Change in Membership	Total Annual Payroll	Percentage Change in Payroll
2012	3,972	(10.70)%	\$ 190,747,973	(13.94)%
2011	4,448	(7.49)%	221,647,443	(6.49)%
2010	4,808	(0.60)%	237,040,117	1.38 %
2009	4,837	0.48 %	233,820,179	2.84 %
2008	4,814	(1.71)%	227,364,398	1.95 %

Retired, Disabled, and Beneficiary Participants

Valuation as of January 1	Number on roll	Additions	Deletions	Percentage Change in Membership	Annual Annuities	Percentage Change in Annuities
2012	7,747	576	270	4.11 %	\$ 148,838,576	3.95 %
2011	7,441	368	219	2.04 %	143,188,151	4.23 %
2010	7,292	283	299	(0.22)%	137,374,794	2.24 %
2009	7,308	222	235	(0.18)%	134,363,234	2.09 %
2008	7,321	325	303		131,611,251	

EXHIBIT VIII

DETAILED TABULATIONS OF THE DATA

TABLE VIII-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
ALL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
20	1		1	
21	4		2	
22	7		2	
23	8		16	
24	14		14	
25	30	\$ 880,754	23	\$ 630,380
26	28	846,145	23	479,345
27	23	820,826	28	849,121
28	33	1,123,675	22	541,195
29	32	1,112,348	35	1,145,705
30	31	1,081,081	26	727,768
31	34	1,354,784	34	1,097,411
32	36	1,418,185	36	1,245,384
33	27	1,119,313	49	1,905,864
34	44	2,031,628	32	1,110,498
35	35	1,423,077	52	2,062,187
36	52	2,424,799	48	1,741,177
37	44	2,588,203	44	1,995,299
38	30	1,261,512	44	1,837,658
39	49	2,425,931	45	2,118,500
40	49	2,390,855	56	2,308,702
41	63	3,524,943	60	2,759,119
42	68	3,690,038	73	3,330,350
43	44	2,308,022	57	2,824,254
44	59	3,096,253	70	3,185,128
45	57	3,152,247	81	3,628,363
46	54	2,778,876	62	3,000,117
47	50	2,820,048	66	3,051,692
48	54	2,955,523	78	3,792,711
49	66	3,466,671	77	3,743,832
50	49	2,487,294	67	3,065,860
51	72	3,998,150	92	4,457,278
52	57	3,150,413	86	4,027,565
53	60	3,087,139	84	3,935,637
54	55	3,150,522	77	4,009,819
55	53	3,118,526	84	3,966,127
56	60	3,850,041	69	3,273,561
57	52	2,887,292	53	2,572,922
58	53	3,038,545	54	2,937,970
59	29	1,559,288	50	2,438,805

TABLE VIII-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
ALL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
60	43	\$ 2,859,086	37	\$ 1,711,437
61	33	2,260,010	29	1,442,102
62	25	1,642,389	34	1,802,746
63	19		18	
64	11		13	
65	16		12	
66	1		7	
67	2		2	
68	1		5	
69	3		5	
70	4		3	
71	3		1	
72	1			
73			3	
74			1	
75	1			
77			1	
78				
79				
Total	1,829	\$ 95,015,441	2,143	\$ 95,732,532

TABLE VIII-B

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012
ALL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
0	209	\$ 4,151,315	265	\$ 4,948,202
1	84	3,823,671	94	3,764,446
2	90	3,693,295	105	4,417,566
3	110	5,049,128	129	5,442,088
4	64	3,377,347	80	3,510,764
5	58	2,968,405	70	3,200,874
6	72	3,691,826	107	5,281,915
7	43	2,557,020	56	2,684,935
8	39	1,897,011	57	2,600,418
9	58	3,020,096	46	1,757,387
10	88	4,580,263	71	3,004,607
11	81	4,292,136	101	4,623,286
12	78	3,963,115	90	4,224,117
13	58	3,211,583	63	2,998,519
14	62	3,775,277	54	2,856,377
15	53	3,275,549	54	2,697,158
16	54	3,368,728	32	1,656,399
17	59	3,358,160	62	3,248,211
18	46	2,537,432	57	2,924,832
19	78	4,852,672	79	3,916,060
20	61	3,628,771	73	3,693,062
21	55	3,193,310	53	2,514,588
22	42	2,430,079	95	5,007,165
23	42	2,652,441	64	3,588,418
24	31	2,298,274	40	2,076,078
25	25	1,854,166	33	1,812,697
26	25	1,620,133	31	1,644,792
27	11		27	1,546,245
28	11		11	
29	7		5	
30	4		15	
31	9		8	
32	5		5	
33	6		3	
34	3		6	
35	3		1	
36	3		1	
37	2			
38				
39				
Total	1,829	\$ 95,015,441	2,143	\$ 95,732,532

TABLE VIII-C

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
GENERAL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
20	1		1	
21	4		2	
22	7		2	
23	8		16	
24	14		14	
25	30	\$ 880,754	23	\$ 630,380
26	28	846,145	23	479,345
27	23	820,826	28	849,121
28	33	1,123,675	22	541,195
29	32	1,112,348	35	1,145,705
30	31	1,081,081	26	727,768
31	33	1,321,093	33	1,044,958
32	36	1,418,185	36	1,245,384
33	24	947,543	48	1,762,519
34	41	1,844,253	31	1,047,229
35	32	1,226,557	51	2,000,415
36	41	1,760,137	46	1,606,445
37	35	2,003,630	41	1,803,019
38	27	1,119,209	43	1,772,775
39	37	1,712,504	44	2,047,388
40	35	1,508,062	50	1,916,415
41	39	1,977,095	56	2,507,767
42	47	2,355,565	71	3,200,799
43	23	996,462	51	2,439,036
44	46	2,276,909	63	2,761,554
45	42	2,150,827	79	3,501,526
46	43	2,073,087	56	2,611,471
47	43	2,345,236	61	2,765,158
48	41	2,177,717	73	3,467,942
49	51	2,512,402	73	3,493,161
50	42	2,042,752	67	3,065,860
51	63	3,420,032	87	4,137,453
52	51	2,765,886	85	3,966,334
53	56	2,839,694	84	3,935,637
54	51	2,890,050	75	3,879,006
55	49	2,736,984	83	3,913,674
56	56	3,618,257	68	3,211,023
57	50	2,770,890	53	2,572,922
58	50	2,848,077	54	2,937,970
59	27	1,414,642	50	2,438,805

TABLE VIII-C

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
GENERAL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
60	41	\$ 2,733,513	37	\$ 1,711,437
61	30	2,081,810	29	1,442,102
62	24	1,555,681	33	1,740,208
63	19		18	
64	11		12	
65	13		12	
66	1		7	
67	2		2	
68			5	
69	3		5	
70	4		3	
71	3		1	
72	1			
73			3	
74			1	
75	1			
77			1	
Total	1,575	\$ 78,684,038	2,073	\$ 91,196,631

TABLE VIII-D

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012
GENERAL EMPLOYEES**

(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
0	206	\$ 3,998,802	265	\$ 4,948,202
1	84	3,823,671	93	3,621,101
2	90	3,693,295	105	4,417,566
3	106	4,828,893	129	5,442,088
4	64	3,377,347	79	3,458,311
5	58	2,968,405	70	3,200,874
6	72	3,691,826	107	5,281,915
7	42	2,504,567	54	2,580,029
8	38	1,810,303	57	2,600,418
9	55	2,778,270	46	1,757,387
10	78	3,950,569	70	2,941,338
11	66	3,370,195	94	4,191,868
12	59	2,815,532	87	4,028,618
13	46	2,467,020	56	2,568,332
14	40	2,432,710	50	2,596,060
15	35	2,104,239	49	2,387,389
16	31	1,872,312	24	1,128,479
17	35	1,788,036	59	3,044,318
18	28	1,460,108	51	2,554,431
19	48	2,921,542	69	3,293,719
20	50	2,924,257	71	3,573,397
21	48	2,760,733	53	2,514,588
22	34	1,921,342	92	4,805,612
23	32	1,995,651	59	3,291,126
24	28	2,109,009	39	2,005,332
25	21	1,556,134	32	1,732,536
26	20	1,274,832	31	1,644,792
27	10		27	1,546,245
28	10		11	
29	7		5	
30	4		15	
31	9		8	
32	5		5	
33	5		3	
34	3		6	
35	3		1	
36	3		1	
37	2			
Total	1,575	\$ 78,684,038	2,073	\$ 91,196,631

TABLE VIII-E

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
DEPUTY SHERIFFS**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
33	3		1	
34	3		1	
35	3		1	
36	9		2	
37	9		3	
38	3		1	
39	12		1	
40	14		6	
41	24	\$ 1,547,848	3	
42	21	1,334,474	2	
43	20	1,259,107	6	
44	13		7	
45	13		2	
46	11		6	
47	7		5	
48	12		5	
49	15		4	
50	7			
51	9		5	
52	6		1	
53	4			
54	3		2	
55	2			
56	2		1	
57	1			
58	3			
59	2			
60	2			
61	2			
62			1	
Total	235	\$ 14,912,462	66	\$ 4,275,327

TABLE VIII-F

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012
DEPUTY SHERIFFS**

(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
2			1	
4	1			
11	10		1	
12	14		7	
13	19		3	
14	11		7	
15	22	\$ 1,342,567	4	
16	18		5	
17	22	1,384,623	8	
18	24	1,570,124	3	
19	18		6	
20	27	1,743,258	9	
21	11		2	
22	7			
23	8		3	
24	10		5	
25	2		1	
26	3		1	
27	5			
28	1			
29	1			
34	1			
35				
36				
37				
38				
Total	235	\$ 15,083,278	66	\$ 4,324,299

TABLE VIII-G

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2012
ELECTED OFFICIALS**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
31	1		1	
36	2			
41			1	
43	1			
45	2			
48	1			
54	1			
55	2		1	
56	2			
57	1			
61	1			
62	1			
64			1	
65	3			
68	1			
Total	19		4	

TABLE VIII-H

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2012
ELECTED OFFICIALS**

(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
0	3			
1				
2				
3	3			
4			1	
5				
6				
7	1		2	
8	1			
9	3			
10				
11	1			
12				
13	1			
14				
15				
16	1			
17				
18				
19	3		1	
20				
21				
22				
23				
24	1			
25	1			
Total	19		4	

TABLE VIII-I

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
ALL MEMBERS RECEIVING BENEFITS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
12	1	\$ 4,204		
14	1	4,204		
16	1	4,204	1	\$ 18,000
17	1	4,204		
22	4	19,809	3	6,006
23			1	6,095
29	3	20,556		
31			1	4,624
34	1	32,400		
35			2	33,219
36	1	22,768	1	17,118
38	2	2,053		
39			1	4,624
40	2	13,361	3	32,894
41	3	69,836		
42	4	78,845		
44	1	32,553		
46	2	49,355	1	7,424
47	5	81,825	9	164,865
48	1	24,461	11	208,079
49	4	74,324	3	117,231
50	7	180,834	13	251,091
51	5	80,185	15	416,428
52	17	536,750	26	652,371
53	25	794,598	25	594,716
54	29	729,058	57	1,331,278
55	44	1,124,887	59	2,044,876
56	65	1,612,880	75	1,613,918
57	60	1,646,915	72	1,600,654
58	83	2,226,998	91	1,916,425
59	99	2,879,748	106	2,244,442
60	121	2,854,714	166	3,211,342
61	160	3,826,198	168	2,571,403
62	161	3,933,194	195	3,180,042
63	153	4,131,757	182	3,078,505
64	176	4,064,942	213	3,705,167
65	141	3,782,487	183	3,750,052
66	121	2,712,780	134	2,409,383

TABLE VIII-I

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
ALL MEMBERS RECEIVING BENEFITS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
67	106	\$ 2,487,120	141	\$ 2,467,292
68	99	2,512,401	142	2,358,638
69	104	2,840,917	139	2,292,712
70	79	1,847,592	116	2,035,607
71	89	2,196,720	103	1,669,816
72	85	1,994,927	113	1,821,073
73	70	1,617,495	121	2,060,729
74	83	1,871,025	117	1,608,097
75	80	1,987,350	115	1,735,492
76	58	1,467,389	125	2,026,197
77	64	1,686,955	108	1,718,321
78	60	1,600,761	102	1,489,834
79	71	1,511,462	113	1,748,238
80	81	1,870,972	98	1,508,435
81	58	1,178,515	136	1,940,305
82	46	853,731	128	1,625,110
83	55	1,101,236	104	1,368,270
84	55	1,129,176	131	1,643,662
85	34	687,655	101	1,233,208
86	42	822,352	83	980,336
87	39	685,122	81	954,631
88	26	508,393	77	792,742
89	31	492,573	69	684,773
90	25	430,808	60	527,120
91	19	248,039	43	384,469
92	13	165,400	41	306,340
93	6	85,227	45	359,446
94	5	91,512	19	103,662
95	3	49,663	19	175,967
96			15	106,775
97	3	24,935	12	96,367
98	2	25,961	3	9,202
99	2	6,179	3	16,316
100	1	19,157	4	16,260
101			1	5,368
102			2	11,509
104			1	6,390
105	1	985		
Total	3,099	\$ 73,757,592	4,648	\$ 75,080,981

TABLE VIII-J
THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
RETIRED MEMBERS
AS OF JANUARY 1, 2012

Age	Men		Women	
	Number	Annuities	Number	Annuities
47	3	\$ 35,295		
48	1	24,461	5	\$ 93,787
49	2	49,207	3	117,231
50	6	160,928	7	143,817
51	5	80,185	12	382,293
52	14	425,623	22	573,304
53	20	713,934	22	573,617
54	25	655,106	44	1,099,008
55	38	1,015,172	52	1,961,847
56	60	1,530,889	62	1,397,335
57	56	1,568,147	60	1,406,970
58	75	2,002,600	80	1,708,821
59	91	2,675,598	96	2,101,341
60	116	2,814,285	153	2,991,007
61	153	3,724,338	155	2,324,064
62	154	3,826,573	185	3,026,153
63	147	4,021,150	165	2,833,823
64	173	4,026,197	196	3,403,700
65	137	3,669,361	168	3,465,836
66	113	2,624,264	124	2,198,353
67	99	2,395,040	128	2,298,066
68	93	2,406,319	123	2,083,583
69	98	2,711,864	118	1,964,762
70	77	1,803,006	103	1,759,447
71	83	2,079,665	83	1,394,201
72	82	1,950,890	106	1,717,784
73	65	1,576,978	100	1,633,091
74	72	1,739,839	98	1,382,379
75	72	1,879,203	90	1,437,397
76	57	1,456,221	100	1,630,492
77	63	1,679,031	82	1,364,472
78	57	1,556,130	74	1,119,465
79	66	1,488,585	80	1,058,878
80	73	1,760,228	71	1,121,223
81	52	1,135,571	98	1,444,491
82	41	830,144	79	1,015,871
83	53	1,092,656	69	829,698
84	53	1,113,034	78	911,010
85	33	666,527	63	704,376

TABLE VIII-J

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
RETIRED MEMBERS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
86	38	\$ 788,996	56	\$ 657,143
87	31	627,670	48	530,082
88	26	508,393	50	502,032
89	29	468,105	42	404,675
90	23	418,280	36	271,001
91	15	214,962	27	237,585
92	12	162,829	31	243,180
93	6	85,227	25	210,499
94	4	85,182	14	78,622
95	3	49,663	13	116,879
96			7	68,035
97	3	24,935	8	72,679
98	2	25,961	1	3,514
99	1	2,595	1	5,221
100	1	19,157	2	11,521
102			1	3,169
104			1	6,390
Total	2,872	\$ 70,446,199	3,717	\$ 62,095,220

TABLE VIII-K

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
BENEFICIARY MEMBERS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
12	1	\$ 4,204		
14	1	4,204		
16	1	4,204	1	\$ 18,000
17	1	4,204		
22	4	19,809	3	6,006
23			1	6,095
25				
29	3	20,556		
31			1	4,624
35			2	33,219
36			1	17,118
38	2	2,053		
39			1	4,624
40	1	2,053	2	2,673
42	2	14,046		
46			1	7,424
47			2	11,504
48			2	63,848
49	1	7,140		
50			1	37,402
51			2	16,831
52			2	25,177
53			3	21,099
54			5	67,513
55	2	31,336	2	16,379
56			10	149,438
57			9	143,086
58			9	164,473
59			8	109,944
60	1	1,226	7	68,284
61	3	26,598	10	193,239
62	3	11,524	6	79,298
63	3	41,610	13	190,842
64	2	7,663	13	239,793
65	1	22,519	14	275,203

TABLE VIII-K

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
BENEFICIARY MEMBERS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
66	3	\$ 44,019	8	\$ 154,178
67	3	20,747	7	94,884
68	3	37,968	16	222,594
69	3	62,659	14	223,046
70			9	196,245
71	1	20,333	17	222,842
72	1	3,788	6	84,035
73	4	16,651	20	413,730
74	8	82,705	17	189,063
75	5	45,028	23	275,253
76	1	11,168	24	374,612
77			21	293,776
78	1	9,709	25	323,191
79	5	22,877	28	608,870
80	5	28,857	24	352,543
81	6	42,944	36	455,922
82	5	23,587	44	546,623
83	2	8,580	32	499,109
84	2	16,142	52	719,967
85			37	516,109
86	4	33,356	26	311,503
87	7	47,402	32	406,180
88			26	275,878
89	2	24,468	26	271,800
90	2	12,528	24	256,119
91	4	33,077	16	146,884
92	1	2,571	10	63,160
93			20	148,947
94	1	6,330	5	25,040
95			5	53,402
96			8	38,740
97			4	23,688
98			2	5,688
99	1	3,584	2	11,095
100			2	4,739
101			1	5,368
102			1	8,340
105	1	985		
Total	113	\$ 887,012	801	\$ 10,796,299

TABLE VIII-L

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
DISABLED MEMBERS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
34	1	\$ 32,400		
36	1	22,768		
40	1	11,308	1	\$ 30,221
41	3	69,836		
42	2	64,799		
44	1	32,553		
46	2	49,355		
47	2	46,530	7	153,361
48			4	50,444
49	1	17,977		
50	1	19,906	5	69,872
51			1	17,304
52	3	111,127	2	53,890
53	5	80,664		
54	4	73,952	8	164,757
55	4	78,379	5	66,650
56	5	81,991	3	67,145
57	4	78,768	3	50,598
58	8	224,398	2	43,131
59	8	204,150	2	33,157
60	4	39,203	6	152,051
61	4	75,262	3	54,100
62	4	95,097	4	74,591
63	3	68,997	4	53,840
64	1	31,082	4	61,674

TABLE VIII-L

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
DISABLED MEMBERS
AS OF JANUARY 1, 2012**

Age	Men		Women	
	Number	Annuities	Number	Annuities
65	3	\$ 90,607	1	\$ 9,013
66	5	44,497	2	56,852
67	4	71,333	6	74,342
68	3	68,114	3	52,461
69	3	66,394	7	104,904
70	2	44,586	4	79,915
71	5	96,722	3	52,773
72	2	40,249	1	19,254
73	1	23,866	1	13,908
74	3	48,481	2	36,655
75	3	63,119	2	22,842
76			1	21,093
77	1	7,924	5	60,073
78	2	34,922	3	47,178
79			5	80,490
80	3	81,887	3	34,669
81			2	39,892
82			5	62,616
83			3	39,463
84			1	12,685
85	1	21,128	1	12,723
86			1	11,690
87	1	10,050	1	18,369
88			1	14,832
89			1	8,298
95			1	5,686
Total	114	\$ 2,424,381	130	\$ 2,189,462

EXHIBIT IX**GLOSSARY**

Accrued Liability	The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as “actuarial accrued liability.”
Accrued Service	The service credited under the plan, which was rendered before the date of the actuarial valuation.
Actual Funding Contribution	The Actual Funding Contribution for a plan year is calculated using census and asset information as of the first day of the plan year, and includes Normal Cost, with interest to the end of the plan year, and a net amortization payment.
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the “present value of future plan benefits” between the present value of future normal cost and the accrued liability. Sometimes referred to as the “actuarial funding method.”
Actuarial Equivalent	A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.
Actuarial Value of Assets	The value of current plan assets recognized for valuation purposes. Based on a smoothed market value that recognizes investment gains and losses over a period of three years.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXHIBIT IX**GLOSSARY**

(Continued)

Annual Required Contribution	The Annual Required Contribution, or ARC, is the amount determined in accordance with Governmental Accounting Standards Board Statements Nos. 25 and 27.
Budget Contribution	The Budget Contribution for a year is based on census and asset information as of the first day of the PRIOR plan year, rolled forward to the next plan year based on all actuarial assumptions being met. For example, the Budget Contribution for 2012 is based on census and asset information as of January 1, 2010, rolled forward to January 1, 2011.
Contribution Variance	The difference between the Actual Contribution and the Budget Contribution for a plan year is referred to as the Contribution Variance. A Contribution Variance resulting from an overpayment is amortized over 5 years as a level dollar credit. A Contribution Variance resulting from an underpayment is amortized over 5 years as a level dollar charge.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as “current service cost.”
Present Value	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Unfunded Accrued Liability	The difference between the actuarial accrued liability and valuation assets.