

**MARIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
And Special Districts
ANNUAL ACTUARIAL VALUATION
June 30, 2005**



Marin County Employees' Retirement Association

Marin County and Special Districts

June 30, 2005 Actuarial Valuation

TABLE OF CONTENTS

Introduction.....	i
Comments & Recommendations on Actuarial Valuation.....	1
Financial Principles and Operational Techniques	3
Funding Progress	12
Summary of Benefit Provisions	15
Reported Asset Information.....	17
Retired Member Data.....	23
Active Member Data.....	28
Valuation Methods & Assumptions.....	34
Definitions of Technical Terms	44
Disclosures Required by Statements 25 & 27 of GASB	46
Appendix A - Member Contribution Rates.....	47
Appendix B – Retirement Age Factor	54



GABRIEL, ROEDER, SMITH & COMPANY
CONSULTANTS & ACTUARIES

9171 Towne Centre Drive • Suite 440 • San Diego, California 92122 • 858-535-1300 • FAX 858-535-1415

November 11, 2005

Board of Retirement
 Marin County Employees' Retirement Association
 3501 Civic Center Drive, Room 408
 San Rafael, CA 94903

Members of the Board:

Results of the Annual Actuarial Valuation as of June 30, 2005 of Marin County Employees' Retirement Association are summarized. The valuation is intended to provide a measure of the funding status of the retirement system. This valuation also forms the basis for the contribution rates for the year beginning July 1, 2006.

MARIN COUNTY

	Safety				Miscellaneous			Overall
	Tier 1	Tier 1A	Tier 2	Tier 2A	Tier 1	Tier 2	Tier 3	
Normal Costs	24.43%	23.33%	17.30%	12.56%	16.84%	11.29%	10.23%	11.45%
Unfunded Amortization	0.00%	19.69%	4.44%	9.29%	16.05%	4.96%	4.22%	6.19%
TOTAL	24.43%	43.02%	21.74%	21.85%	32.89%	16.25%	14.45%	17.64%

ALL EMPLOYERS

Normal Costs	11.89%
Unfunded Amortization	6.79%
TOTAL	18.68%

SPECIAL DISTRICTS

Contributions	Court Tier 1	Court Tier 2	Court Tier 3	Southern Marin Fire Safety	Southern Marin Fire Misc.	MAD	Tamalpais CSD	Marin City CSD	LAFCO
Normal Costs	15.13%	11.63%	10.15%	28.96%	18.01%	15.21%	15.75%	13.39%	14.81%
Unfunded Amortization	27.59%	14.56%	5.05%	17.96%	8.40%	17.97%	17.26%	5.44%	1.72%
TOTAL	42.72%	26.19%	15.20%	46.92%	26.41%	33.18%	33.01%	18.83%	16.53%

The member statistical data on which the valuation was based was furnished by staff, together with pertinent data on financial operations. Data was reviewed for reasonableness, but was not audited by the actuary.

There was an overall actuarial loss of \$32.7 million, which reflects 3.5% of related actuarial accrued liabilities as of June 30, 2004.

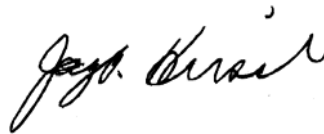
The cooperation of staff in furnishing materials requested for this complex valuation is deeply acknowledged with appreciation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY



Rick A. Roeder, E.A., F.S.A., M.A.A.A.



Jay D. Hirsch, E.A. F.S.A.

Marin County Employees' Retirement Association

Marin County and Special Districts

Summary of Significant Valuation Results

	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>Percent Change</u>
I. Total Membership			
A. Active Members	2,136	2,168	1.5%
B. Pensioners & Beneficiaries	1,555	1,643	5.7%
C. Vested Deferreds	<u>461</u>	<u>494</u>	<u>7.2%</u>
D. Total	4,152	4,305	3.7%
II. Salaries at June 30			
A. Total Annual Payroll	\$143,107,261	\$141,271,671	(1.3)%
B. Average Annual Compensation	\$66,998	\$65,162	(2.7)%
III. Benefits to Current Pensioners & Beneficiaries			
A. Total Annual Benefits	\$38,831,008	\$43,216,823	11.3%
B. Average Monthly Benefit Amount	\$2,081	\$2,192	5.3%
IV. Total Assets			
A. Actuarial Value	\$843,169,071	\$858,182,894	1.8%
B. Market Value	\$811,690,803	\$867,071,582	6.8%
V. Unfunded Actuarial Accrued Liability/(Surplus)	\$95,042,207	\$134,043,421	41.0%
VI. Budget Items	FY 2005-2006	FY 2006-2007	
1. Normal Cost as a Percent of Pay	11.81%	11.89%	0.7%
2. Amortization of UAAL	4.60%	6.79%	47.6%
3. Total Contribution	16.41%	18.68%	13.8%
VII. Funded Ratio (Based on Actuarial Value of Assets)	90%	86%	(4.4)%
VIII. Funded Ratio (Based on Market Value of Assets)	87%	87%	0.0%

**Marin County Employees' Retirement Association
Contribution Reconciliation for June 30, 2005 Valuation**

County and Special Districts

June 30, 2005 Valuation Payroll
Projected Payroll for 2006-2007

\$141,271,671
\$150,372,762

Contribution Reconciliation

Expected Unfunded

Contribution

Rate

Based on Rate from 2004 Valuation

\$101,359,470

\$24,676,170

16.41
%

	<u>Change in Unfunded Accrued Liability</u>	<u>Change in Normal Cost</u>	<u>Change in Rate</u>	<u>2006-2007 Contribution</u>		
<u>Gains and Losses</u>						
Investment losses	\$33,730,972	\$0	1.71%	\$2,571,374		
COLA gains	(\$11,297,640)	\$0	(0.57)	(\$857,125)		
Pay increase gains	(\$21,672,170)	\$0	(1.10)	(\$1,654,100)		
Retirant mortality and data refinement losses	\$17,141,291	\$0	0.87	\$1,308,243		
Health Payments	\$7,256,060	\$0	0.37	\$556,379		
Other demographic losses	<u>\$7,525,438</u>	<u>\$0</u>	<u>0.38</u>	<u>\$571,416</u>		
Subtotal	\$32,683,951	\$0	1.66	\$2,496,187	\$27,172,357	18.07%
<u>Other Factors</u>						
Miscellaneous ²	*	\$0	0.56	\$842,087		
Change in Normal Cost due to demographic factors	<u>\$0</u>	<u>\$75,186</u>	<u>0.05</u>	<u>\$75,186</u>		
Subtotal	*	\$75,186	0.61	\$917,273	\$28,089,630	18.68%
Total from 2005 Valuation	\$134,043,421	\$75,186	2.27%	\$3,413,460	\$28,089,630	18.68 %

¹ 6/30/2004 Unfunded Accrued Liability of \$95,042,207 adjusted for interest and contributions during the year

² Reflects impact of contribution rate lag and impact of unexpected changes in payroll on amortization contribution

* Included in Expected Unfunded

iv

Marin County and Special Districts

Comments & Recommendations

June 30, 2005

COMMENT A: The overall County rate increased significantly from 15.48% to 17.64% of payroll. Losses relating to the actuarial value of assets were responsible for the great majority of the increase. Other gains and losses, although sizable, were offsetting. For all the employers in the plan the contribution rate increased from 16.41% to 18.68%. Page (iv) of this report details the effect of the various factors in the increase.

COMMENT B: The good news in the valuation is that the System's \$42 million deferred loss (the excess of actuarial value over market value) in 2004 was eliminated due to market returns above the assumed rate of 8.25%. There is now a deferred gain of \$12 million. Deferred gains and losses are a byproduct of your asset smoothing policy.

COMMENT C: The overall funded ratio decreased from 90% to 86% using the actuarial value of assets. Using market value of assets, the funded ratio was unchanged at 87%.

COMMENT D: Total payroll for this valuation decreased by 1.3% from the last valuation despite a 1.5% increase in the number of active members. Average valuation pay decreased by 2.7%. A large amount of active members in both valuations had pension compensation in 2004-2005 that was less than in 2003-2004. We have brought this unusual relationship to the attention of MCERA staff.

COMMENT E: We have an elaborate estimation procedure to estimate the allocation of assets between General, Fire and Police employees. There are now 18 valuation groups, excluding the additional groups in the City of San Rafael and Novato Fire District valuations. This estimation process is taking significant GRS time, which, in turn, slows down our turnaround ability. We would encourage the creation of accounting processes to more accurately track allocated assets if the highest degree of accuracy is desired.

The bigger issue is that the increased complexity of the number of different employers with different benefits, different employee contribution rate structures, and different subvention (pick up) agreements have significantly increased administrative burdens on MCERA staff.

COMMENT F: MCERA again paid significant unfunded retiree healthcare premiums from the Trust, over \$7.2 million. This creates an actuarial loss each year which for FYE2005 was roughly 0.7% of overall accrued liabilities and increased the County contribution rate by 0.37%. We are assuming that all payments are deducted from County reserves – please inform us if this is not the case. If this practice is to continue indefinitely, we recommend that actuarial funding be implemented.

Marin County Employees' Retirement Association

Marin County and Special Districts

Comments & Recommendations

June 30, 2005

COMMENT G: The amortization period has decreased to 12 years for some Special Districts. This policy should be reviewed in the near future. If this financing period for actuarial gains and losses becomes much shorter, then a year of significant gain (loss) will have a significant impact on the rates. This explains part of the significant rate increase for Tamalpais CSD from 24.77% to 33.17% (This group also had three new members with an average of 49. Other factors equal, older new entrants result in an increase in normal cost).

We would recommend at some point in the next two years to stop the decline in the amortization period for those entities with 12-year amortization and "freeze" the remaining amortization period.

COMMENT H: A significant Pension Obligation Bond ("POB") of \$109.8 million was issued in 2003. It is important for all parties to understand that these computed rates do not reflect overall pension costs for the County. Our understanding is that the County's POB debt financing for the recently-ended fiscal year was \$5.93 million or 4.66% of active member payroll. Thus, a much truer cost of County pension costs would be 22.30%, which would include the pension debt financing.

COMMENT I: Last year the Board elected to phase-in the effect of the change in actuarial assumptions over a 3 year period for the County only. If the Board continues this practice for the 2006-2007 contribution requirements, the contribution rate for the County rate will decrease by 0.54% to 17.10%.

We are unaware that current expensing standards permit an assumption phase-in. Thus, we believe there would be a small Net Pension Obligation ("NPO") for the County to report for fiscal year end 2006 to the extent that the full actuarial rate is not contributed.

COMMENT J: All parties should understand that the 8.25% assumed investment return is a rate net of administrative expenses, investment expenses and payments made directly to retirants for retiree medical premium reimbursement (other than from applicable Health Insurance Reserves).

**FINANCIAL PRINCIPLES
AND
OPERATIONAL TECHNIQUES**

Marin County and Special Districts

Financial Principles and Operational Techniques

Promises Made, and To Be Paid For. As each year is completed, the Retirement System in effect hands an "IOU" to each member then acquiring a year of service credit – the "IOU" says: "Marin County Employees' Retirement Association owes you one year's worth of retirement benefits, payments in cash commencing when you qualify for retirement."

The related key financial questions are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member's present year of service?

Or the future taxpayers, who happen to be in Marin County at the time the IOU becomes a cash demand, years and decades later?

The principle of level percent of payroll financing intends that this year's taxpayers contribute the money to cover the IOUs being handed out this year. By following this principle, the employer contribution rate will remain approximately level from generation to generation (after funding of the System's initial unfunded liability is addressed) – our children and our grandchildren will contribute the same percents of active payroll we contribute now.

(There are systems which have a design for deferring contributions to future taxpayers, lured by a lower contribution rate now and putting aside the consequence that the contribution rate must then relentlessly grow much greater over decades of time.)

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and income produced when the assets are invested. Invested assets are a by-product and not the objective. Investment income becomes, in effect, the 3rd contributor for benefits to employees, and is interlocked with the contribution amounts required from employees and employer.

Marin County and Special Districts

Financial Principles and Operational Techniques

(Concluded)

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Current Cost (the cost of members' service being rendered this year) . . .

plus. . .

Interest on Unfunded Accrued Liabilities (unfunded accrued liabilities are the difference between (i) liabilities for service already rendered and (ii) the accrued assets of the plan).

Computing Contributions To Support System Benefits. From a given schedule of benefits and from the employee data and asset data furnished, the actuary determines the contribution rates to support the benefits, by means of an actuarial valuation and a funding method.

An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; rates of withdrawal of active members who leave covered employment; rates of mortality; rates of disability; rates of pay increases; and the assumed age or ages at actual retirement. In an actuarial valuation assumptions must be made as to what the above rates will be, for the next year and for decades in the future. Only the subsequent actual experience of the plan can indicate the degree of accuracy of the assumptions.

Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom behind the various financial assumptions or the skill of the actuary and the millions of calculations made. The future can be predicted with considerable but not complete precision, except for inflation which defies reliable prediction.

The System copes with these continually changing differences by having annual actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continual adjustments in the computed employer contribution rates.

THE ACTUARIAL VALUATION PROCESS

The financing diagram on the following page shows the relationship between the two fundamentally different philosophies of paying for retirement benefits: the method where contributions match cash benefit payments (or barely exceed cash benefit payments, as in the Federal Social Security program) which is an increasing contribution method; and the level contribution method which equalizes contributions between the generations.

The actuarial valuation is the mathematical process by which the level contribution rate is determined. The flow of activity constituting the valuation may be summarized as follows:

A. Covered people data, furnished by the System including:

- Retired lives now receiving benefits
- Former employees with vested benefits not yet payable
- Active employees

B. + Asset data (cash & investments), furnished by the System

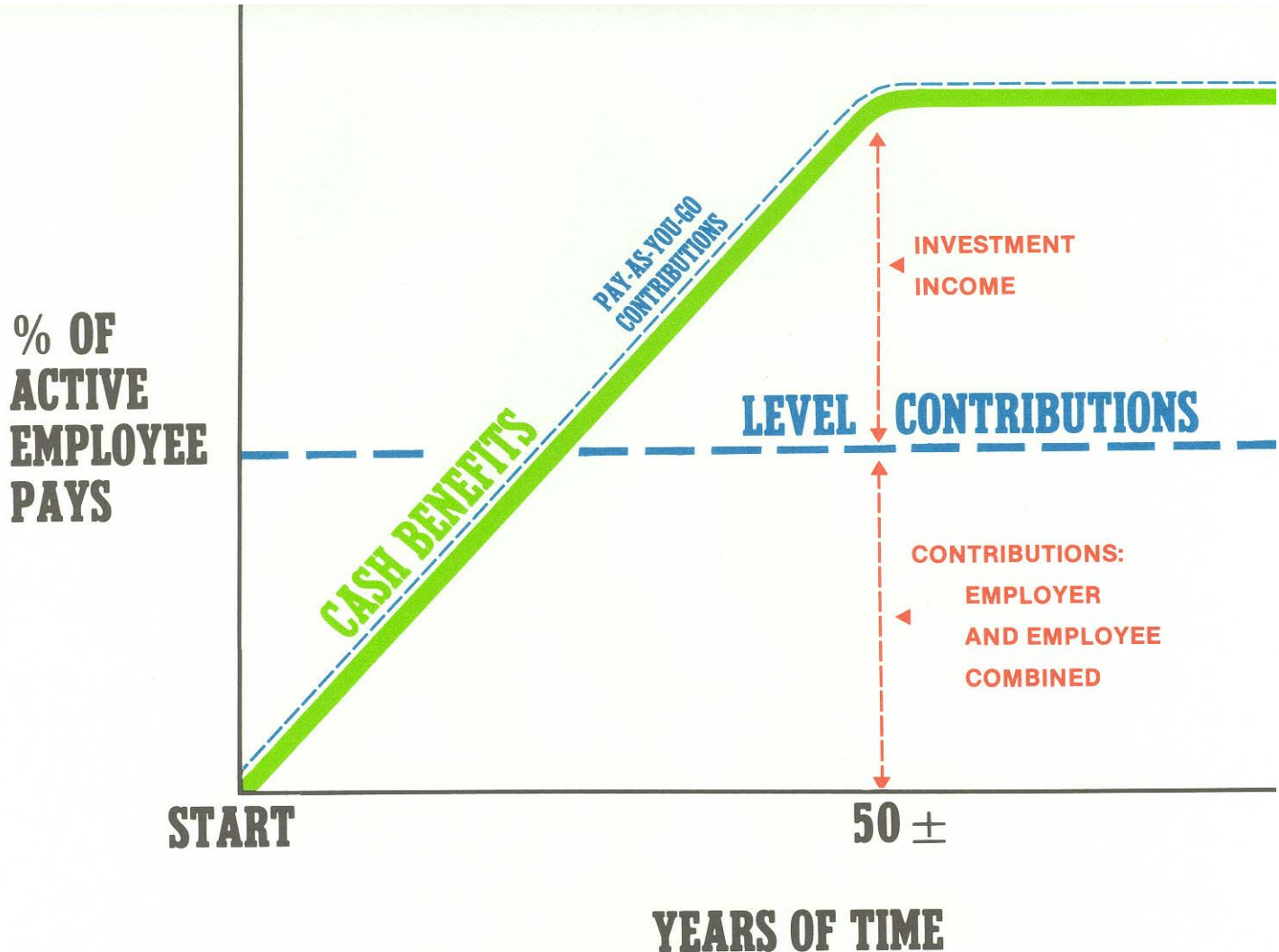
C. + Assumptions concerning future experience in various risk areas, which are established by the Board after consulting with the actuary

D. + The funding method for employer contributions (the long-term, planned pattern for employer contributions)

E. + Mathematically combining the assumptions, the funding method, and the data

F. = Determination of:

- Plan Financial Position and/or
- Employer's New Contribution Rate



CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

- Economic Risk Areas**
 - Rates of investment return
 - Rates of pay increase
 - Changes in active member group size
- Non-Economic Risk Areas**
 - Ages at actual retirement
 - Rates of mortality
 - Rates of withdrawal of active members (turnover)
 - Rates of disability

Marin County and Special Districts

June 30, 2005

FUNDING OBJECTIVE

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately level from year to year and will not have to be increased for future generations of citizens.

CONTRIBUTION RATES

The System is supported by member contributions, employer contributions, and investment income from Fund assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are intended to:

1. cover the actuarial present value of benefits allocated to the current year by the actuarial cost method (the normal cost); and
2. finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (unfunded actuarial accrued liability).

Computed contributions for the fiscal year beginning July 1, 2006 are shown on the following pages.

Marin County Employees' Retirement Association

Marin County and Special Districts

Computed Contribution Rates

(Expressed as Percents of Active Payroll)

Total Employer Contribution

Valuation Date	<u>2004</u>	<u>2005</u>
Fiscal Year	2005-2006	2006-2007
Marin County		
Safety	20.88	23.17
Miscellaneous	13.92	16.09
Courts	17.62	19.71
Southern Marin Fire		
Safety	45.19	46.92
Miscellaneous	27.81	26.41
Mosquito Abatement (MAD)	30.46	33.18
Tamalpais CSD	24.77	33.01
Marin City CSD	18.45	18.83
LAFCO	14.99	16.53

The above contributions are **exclusive** of applicable “picked up” employee contributions and assume contributions are made, on average, mid-year.

Ongoing unfunded actuarial accrued liabilities (UAAL) are a byproduct of actuarial gains and losses, as well as benefit, assumption and methodology changes. Each valuation generates an actuarial gain (loss) for each group valued. Each year’s gain (loss) is amortized over 21 years for the following entities: County of Marin, Courts, Southern Marin Fire Protection District, and LAFCO. 12-year amortization is used for the remainder of special districts.

Amortization is expressed as a percent-of-payroll and added to (or subtracted from) computed normal costs.

Marin County Employees' Retirement Association

Marin County and Special Districts

Computed Contribution Rates

June 30, 2005

(Expressed as Percents of Active Payroll)

Elements of County Normal Cost

	<u>Safety</u>				<u>Miscellaneous</u>			<u>Overall</u>
	<u>Tier 1</u>	<u>Tier 1A</u>	<u>Tier 2</u>	<u>Tier 2A</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	
Normal Retirement	12.79%	17.76%	17.46%	17.18%	13.93%	15.07%	13.32%	14.27%
Vested Deferred Retirement	4.21%	5.11%	1.34%	2.76%	3.01%	0.83%	1.80%	2.02%
Death-In-Service ¹	0.73%	0.78%	0.79%	0.71%	0.30%	0.27%	0.27%	0.36%
Disability ¹	5.95%	7.15%	10.26%	7.16%	2.37%	2.54%	2.17%	3.33%
Contribution Refunds	<u>0.75%</u>	<u>0.82%</u>	<u>0.47%</u>	<u>0.65%</u>	<u>0.54%</u>	<u>0.35%</u>	<u>0.40%</u>	<u>0.46%</u>
Total Normal Cost	24.43%	31.62%	30.32%	28.46%	20.15%	19.06%	17.96%	20.44%
Less								
Employee Contributions ²	<u>0.00%</u>	<u>8.29%</u>	<u>13.02%</u>	<u>15.90%</u>	<u>3.31%</u>	<u>7.77%</u>	<u>7.73%</u>	<u>8.99%</u>
Equals								
Employer Normal Cost	24.43%	23.33%	17.30%	12.56%	16.84%	11.29%	10.23%	11.45%

¹ These figures could be viewed as overstated, and Normal Retirement figures understated, since, in many cases, an active member, who dies or becomes disabled will have significant service credit accrued and may be eligible for service retirement at time of disability or death benefit grant.

² Shown employee contributions will be reduced by applicable employee pick ups (subventions).

Marin County Employees' Retirement Association
Marin County and Special Districts
Member Contributions as of June 30, 2005

Please refer to Appendix A for a detailed list of these rates.

	(Percents of Pay)	
	<u>Weighted Employee Contribution</u>	
	<u>2004</u>	<u>2005</u>
County weighted employee contribution rate	9.00%	8.99 %

The above averages are shown prior to any pick ups of employee contributions. The following pick up agreements exist:

County, Courts, Marin City CSD, LAFCO:	Up to 50% of employee's contribution
Southern Marin Fire:	30% of employee rate
Tamalpais CSD:	None
Mosquito Abatement:	None

Marin County Employees' Retirement Association

Marin County and Special Districts

Unfunded Actuarial Accrued Liability

June 30, 2005

Derivation of Experience Gain (Loss)

The actuarial gains or losses realized in the operation of the System provide an experience test. Gains and losses are expected to cancel each other over a period of years and sizable year-to-year fluctuations are common.

(1) UAAL* at beginning of year	\$95,042,207
(2) Expected UAAL payment	1,464,551
(3) Interest accrual: [(1) * .0825 - (2) * .0404]	7,781,814
(4) Expected UAAL at end of year: (1) - (2) + (3)	101,359,470
(5) Actual UAAL at end of year	134,043,421
(6) Gain (loss) from actuarial experience: (4) - (5)	(32,683,951)
(7) Gain (loss) as percentage of actuarial accrued liabilities at beginning of year	(3.48)%

Marin County Employees' Retirement Association

Marin County and Special Districts

Gain/Loss on Unfunded Accrued Liability

June 30, 2005

Components of Actuarial Gain/(Loss) for the Year Ending June 30, 2005

Estimated Gain/(Loss) attributed to pay increases	\$21,672,170
Estimated Gain/(Loss) attributed to COLA increase	11,297,640
(Loss) due to Payment of Health Benefits	(7,256,060)
Estimated Gain/(Loss) attributed to employee turnover, mortality, retirement incidence, and miscellaneous factors	(7,525,438)
Estimated Gain/(Loss) due to Retirant Mortality and Retiree Data refinements	(17,141,291)
Estimated Gain/(Loss) attributed to investment experience	<u>(33,730,972)</u>
Total Estimated Experience Gain/(Loss)	(\$32,683,951)

Unfunded Actuarial Accrued Liability

Total actuarial accrued liabilities	\$992,226,314
Assets allocated to funding	<u>858,182,894</u>
Unfunded Actuarial Accrued Liability	\$134,043,420



Marin County and Special Districts

Funding Progress Indicators

June 30, 2005

There is no single all-encompassing indicator which measures a retirement system's funding progress and current funded status. A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability – a measure that is influenced by the choice of actuarial cost method.

We believe a better understanding of funding progress and status can be achieved using the following indicators which are independent of the actuarial cost method.

1. The ratio of valuation assets to the actuarial present value of credited projected benefits allocated in the proportion accrued service is to projected total service – a plan continuation indicator.
2. The ratio of the unfunded actuarial present value of credited projected benefits to member payroll – a plan continuation indicator. In a soundly financed retirement system, the amount of the unfunded actuarial present value of credited projected benefits will be controlled and prevented from increasing in the absence of benefit improvements or strengthening of actuarial assumptions. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease in the absence of benefit improvements or strengthening of actuarial assumptions.

Marin County Employees' Retirement Association

Marin County and Special Districts

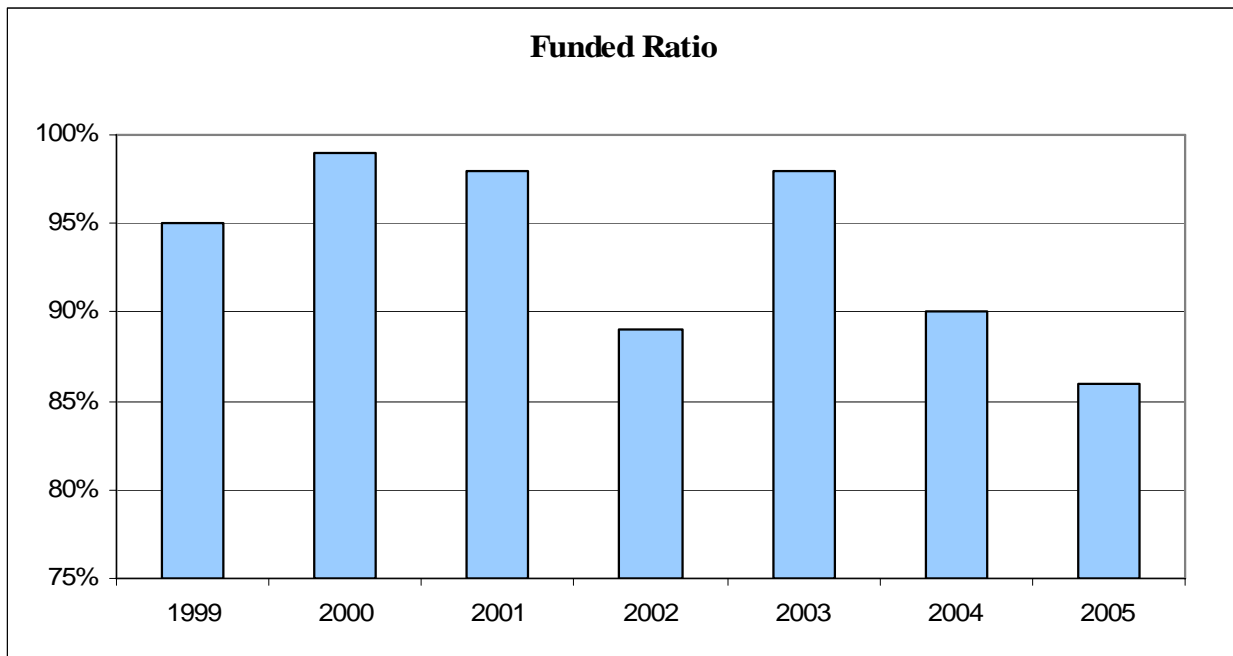
Funding Progress Indicators – Historic Comparison

(\$ in Thousands)

Valuation Date	Valuation Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Member Payroll	UAAL Ratio to Payroll
6/30/99	557,216	583,890	28,674	95%	107,689	26.6%
6/30/00	634,412	644,262	9,850	99%	114,700	8.6%
6/30/01	690,320	701,223	10,903	98%	122,253	8.9%
6/30/02	711,789	798,404	86,615	89%	136,974	63.2%
6/30/03 ¹	828,438	848,984	20,545	98%	138,004	14.9%
6/30/04 ²	843,169	914,189	71,020	92%	143,107	49.6%
6/30/04	843,169	938,211	95,042	90%	143,107	66.4%
6/30/05	858,183	992,226	134,043	86%	141,272	94.9%

¹ Reflects May 2003 issuance of \$109,826,000 Pension Obligation Bond.

² Before Assumption Changes and “3% at 50” Safety benefit enhancement.



Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Balance Sheet – June 30, 2005

Present Resources and Expected Future Resources

	<u>Total</u>
A. Actuarial value of system assets	\$858,182,893
B. Present value of expected future contributions	
1. For normal costs for present actives ¹	\$132,956,910
2. For unfunded actuarial accrued liability	<u>\$134,043,420</u>
3. Totals	\$267,000,330
C. Present value of expected future member contributions ¹	<u>\$99,166,698</u>
D. Total Present and Expected Future Resources	\$1,224,349,921

Present Value of Expected Future Benefit Payments and Reserve

A. To retirants and beneficiaries	\$540,569,066
B. To vested terminated members	\$38,410,115
C. To present active members	
1. Allocated to service rendered prior to valuation date	\$413,247,133
2. Allocated to service likely to be rendered after valuation date	<u>\$232,123,607</u>
3. Totals	\$645,370,740
D. Total Present Value of Expected Future Benefit Payments	\$1,224,349,921

¹ Prior to any employer pick-up contributions (subventions)

SUMMARY OF BENEFIT PROVISIONS

&

VALUATION DATA SUBMITTED BY RETIREMENT SYSTEM

Marin County Employees' Retirement Association
Marin County and Special Districts

Brief Summary of Benefit Provisions Evaluated

Effective June 30, 2005

1. Membership Requirements - First day of employment.

2. Final Compensation for Benefit Determination

Highest consecutive twelve months for County employees whose membership date is on or after July 1, 1980 and some members of Local 535.

3. Service Requirement

A. Eligibility: Age 50 with 10 years of service, Safety members after 20 years of service, regardless of age, or Miscellaneous members after 30 years of service, regardless of age.

B. Benefit Formula Per Year of Service

Miscellaneous Tier 1 - (Section 31676.14) County and Court employees whose membership date is prior to July 1, 1980 and all Mosquito Abatement members regardless of membership date. (One-sixtieth times years of service times retirement age factor).

Miscellaneous Tier 2 - (Section 31676.1) Those County and Court Miscellaneous members electing to not pay increased employee contribution rates pursuant to an agreement effective June 2002. (One-sixtieth times years of service times retirement age factor).

Miscellaneous Tier 3 - (Section 31676.16) Southern Marin Fire District, LAFCO, County and Court employees not electing Tier 2 status will be covered under Section 31676.16. (One-fiftieth times years of service times retirement age factor).

Other Miscellaneous - Section 31676.11 (2% at age 58.5) shall apply to Marin City CSD and Tamalpais CSD.

Safety - 3% at 55 (Section 31664.2) except for selected bargaining groups and Southern Marin Fire District 3% at 50 (Section 31664.1).

Above formulas will generally vary by attained age. See Appendix B for Retirement Age Factor.

C. Maximum Benefit - 100% of Final Average Compensation

(Continued on Next Page)

Marin County and Special Districts

Brief Summary of Benefit Provisions Evaluated

Effective June 30, 2005

(Continued)

4. Ordinary Disability

A. Eligibility - Five years of continuous service.

B. Benefit Formula - 1.5% (1.8% for Safety members) of Final Compensation for each year of service (including projected years to age 65 for Miscellaneous members (age 55 for Safety members), subject to a maximum of 1/3 of Final Compensation. Notwithstanding, the benefit shall not be less than any service retirement benefit eligible to be received at time of disability.

5. Duty Disability

A. Eligibility - Immediate

B. Benefit Formula - Minimum of 50% of Final Compensation or service retirement benefit, eligible to be received at time of disability.

6. Pre-retirement Death Benefit

A. Eligibility - None.

B. Benefit - Refund of employee contributions with interest plus one month of final compensation for each year of service to a maximum of six years

or

A1. Eligibility - Duty-related death

Benefit - 50% of Final Compensation to a spouse

or

A2. Eligibility - Qualified for Service Retirement or Ordinary Disability.

B2. Benefit - 60% survivor benefit based on benefit due on member's date of death.

(Continued on Next Page)

Marin County and Special Districts

Brief Summary of Benefit Provisions Evaluated

Effective June 30, 2005

(Continued)

7. Death After Retirement

A. Service or Disability Retirement

- 60% of member's unmodified allowance continued to eligible spouse or modified optional continuance selected by the member at the time of retirement.
- \$5,000 lump sum benefit payable to member's beneficiary (\$10,000 for County employees with 20 plus years of service)
- If applicable, return of any unused employee contributions and interest

8. Withdrawal Benefits

A. Less than Five Years of Service

Refund of accumulated employee contributions with interest, or the ability to leave contributions on deposit and retire at age 70.

B. Five or More Years of Service

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

9. Post-retirement Cost-of-Living Benefits

Each April 1, benefits are adjusted based upon adjustments in the local CPI, subject to the following maximum increase:

4% for County and Court employees whose membership is prior to July 1, 1980.

2% for County and Court employees whose membership is on or after July 1, 1980.

4% for Special District employees.

10. Employer Contributions

Determined by Entry Age Normal cost method with funding of each year's actuarial gain (loss) spread as a level percent of payroll over 21 years for the County, Courts, Southern Marin Fire Protection District, and LAFCO with 12-year amortization for other Employers.

(Concluded on Next Page)

Marin County Employees' Retirement Association
Marin County and Special Districts
Brief Summary of Benefit Provisions Evaluated
Effective June 30, 2005

(Concluded)

11. Member Contributions

Please refer to Appendix A for entry-age based rates. Due to June 2002 benefit enhancements, rate increases for affected Safety and Miscellaneous Tier 3 members will be increased by 3.64% and 1.14%, respectively. Due to 2005 benefit increases, Safety employees eligible for 31664.1 will pay 2.60%, 3.53%, or 3.885% additional.

NOTE: The summary of major plan provisions is designed to outline principal plan benefits. If retirement staff or any Employer should find the plan summary not in accordance with the actual provisions, the actuary should be IMMEDIATELY alerted so they can both be sure the proper provisions are valued.

Marin County Employees' Retirement Association

Summary of Reported Asset Information

Submitted for the June 30, 2005 Valuation

Reported Market Value of Assets

Cash/Short-term	\$25,748,719
Receivables	20,350,652
Stocks	841,357,695
Bonds	235,750,906
Real Estate	98,000,000
Miscellaneous	<u>1,148,530</u>
Total Market Value	<u>\$1,222,356,502</u>
Liabilities	<u>60,360,398</u>
Net Market Value	\$1,161,996,104

Revenues and Disbursements Among Applicable Reserves

Balance - Beginning of year	\$1,082,852,758
Revenues	
Employees' contributions	11,619,180
Employer contributions	30,877,430
Distributed & undistributed investment income (net of expenses)	<u>103,507,009</u>
Total Revenues	<u>146,003,619</u>
Disbursements	
Benefit payments	65,269,313
Refunds	276,913
Administrative Expense	<u>1,314,047</u>
Total Disbursements	<u>66,860,273</u>
Balance - End of year	\$1,161,996,104

Marin County Employees' Retirement Association

**Actuarial Value of Assets
As of June 30, 2005**

Fiscal							(1) Total	(2) Expected	(1-2)	Deferre d	Deferred
<u>Year</u> <u>Ending</u>	<u>County</u> <u>Contributions</u>	<u>Member</u> <u>Contributions</u>	<u>Total</u> <u>Contributions</u>	<u>Total</u> <u>Benefits</u>	<u>Market</u> <u>Value</u>	<u>Average</u> <u>Value</u>	<u>Market</u> <u>Return</u>	<u>Market</u> <u>Return</u>	<u>Investment</u> <u>Gain</u>	<u>Factor</u>	<u>Return</u>
2001-02	21,985,559	8,316,789	30,302,348	45,347,094	833,821,520	909,123,622	(62,167,307)	75,002,699	(137,170,006)	0.2	(27,434,001)
2002-03 ¹	134,960,478	10,348,913	145,309,391	51,211,890	935,491,460	852,252,760	7,572,439	70,310,853	(62,738,414)	0.4	(25,095,366)
2003-04	26,890,964	10,247,043	37,138,007	57,897,146	1,082,852,758	938,557,373	168,120,437	77,430,983	90,689,454	0.6	54,413,672
2004-05	30,877,430	11,619,180	42,496,610	65,546,226	1,161,996,104	1,086,766,665	102,192,962	89,658,250	12,534,712	0.8	10,027,770
1. Total deferred return											11,912,075
2. Market Value											1,161,996,104
3. Smoothed Market Value (Item 2 - Item 1)											1,150,084,029
4. Corridor Limit											
a. 80% of Net Market Value											929,596,883
b. 120% of Net Market Value											1,394,395,325
5. Actuarial Value (Item 3 after corridor applied) Inclusive of Health Insurance Reserve											1,150,084,029
6. Reserves at Market Value											\$1,163,203,290

	<u>Reserve</u> <u>Value</u>	<u>Actuarial</u> <u>Value Ratio</u>	<u>Actuarial</u> <u>Value</u>
Marin County and Special Districts	\$867,972,374	0.9887	\$858,182,894
City of San Rafael	\$197,930,231	0.9887	\$195,697,862
Novato Fire Protection District	\$87,829,608	0.9887	\$86,839,016
Health Insurance Reserve	<u>\$9,471,077</u>	0.9887	<u>\$9,364,257</u>
Total	\$1,163,203,290		\$1,150,084,029

<u>Recognition of</u> <u>Deferred Return</u>	
<u>Valuation</u> <u>Date</u>	<u>Amount to be</u> <u>Recognized</u>
6/30/2006	(\$19,336,851)
6/30/2007	8,097,150
6/30/2008	20,644,833
6/30/2009	<u>2,506,942</u>
Total	\$11,912,075

¹ Includes \$109,826,000 Pension Obligation Bond

Marin County Employees' Retirement Association

Summary of Reserves and Other Liabilities

June 30, 2005

Reserves and Liabilities

Employer Reserves	\$3,776,616
Employee Reserves	103,710,549
Death Benefit Reserves	674,401
Article 15.5 Reserves	1,693,674
Reserve for Pre 7/1/77 San Rafael Retirees	10,952,178
Retired Employees Reserve	318,771,774
Cost of Living Adjustment Reserves	244,703,809
Health Insurance Reserves	9,471,077
Contingency and other Reserves	58,160,164
Unrestricted Reserves	411,289,047
Security Deposits Payable	728,807
County Contribution Payable	673,630
Investments Payable	163,165,617
Other Payables	<u>6,913,812</u>
Total Liabilities	<u>\$1,334,685,155</u>

Marin County Employees' Retirement Association

Allocation of Actuarial Value of Assets and Accrued Liability

June 30, 2005

	<u>Accrued Liability</u>	<u>Assets</u>
Assets allocated to retirees:	\$540,569,066	\$540,569,066
Assets allocated to inactive:	\$38,410,115	\$38,410,115
Assets allocated to active:		
 <u>Marin County</u>		
Miscellaneous Tier 1	\$79,272,735	\$58,125,081
Miscellaneous Tier 2	\$20,097,404	\$14,302,284
Miscellaneous Tier 3	\$160,071,662	\$109,952,378
Safety Tier 1	\$2,571,398	\$2,571,398
Safety Tier 1A	\$31,033,055	\$24,690,751
Safety Tier 2	\$7,617,757	\$4,923,041
Safety Tier 2A	\$66,881,283	\$41,030,395
 <u>Special Districts</u>		
Courts Tier 1	\$7,028,868	\$2,823,886
Courts Tier 2	\$1,605,525	\$186,263
Courts Tier 3	\$12,249,612	\$7,723,072
South Marin Fire General	\$219,331	\$91,652
South Marin Fire Safety	\$16,233,233	\$9,068,161
Mosquito Abatement	\$6,041,584	\$2,546,291
LAFCO	\$183,184	\$128,956
Tamalpais CSD	\$1,923,620	\$920,919
Marin City CSD	\$216,882	\$119,183
 Total	 \$992,226,314	 \$858,182,894

Marin County Employees' Retirement Association
Marin County and Special Districts
Annual Benefit and Membership Distribution

Safety Retirees and Beneficiaries

Age Group	Years of Retirement									Total
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40-44</u>	
25-29 No.	1									1
AVG AMT	21,593									21,593
30-34 No.	1									1
AVG AMT	29,118									29,118
35-39 No.	7	1								8
AVG AMT	31,694	11,449								29,163
40-44 No.	11	3	1	1						16
AVG AMT	30,684	31,487	48,989	25,190						31,635
45-49 No.	5	2	2	3						12
AVG AMT	26,750	7,330	22,929	25,628						22,596
50-54 No.	20	4	2	7	1					34
AVG AMT	51,590	33,238	30,987	22,761	27,761					41,583
55-59 No.	28	5	7	2	3	3				48
AVG AMT	68,654	15,846	31,304	28,397	24,300	20,284				50,234
60-64 No.	18	20	13	4	4	2	1			62
AVG AMT	69,470	64,095	30,939	28,471	25,089	18,739	18,296			51,687
65-69 No.	3		16	3	4	5	1			32
AVG AMT	102,644		51,017	15,722	29,368	21,216	23,988			44,341
70-74 No.	2	1	3	8	6	5	2			27
AVG AMT	28,586	131,848	28,501	43,166	26,625	38,559	25,758			37,923
75-79 No.				2	5	3	1	1	1	13
AVG AMT				28,205	32,842	34,167	10,530	13,812	19,120	28,199
80-84 No.					1	7	4			12
AVG AMT					49,262	32,181	22,821			30,484
85-89 No.					1	1	3		1	6
AVG AMT					16,361	31,673	20,350		24,992	22,346
Total No.	96	36	44	30	25	26	12	1	2	272
AVG AMT	55,349	48,514	38,180	29,366	28,323	29,102	21,388	13,812	22,056	41,913

Marin County Employees' Retirement Association
Marin County and Special Districts
Annual Benefit and Membership Distribution

Miscellaneous Retirees and Beneficiaries

Age Group	Years of Retirement									Total
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40-44</u>	
25-29 No.	2									2
AVG AMT	5,713									5,713
30-34 No.	2									2
AVG AMT	25,213									25,213
35-39 No.			1							1
AVG AMT			4,088							4,088
40-44 No.	3	3				1				7
AVG AMT	24,235	24,507				11,128				22,479
45-49 No.	7	5	2	1						15
AVG AMT	21,219	16,135	22,881	7,762						18,849
50-54 No.	31	12	4	1	1					49
AVG AMT	20,898	13,688	22,094	7,350	23,917					19,015
55-59 No.	100	29	6	7		1				143
AVG AMT	26,917	18,371	17,580	17,924		18,677				24,294
60-64 No.	122	67	34	3	2					228
AVG AMT	35,136	25,877	15,683	13,086	1,851					28,901
65-69 No.	62	77	47	21	2	5	1			215
AVG AMT	28,937	31,420	25,944	15,276	32,807	24,459	42,117			27,831
70-74 No.	25	52	58	45	26	5	4	1		216
AVG AMT	24,864	23,088	31,821	23,076	10,041	12,840	25,732	29,519		23,907
75-79 No.	2	16	54	47	42	20	4	1		186
AVG AMT	22,436	18,061	26,633	22,136	16,141	15,157	20,908	2,834		20,860
80-84 No.	3	5	26	46	60	38	5			183
AVG AMT	19,400	24,423	23,696	16,700	17,200	15,202	7,765			17,558
85-89 No.			3	9	29	32	14		1	88
AVG AMT			22,173	15,500	16,715	20,883	15,896		5,539	18,035
90-94 No.					1	16	5	2		24
AVG AMT					6,158	15,674	9,917	5,632		13,241
95-99 No.						4	6	2		12
AVG AMT						15,800	13,711	12,181		14,153
Total No.	359	266	235	180	163	122	39	6	1	1,371
AVG AMT	29,048	24,872	25,373	19,373	15,676	17,044	15,946	11,330	5,539	23,207

Marin County Employees' Retirement Association

Marin County and Special Districts

Summary of Monthly Allowances Being Paid

Submitted for the June 30, 2005 Valuation

Miscellaneous

	Annual Allowance		
	<u>Number</u>	<u>Total</u>	<u>Average</u>
Service Retirement			
Unmodified	1,008	\$25,142,893	\$24,943
Option 1	45	767,031	17,045
Option 2	21	362,132	17,244
Option 3	4	75,123	18,781
Total	1,078	26,347,178	24,441
Ordinary Disability			
Unmodified	33	475,907	14,421
Option 1	2	12,648	6,324
Option 2	1	11,678	11,678
Option 3	0	0	0
Total	36	500,233	13,895
Duty Disability			
Unmodified	77	2,154,357	27,979
Option 1	2	21,865	10,933
Option 2	1	11,701	11,701
Option 3	0	0	0
Total	80	2,187,923	27,349
Beneficiary			
Unmodified	176	2,751,089	15,631
Option 1	0	0	0
Option 2	1	30,161	30,161
Option 3	0	0	0
Total	177	2,781,250	15,713
TOTAL	1,371	\$31,816,585	\$23,207

Marin County Employees' Retirement Association

Marin County and Special Districts

Summary of Monthly Allowances Being Paid

Submitted for the June 30, 2005 Valuation

Safety

	<u>Annual Allowance</u>		
	<u>Number</u>	<u>Total</u>	<u>Average</u>
Service Retirement			
Unmodified	122	\$6,717,201	\$55,059
Option 1	2	102,917	51,458
Option 2	4	69,897	17,474
Option 3	3	105,347	35,116
Total	131	6,995,361	53,400
Ordinary Disability			
Unmodified	2	44,115	22,058
Option 1	0	0	0
Option 2	0	0	0
Option 3	0	0	0
Total	2	44,115	22,058
Duty Disability			
Unmodified	92	3,122,409	33,939
Option 1	2	43,611	21,806
Option 2	0	0	0
Option 3	1	31,600	31,600
Total	95	3,197,620	33,659
Beneficiary			
Unmodified	44	1,163,142	26,435
Option 1	0	0	0
Option 2	0	0	0
Option 3	0	0	0
Total	44	1,163,142	26,435
TOTAL	272	\$11,400,238	\$41,913

Marin County Employees' Retirement Association

Marin County and Special Districts

Summary of Retired Members and Beneficiaries Included

In the June 30, 2005 Actuarial Valuation

Miscellaneous Members	Annual	Averages				New Retirees Only		
		Annual	Attained	Age at	Average	Average	Average	
Retirees	<u>No.</u>	<u>Allowance</u>	<u>Allowance</u>	<u>Age</u>	<u>Retirement</u>	<u>No.</u>	<u>Allowance</u>	<u>Age</u>
6/30/2004	1,139	\$26,257,198	\$23,053	70.6	58.6	59	\$29,956	58.8
6/30/2005	1,194	\$29,035,335	\$24,318	70.3	58.6	90	\$31,118	59.2
Increase	4.8%	10.6%	5.5%					
Beneficiaries								
6/30/2004	167	\$2,583,766	\$15,472	72.9	N/A	N/A	N/A	N/A
6/30/2005	177	\$2,781,250	\$15,713	73.0	N/A	N/A	N/A	N/A
Increase	6.0%	7.6%	1.6%					
Total								
6/30/2004	1,306	\$28,840,964	\$22,083	70.9	58.6	59	\$29,956	58.8
6/30/2005	1,371	\$31,816,585	\$23,207	70.6	58.6	90	\$31,118	59.2
Increase	5.0%	10.3%	5.1%					
Safety Members								
Safety Members	Annual	Averages				New Retirees Only		
		Annual	Attained	Age at	Average	Average	Average	
Retirees	<u>No.</u>	<u>Allowance</u>	<u>Allowance</u>	<u>Age</u>	<u>Retirement</u>	<u>No.</u>	<u>Allowance</u>	<u>Age</u>
6/30/2004	207	\$8,666,606	\$41,868	59.6	49.0	17	\$40,678	50.8
6/30/2005	228	\$10,237,097	\$44,900	59.7	49.3	22	\$62,957	51.7
Increase	10.1%	18.1%	7.2%					
Beneficiaries								
6/30/2004	42	\$1,125,645	\$26,801	67.3	N/A	N/A	N/A	N/A
6/30/2005	44	\$1,163,141	\$26,435	68.8	N/A	N/A	N/A	N/A
Increase	4.8%	3.3%	(1.4)%					
Total								
6/30/2004	249	\$9,792,251	\$39,326	60.9	49.0	17	\$40,678	50.8
6/30/2005	272	\$11,400,238	\$41,913	61.2	49.3	22	\$62,957	51.7
Increase	9.2%	16.4%	6.6%					
Grand Total 6/30/2004	1,555	\$38,633,215	\$24,845	69.3	57.1	76	\$32,354	57.0
Grand Total 6/30/2005	1,643	\$43,216,823	\$26,304	69.1	57.2	112	\$37,372	57.7
Increase	5.7%	11.9%	5.9%					

Marin County Employees' Retirement Association

Marin County and Special Districts

Active Membership Summary

In the June 30, 2005 Actuarial Valuation

County Safety Members

		Annual	Averages		
	<u>No.</u>	<u>Compensation</u>	<u>Compensation</u>	<u>Age</u>	<u>Service</u>
Tier 1	1	\$169,038	\$169,038	57.9	38.8
Tier 2	72	\$4,270,400	\$59,311	41.0	5.0
Tier 1A	23	\$2,265,845	\$98,515	50.9	28.4
Tier 2B	<u>252</u>	<u>\$19,569,192</u>	<u>\$77,656</u>	39.5	10.0
Total	348	\$26,274,475	\$75,501	40.6	10.3

County Miscellaneous Members

		Annual	Averages		
	<u>No.</u>	<u>Compensation</u>	<u>Compensation</u>	<u>Age</u>	<u>Service</u>
Tier 1	115	\$9,266,919	\$80,582	57.4	26.9
Tier 2	149	\$8,218,699	\$55,159	59.7	10.8
Tier 3	<u>1,311</u>	<u>\$83,458,171</u>	<u>\$63,660</u>	46.5	8.5
Total	1,575	\$100,943,789	\$64,091	48.5	10.1

Marin County Employees' Retirement Association
Marin County and Special Districts

Active Membership Summary

In the June 30, 2005 Actuarial Valuation

(continued)

Special Districts

	<u>No.</u>	<u>Annual</u> <u>Compensation</u>	<u>Averages</u>		<u>Service</u> <u>e</u>
			<u>Annual</u> <u>Compensation</u>	<u>Age</u>	
<u>Miscellaneous</u>					
Court Tier 1	13	\$1,072,068	\$82,467	55.4	22.6
Court Tier 2	12	\$685,367	\$57,114	60.0	8.9
Court Tier 3	126	\$6,300,600	\$50,005	45.1	8.3
Marin City CSD	5	\$189,743	\$37,949	40.2	4.2
Southern Marin Fire	2	\$106,858	\$53,429	50.2	5.9
Mosquito Abatement	36	\$2,056,714	\$57,131	43.7	8.7
LAFCO	4	\$221,935	\$55,484	53.2	3.1
Tamalpais CSD	<u>12</u>	<u>\$614,263</u>	<u>\$51,189</u>	<u>51.2</u>	<u>9.6</u>
Total	210	\$11,247,548	\$53,560	46.8	9.1
<u>Safety</u>					
Southern Marin Fire	<u>35</u>	<u>\$2,805,859</u>	<u>\$80,167</u>	<u>41.5</u>	<u>11.8</u>
Total	245	\$14,053,407	\$57,361	46.0	9.5
6/30/2004 Total	2,136	\$143,107,261	\$66,998	47.0	10.2
6/30/2005 Total	2,168	\$141,271,671	\$65,162	46.9	10.1
Increase	1.5%	(1.3)%	(2.7)%	(0.2)%	(0.8)%

Vested Deferreds and Reciprocals

6/30/2004 Total	461	NA	NA	46.1	5.9
6/30/2005 Total	494	NA	NA	46.1	5.6

Marin County Employees' Retirement Association

Marin County and Special Districts

Active Members June 30, 2005

By Attained Ages and Years of Service

County Safety

Age Group	Years of Accrued Service												Total
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 & Up</u>	
20-24 NO.	3	1	0	0	0	0	0	0	0	0	0	0	4
TOT PAY	181,675	61,176	0	0	0	0	0	0	0	0	0	0	242,851
AVG PAY	60,558	61,176	0	0	0	0	0	0	0	0	0	0	60,713
25-29 NO.	12	7	8	4	4	4	0	0	0	0	0	0	39
TOT PAY	638,551	450,247	545,413	264,989	267,497	294,622	0	0	0	0	0	0	2,461,320
AVG PAY	53,213	64,321	68,177	66,247	66,874	73,656	0	0	0	0	0	0	63,111
30-34 NO.	0	7	7	9	10	18	3	0	0	0	0	0	54
TOT PAY	0	396,273	466,665	516,241	629,701	1,333,489	234,378	0	0	0	0	0	3,576,746
AVG PAY	0	56,610	66,666	57,360	62,970	74,083	78,126	0	0	0	0	0	66,236
35-39 NO.	3	5	5	8	3	17	19	8	0	0	0	0	68
TOT PAY	206,245	285,776	295,308	557,040	190,601	1,261,335	1,547,806	697,248	0	0	0	0	5,041,359
AVG PAY	68,748	57,155	59,062	69,630	63,534	74,196	81,463	87,156	0	0	0	0	74,138
40-44 NO.	2	0	1	8	2	10	16	12	6	0	0	0	57
TOT PAY	135,635	0	64,675	551,634	148,494	778,929	1,190,219	991,895	576,834	0	0	0	4,438,314
AVG PAY	67,818	0	64,675	68,954	74,247	77,893	74,389	82,658	96,139	0	0	0	77,865
45-49 NO.	1	0	1	8	1	5	6	19	13	5	0	0	59
TOT PAY	32,511	0	50,315	576,572	73,570	433,238	508,119	1,669,741	1,098,637	450,039	0	0	4,892,743
AVG PAY	32,511	0	50,315	72,072	73,570	86,648	84,687	87,881	84,511	90,008	0	0	82,928
50-54 NO.	1	1	1	7	0	3	2	9	10	6	9	0	49
TOT PAY	73,431	42,831	45,243	468,072	0	180,786	147,132	701,891	886,513	626,414	932,194	0	4,104,508
AVG PAY	73,431	42,831	45,243	66,867	0	60,262	73,566	77,988	88,651	104,402	103,577	0	83,765
55-59 NO.	1	0	2	0	1	0	1	3	0	0	2	1	11
TOT PAY	61,152	0	125,688	0	88,592	0	83,183	291,353	0	0	182,581	169,038	1,001,586
AVG PAY	61,152	0	62,844	0	88,592	0	83,183	97,118	0	0	91,291	169,038	91,053
60-64 NO.	1	0	0	4	0	0	0	1	0	0	0	0	6
TOT PAY	55,439	0	0	313,284	0	0	0	74,806	0	0	0	0	443,529
AVG PAY	55,439	0	0	78,321	0	0	0	74,806	0	0	0	0	73,922
65-99 NO.	0	0	0	1	0	0	0	0	0	0	0	0	1
TOT PAY	0	0	0	71,520	0	0	0	0	0	0	0	0	71,520
AVG PAY	0	0	0	71,520	0	0	0	0	0	0	0	0	71,520
TOT NO.	24	21	25	49	21	57	47	52	29	11	11	1	348
TOT AMT	1,384,639	1,236,303	1,593,307	3,319,352	1,398,455	4,282,399	3,710,837	4,426,934	2,561,984	1,076,453	1,114,775	169,038	26,274,476
AVG AMT	57,693	58,872	63,732	67,742	66,593	75,130	78,954	85,133	88,344	97,859	101,343	169,038	75,501

Marin County Employees' Retirement Association

Marin County and Special Districts

Active Members June 30, 2005

By Attained Ages and Years of Service

County Miscellaneous

Age Group	Years of Accrued Service												Total
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 & Up</u>	
20-24 NO.	2	0	2	1	0	0	0	0	0	0	0	0	5
TOT PAY	78,849	0	83,730	36,278	0	0	0	0	0	0	0	0	198,857
AVG PAY	39,425	0	41,865	36,278	0	0	0	0	0	0	0	0	39,771
25-29 NO.	31	8	9	11	5	3	0	0	0	0	0	0	67
TOT PAY	1,451,443	385,604	406,652	628,832	227,812	129,158	0	0	0	0	0	0	3,229,501
AVG PAY	46,821	48,201	45,184	57,167	45,562	43,053	0	0	0	0	0	0	48,202
30-34 NO.	19	11	10	17	15	35	3	0	0	0	0	0	110
TOT PAY	985,180	548,646	519,574	853,948	941,113	2,105,621	159,225	0	0	0	0	0	6,113,308
AVG PAY	51,852	49,877	51,957	50,232	62,741	60,161	53,075	0	0	0	0	0	55,576
35-39 NO.	19	7	8	20	14	52	24	4	0	0	0	0	148
TOT PAY	1,135,817	519,484	474,635	1,324,331	799,385	3,537,429	1,486,852	228,468	0	0	0	0	9,506,400
AVG PAY	59,780	74,212	59,329	66,217	57,099	68,027	61,952	57,117	0	0	0	0	64,232
40-44 NO.	8	16	12	24	22	56	36	22	6	0	0	0	202
TOT PAY	416,247	801,503	695,936	1,512,318	1,280,989	3,421,253	2,336,563	1,602,375	377,074	0	0	0	12,444,258
AVG PAY	52,031	50,094	57,995	63,013	58,227	61,094	64,905	72,835	62,846	0	0	0	61,605
45-49 NO.	22	4	12	20	23	63	41	27	22	6	0	0	240
TOT PAY	1,210,043	287,956	730,304	1,270,686	1,560,518	4,036,262	2,768,695	1,659,810	1,471,842	410,043	0	0	15,406,161
AVG PAY	55,002	71,989	60,859	63,534	67,849	64,068	67,529	61,474	66,902	68,341	0	0	64,192
50-54 NO.	15	8	15	18	26	61	35	49	37	16	6	0	286
TOT PAY	921,345	531,239	1,098,309	958,086	1,819,662	3,938,628	2,282,737	3,437,635	3,086,821	1,303,736	529,361	0	19,907,560
AVG PAY	61,423	66,405	73,221	53,227	69,987	64,568	65,221	70,156	83,428	81,484	88,227	0	69,607
55-59 NO.	15	6	9	20	23	72	50	37	36	20	17	2	307
TOT PAY	685,734	310,786	679,534	1,138,602	1,319,065	4,532,490	3,123,729	2,755,021	2,520,597	1,587,855	1,530,778	130,512	20,314,704
AVG PAY	45,716	51,798	75,504	56,930	57,351	62,951	62,475	74,460	70,017	79,393	90,046	65,256	66,172
60-64 NO.	2	3	4	15	6	22	28	25	16	6	11	3	141
TOT PAY	105,210	227,582	190,102	1,001,789	353,578	1,291,990	2,002,874	1,446,079	1,283,234	467,378	1,055,174	222,637	9,647,627
AVG PAY	52,605	75,861	47,526	66,786	58,930	58,727	71,531	57,843	80,202	77,896	95,925	74,212	68,423
65-99 NO.	0	0	0	2	2	13	13	16	16	6	0	1	69
TOT PAY	0	0	0	84,507	95,392	736,454	775,662	902,667	1,019,919	461,588	0	99,223	4,175,413
AVG PAY	0	0	0	42,254	47,696	56,650	59,666	56,417	63,745	76,931	0	99,223	60,513
TOT NO.	133	63	81	148	136	377	230	180	133	54	34	6	1,575
TOT AMT	6,989,868	3,612,800	4,878,776	8,809,377	8,397,514	23,729,285	14,936,337	12,032,055	9,759,487	4,230,600	3,115,313	452,372	100,943,789
AVG AMT	52,555	57,346	60,232	59,523	61,746	62,942	64,941	66,845	73,380	78,344	91,627	75,395	64,091

Marin County Employees' Retirement Association

Marin County and Special Districts

Active Members June 30, 2005

By Attained Ages and Years of Service

Special Districts Safety

Age Group	Years of Accrued Service											Total	
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>		<u>35 & Up</u>
25-29 NO.	1	0	0	0	0	0	0	0	0	0	0	0	1
TOT PAY	61,851	0	0	0	0	0	0	0	0	0	0	0	61,851
AVG PAY	61,851	0	0	0	0	0	0	0	0	0	0	0	61,851
30-34 NO.	1	1	1	2	1	2	0	0	0	0	0	0	8
TOT PAY	67,600	62,444	80,784	143,701	74,271	130,213	0	0	0	0	0	0	559,013
AVG PAY	67,600	62,444	80,784	71,851	74,271	65,107	0	0	0	0	0	0	69,877
35-39 NO.	0	0	0	0	3	1	0	0	0	0	0	0	4
TOT PAY	0	0	0	0	210,465	65,406	0	0	0	0	0	0	275,871
AVG PAY	0	0	0	0	70,155	65,406	0	0	0	0	0	0	68,968
40-44 NO.	1	0	0	0	1	2	2	1	0	0	0	0	7
TOT PAY	60,008	0	0	0	78,051	147,912	161,945	79,493	0	0	0	0	527,409
AVG PAY	60,008	0	0	0	78,051	73,956	80,973	79,493	0	0	0	0	75,344
45-49 NO.	0	0	0	0	0	1	4	2	2	1	0	0	10
TOT PAY	0	0	0	0	0	116,917	375,008	136,333	175,430	148,568	0	0	952,256
AVG PAY	0	0	0	0	0	116,917	93,752	68,167	87,715	148,568	0	0	95,226
50-54 NO.	0	0	0	0	0	0	0	0	0	3	1	0	4
TOT PAY	0	0	0	0	0	0	0	0	0	235,987	106,048	0	342,035
AVG PAY	0	0	0	0	0	0	0	0	0	78,662	106,048	0	85,509
55-59 NO.	0	0	0	0	0	0	0	0	0	1	0	0	1
TOT PAY	0	0	0	0	0	0	0	0	0	87,425	0	0	87,425
AVG PAY	0	0	0	0	0	0	0	0	0	87,425	0	0	87,425
TOT NO.	3	1	1	2	5	6	6	3	2	5	1	0	35
TOT AMT	189,459	62,444	80,784	143,701	362,787	460,448	536,953	215,826	175,430	471,980	106,048	0	2,805,860
AVG AMT	63,153	62,444	80,784	71,851	72,557	76,741	89,492	71,942	87,715	94,396	106,048	0	80,167

Marin County Employees' Retirement Association

Marin County and Special Districts

Active Members June 30, 2005

By Attained Ages and Years of Service

Special Districts Miscellaneous

Age Group	Years of Accrued Service												Total
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
20-24 NO.	2	0	0	0	0	0	0	0	0	0	0	0	2
TOT PAY	59,518	0	0	0	0	0	0	0	0	0	0	0	59,518
AVG PAY	29,759	0	0	0	0	0	0	0	0	0	0	0	29,759
25-29 NO.	4	2	1	4	1	3	0	0	0	0	0	0	15
TOT PAY	144,288	64,931	58,982	159,988	56,161	140,829	0	0	0	0	0	0	625,178
AVG PAY	36,072	32,466	58,982	39,997	56,161	46,943	0	0	0	0	0	0	41,679
30-34 NO.	2	3	1	4	6	6	0	0	0	0	0	0	22
TOT PAY	102,341	102,411	13,997	143,678	271,615	321,667	0	0	0	0	0	0	955,708
AVG PAY	51,171	34,137	13,997	35,920	45,269	53,611	0	0	0	0	0	0	43,441
35-39 NO.	4	4	1	0	3	1	1	0	0	0	0	0	14
TOT PAY	181,323	192,778	44,046	0	120,006	79,644	68,284	0	0	0	0	0	686,079
AVG PAY	45,331	48,195	44,046	0	40,002	79,644	68,284	0	0	0	0	0	49,006
40-44 NO.	10	1	1	3	1	6	4	3	1	0	0	0	30
TOT PAY	419,375	51,729	78,590	163,236	36,451	346,569	233,807	163,088	50,550	0	0	0	1,543,396
AVG PAY	41,938	51,729	78,590	54,412	36,451	57,762	58,452	54,363	50,550	0	0	0	51,447
45-49 NO.	5	5	0	2	3	8	3	7	6	3	0	0	42
TOT PAY	188,567	169,438	0	80,637	158,554	455,558	262,992	448,067	336,105	223,760	0	0	2,323,678
AVG PAY	37,713	33,888	0	40,319	52,851	56,945	87,664	64,010	56,018	74,587	0	0	55,326
50-54 NO.	3	1	0	2	6	7	0	5	1	2	1	0	28
TOT PAY	103,325	89,712	0	152,888	315,539	360,313	0	400,101	39,894	183,068	74,364	0	1,719,205
AVG PAY	34,442	89,712	0	76,444	52,590	51,473	0	80,020	39,894	91,534	74,364	0	61,400
55-59 NO.	1	0	0	0	2	5	3	7	5	2	1	1	27
TOT PAY	43,017	0	0	0	84,447	291,276	197,456	378,342	295,488	114,214	69,971	82,170	1,556,381
AVG PAY	43,017	0	0	0	42,224	58,255	65,819	54,049	59,098	57,107	69,971	82,170	57,644
60-64 NO.	0	1	1	1	0	5	7	5	3	0	0	0	23
TOT PAY	0	104,356	45,308	41,985	0	301,972	415,443	325,238	164,081	0	0	0	1,398,383
AVG PAY	0	104,356	45,308	41,985	0	60,394	59,349	65,048	54,694	0	0	0	60,799
65-99 NO.	1	0	0	0	0	3	0	2	0	0	1	0	7
TOT PAY	30,654	0	0	0	0	143,302	0	79,487	0	0	126,577	0	380,019
AVG PAY	30,654	0	0	0	0	47,767	0	39,744	0	0	126,577	0	54,288
TOT NO.	32	17	5	16	22	44	18	29	16	7	3	1	210
TOT AMT	1,272,408	775,355	240,923	742,412	1,042,773	2,441,130	1,177,982	1,794,323	886,118	521,042	270,912	82,170	11,247,545
AVG AMT	39,763	45,609	48,185	46,401	47,399	55,480	65,443	61,873	55,382	74,435	90,304	82,170	53,560

ACTUARIAL COST METHODS, ACTUARIAL ASSUMPTIONS

AND

DEFINITIONS OF TECHNICAL TERMS

Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Cost Methods - June 30, 2005

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

(i) the annual normal costs for each active member, payable from the date of entry into the system to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is funded (or credited, if negative) in 21 remaining installments for the County, Southern Marin Fire Protection District and LAFCO and 12 years for other Employers.

Active member payroll in aggregate is assumed to increase 4.25% a year for the purpose of determining the level percent contributions, although individual annual pay increase rates will increase by greater percentages per year for the purpose of projecting individual pays.

Deferred Member Actuarial Accrued Liability. Data provided includes date of hire, date of birth, date of termination, last pay and an indicator if the deferred member is known to work with a reciprocal employer. Service credit, highest average salary, and deferred retirement age were estimated, based on the data provided. The estimates were used to compute the retirement benefit, upon which the liabilities are based.

Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

The contribution requirements and benefit values of the Fund are calculated by applying actuarial assumptions to the benefit provisions and member information furnished, using the actuarial cost methods described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- (i) long-term rates of investment return to be generated by the assets of the Fund.
- (ii) patterns of pay increases to members.
- (iii) rates of mortality among members, retirants, and beneficiaries.
- (iv) rates of withdrawal of active members (without entitlement to a retirement benefit).
- (v) rates of disability among members.
- (vi) the age patterns of actual retirements.

In making a valuation, the monetary effect of each assumption is calculated for as long as a present covered person survives -- a period of time which can be as long as a century.

Actual experience of the System will not coincide exactly with assumed experience, regardless of the choice of the assumptions, the skill of the actuary and the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

(Continued on Next Page)

Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The Entry Age Normal Actuarial Cost Method was used in conjunction with the following actuarial assumptions.

The investment return rate used for the actuarial valuation calculations was 8.25% a year, net of administrative expenses, compounded annually. This assumption, used to equate the value of payments due at different points in time, is adopted by the Retirement Board. The rate is comprised of two elements:

Inflation	4.25%
Real Rate of Return	<u>4.00%</u>
Total	8.25%

The general inflation rate used for the actuarial valuation calculations was 4.25% per year, compounded annually. It represents the difference between the investment return rate and the assumed real rate of return.

Inflation actually experienced, as measured by the Consumer Price Index for urban wage earners, has been as follows:

Consumer Price Index	
Urban Wage Earners and Clerical Workers Before 1978	
All Urban Consumers After 1977	
<u>10 Year Moving Averages</u>	
June 30, 1965	1.7%
June 30, 1975	5.4
June 30, 1985	7.2
June 30, 1995	3.5
June 30, 2005	2.5
50-Year Average	4.1%

Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Compensation increase rates used to project current pays to those, upon which a benefit will be based, are represented by the following table.

Annual Rate of Compensation Increase

Inflation 4.25%
plus
Merit & Longevity See Table Below
for Sample Ages

<u>Age</u>	<u>Miscellaneous</u>	<u>Safety</u>
20	6.62%	5.13%
25	4.08%	3.34
30	3.37%	2.48
35	2.46%	1.40
40	2.09%	0.89
45	1.89%	0.97
50	1.46%	0.78
55	0.95%	0.70
60	0.90%	N/A
65	0.54%	N/A

Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Rates of separation from active membership are shown below (rates do not include separation on account of retirement). This assumption measures the probabilities of members remaining in employment.

% of Active Members
Separating Within Next Year
(less than 5 years)

<u>Years of Completed Service</u>	<u>Miscellaneous</u>	<u>Safety</u>
0	15%	10%
1	9	5
2	7	4
3	6	4
4	6	4

Marin County Employees' Retirement Association

Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

% of Active Members
Separating with Next Year

Retirement <u>Ages</u>	<u>(at least 5 years)</u>				<u>Pre-Retirement</u>	
	<u>Withdrawal</u>		<u>Vested Deferred</u>		<u>Death</u>	
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Male</u>	<u>Female</u>
20	2.30%	1.13%	3.00%	2.06%	.05%	.03%
25	2.30%	1.13%	3.00%	2.24%	.06%	.03%
30	2.30%	0.75%	3.00%	3.53%	.08%	.03%
35	2.00%	0.56%	2.50%	3.41%	.09%	.04%
40	1.20%	0.56%	2.00%	1.14%	.10%	.06%
45	0.80%	0.56%	1.70%	1.70%	.13%	.09%
50	0.00%	0.00%	1.40%	0.27%	.20%	.12%
55	0.00%	0.00%	0.80%	0.00%	.35%	.19%
60	0.00%	0.00%	0.80%	0.00%	.60%	.31%
65	0.00%	0.00%	0.00%	0.00%	1.09%	.63%

	<u>Ordinary Disability</u>		<u>Duty Disability</u>	
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Safety</u>
20	.000%	.020%	.050%	.110%
25	.005%	.030%	.080%	.150%
30	.010%	.050%	.130%	.360%
35	.015%	.070%	.160%	.550%
40	.025%	.160%	.210%	1.180%
45	.045%	.260%	.260%	1.140%
50	.090%	.360%	.310%	1.280%
55	.155%	.460%	.330%	3.900%
60	.255%	.000%	.370%	.000%
65	.395%	.000%	.390%	.000%

Marin County Employees' Retirement Association
Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The post-retirement mortality table used were the 1994 Group Annuity Mortality Basic Tables, with one-year setback for Males. This assumption is used to measure the probabilities of members dying after retirement and the probabilities of each benefit payment being made after retirement. The male 1994 Uninsured Pensioner Mortality Table was set forward three years for disabled retirees. Related values are shown below.

Non-Disabled Retirees

Sample Ages	Future Life Expectancy (Years)		% Dying Within Next Year	
	Men	Women	Men	Women
45	35.6	39.0	.16%	.10%
50	30.9	34.2	.25	.15
55	26.4	29.5	.43	.25
60	22.0	25.0	.76	.48
65	18.0	20.7	1.39	.93
70	14.4	16.8	2.34	1.48
75	11.3	13.1	3.66	2.44

Disabled Retirees

Sample Ages	Future Life Expectancy (Years)	% Dying Within Next Year
45	31.9	0.23%
50	27.3	0.39
55	22.9	0.68
60	18.8	1.23
65	15.1	2.14
70	11.9	3.35
75	9.0	5.40

Marin County Employees' Retirement Association
Marin County and Special Districts

Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year.

<u>Retirement Ages</u>	<u>Miscellaneous</u>	<u>Retirement Ages</u>	<u>Safety</u>	
			<u>3% at 55</u>	<u>3% at 50</u>
50	6%	50	7%	33%
51	2%	51	6%	25%
52	2%	52	12%	25%
53	2%	53	25%	33%
54	3%	54	25%	33%
55	4%	55	50%	50%
56	6%	56	50%	50%
57	8%	57	50%	50%
58	9%	58	50%	50%
59	12%	59	50%	50%
60	19%	60	100%	100%
61	16%			
62	24%			
63	20%			
64	23%			
65	44%			
66	30%			
67	31%			
68	29%			
69	34%			
70	100%			

Those members, whose accrued benefit is 100% of their final compensation, are assumed to retire immediately.

Marin County Employees' Retirement Association
Marin County and Special Districts
Actuarial Assumptions Used for the June 30, 2005 Valuation

(Continued)

Survivor Benefits. Marital status and spouses' census data were imputed with respect to active and deferred members.

Marital Status - 80% of male and 60% of female members are assumed to be married at retirement.

Spouse Census - Spouses are assumed to be 3 years younger than members.

For current deferred vested members, we assume that benefits will commence at the later of age 55 (50 for Safety) or current attained age. We assume that 50% of the deferred vested members are reciprocal.

Post-Retirement COLA Assumed – 3.8% for Tier 1 and Special Districts; 2% for Tier 2 and Tier 3.

Accumulated Employee Contributions - Credited semiannual interest using the assumed inflation assumption.

Marin County Employees' Retirement Association
Marin County and Special Districts

Comparison of Selected Actuarial Assumptions To Actual Experience

(Continued)

The salary increase assumptions project annual increases in total member payroll of 4.25%, the inflation portion of the individual pay increase assumptions. In effect, this assumes no change in the number of active members. Changes actually experienced in areas related to these assumptions have been as follows:

	Year Ended				3-year Average	4-year Average
	<u>6/30/05</u>	<u>6/30/04</u>	<u>6/30/03</u>	<u>6/30/02</u>		
Inflation ¹	1.1%	1.4%	1.6%	1.2%	1.4%	1.3%
Assumed					4.25	4.25
Average Pay Increase	(2.7)	4.1	0.6	6.6	0.6	2.1
Assumed					4.25	4.25
Merit & Longevity Increase	(3.8)	2.7	(1.0)	5.4	(0.8)	0.8
Assumed					0.5	0.5
Total Payroll	(1.3)	3.7	0.8	12.0	1.0	3.7
Assumed					4.25	4.25
Investment Return Rate ²	4.3	3.5	1.6	4.7	3.1	3.5
Assumed					8.25	8.25
Real Rate of Investment Return ²	3.2	2.1	0.0	3.5	1.8	2.2
Assumed					4.0	4.0

¹ Based on Consumer Price Index for San Francisco-Oakland-San Jose Area (1982-1984 base period).

² Based on actuarial value of assets NOT market value or book value.

Marin County and Special Districts

Definitions of Technical Terms

Actuarial Accrued Liability. The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Also referred to as "accrued liability" or "actuarial liability".

Actuarial Assumptions. Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Actuarial 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.

Accrued Service. Service credited under the System which was rendered before the date of the actuarial valuation.

Actuarial Equivalent. A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of retirement system benefits between future normal cost and actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Gain (Loss). The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

Normal Cost. The actuarial present value of retirement system benefits allocated to the current year by the actuarial cost method.

(Concluded on Next Page)

Marin County and Special Districts

Definitions of Technical Terms

(Concluded)

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial liability" or "unfunded accrued liability".

Most retirement systems have unfunded actuarial accrued liability. They arise each time new benefits are added and each time an actuarial loss is realized.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to amortize the unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar). Unfunded actuarial accrued liability should be controlled.

**DISCLOSURES REQUIRED BY
STATEMENTS NO. 25 AND 27 OF
THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

Marin County Employees' Retirement Association

Marin County and Special Districts

**GASB No. 25 Disclosure
Schedule of Funding Progress
Retirement Benefits**

(\$ in Thousands)

<u>Valuation Date</u>	<u>Valuation Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Member Payroll</u>	<u>UAAL Ratio to Payroll</u>
6/30/99	557,216	583,890	28,674	95%	107,689	26.6%
6/30/00	634,412	644,262	9,850	99%	114,700	8.6%
6/30/01	690,320	701,223	10,903	98%	122,253	8.9%
6/30/02	711,789	798,404	86,615	89%	136,974	63.2%
6/30/03 ¹	828,438	848,984	20,545	98%	138,004	14.9%
6/30/04	843,169	938,211	95,042	90%	143,107	66.4%
6/30/05	858,183	992,226	134,043	86%	141,272	94.9%

¹ Reflects issuances of Pension Obligation Bond

APPENDIX A:
MEMBER CONTRIBUTION RATES

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Miscellaneous Tier 1

<u>Age</u>	<u>Basic</u>	<u>COL</u>	<u>Limited to 1.58%</u>	<u>Total</u>
16	6.16%	3.31%	1.58%	7.74%
17	6.18%	3.32%	1.58%	7.76%
18	6.20%	3.33%	1.58%	7.78%
19	6.22%	3.34%	1.58%	7.80%
20	6.24%	3.35%	1.58%	7.82%
21	6.26%	3.36%	1.58%	7.84%
22	6.28%	3.37%	1.58%	7.86%
23	6.30%	3.38%	1.58%	7.88%
24	6.33%	3.40%	1.58%	7.91%
25	6.36%	3.41%	1.58%	7.94%
26	6.40%	3.43%	1.58%	7.98%
27	6.44%	3.46%	1.58%	8.02%
28	6.48%	3.48%	1.58%	8.06%
29	6.53%	3.50%	1.58%	8.11%
30	6.57%	3.53%	1.58%	8.15%
31	6.63%	3.56%	1.58%	8.21%
32	6.68%	3.58%	1.58%	8.26%
33	6.74%	3.62%	1.58%	8.32%
34	6.80%	3.65%	1.58%	8.38%
35	6.86%	3.68%	1.58%	8.44%
36	6.93%	3.72%	1.58%	8.51%
37	7.00%	3.76%	1.58%	8.58%
38	7.07%	3.79%	1.58%	8.65%
39	7.14%	3.83%	1.58%	8.72%
40	7.22%	3.87%	1.58%	8.80%
41	7.30%	3.92%	1.58%	8.88%
42	7.38%	3.96%	1.58%	8.96%
43	7.46%	4.00%	1.58%	9.04%
44	7.54%	4.05%	1.58%	9.12%
45	7.63%	4.09%	1.58%	9.21%
46	7.72%	4.14%	1.58%	9.30%
47	7.82%	4.20%	1.58%	9.40%
48	7.91%	4.24%	1.58%	9.49%
49	8.01%	4.30%	1.58%	9.59%
50	8.12%	4.36%	1.58%	9.70%
51	8.22%	4.41%	1.58%	9.80%
52	8.33%	4.47%	1.58%	9.91%
53	8.44%	4.53%	1.58%	10.02%
54	8.55%	4.59%	1.58%	10.13%
55	8.55%	4.59%	1.58%	10.13%
56	8.55%	4.59%	1.58%	10.13%
57	8.55%	4.59%	1.58%	10.13%
58	8.55%	4.59%	1.58%	10.13%
59	8.55%	4.59%	1.58%	10.13%
60	8.55%	4.59%	1.58%	10.13%

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Miscellaneous Tier 2

<u>Age</u>	<u>New Basic</u>	<u>New COL</u>	<u>Limited to 1.58%</u>	<u>New Total</u>
16	5.01%	1.07%	1.07%	6.08%
17	5.02%	1.07%	1.07%	6.09%
18	5.03%	1.07%	1.07%	6.10%
19	5.04%	1.07%	1.07%	6.11%
20	5.05%	1.07%	1.07%	6.12%
21	5.06%	1.08%	1.08%	6.14%
22	5.08%	1.08%	1.08%	6.16%
23	5.11%	1.09%	1.09%	6.20%
24	5.14%	1.09%	1.09%	6.23%
25	5.17%	1.10%	1.10%	6.27%
26	5.20%	1.11%	1.11%	6.31%
27	5.23%	1.11%	1.11%	6.34%
28	5.27%	1.12%	1.12%	6.39%
29	5.23%	1.13%	1.13%	6.45%
30	5.36%	1.14%	1.14%	6.50%
31	5.41%	1.15%	1.15%	6.56%
32	5.45%	1.16%	1.16%	6.66%
33	5.51%	1.17%	1.17%	6.68%
34	5.56%	1.18%	1.18%	6.74%
35	5.62%	1.20%	1.20%	6.82%
36	5.67%	1.21%	1.21%	6.88%
37	5.73%	1.22%	1.22%	6.95%
38	5.80%	1.23%	1.23%	7.03%
39	5.86%	1.25%	1.25%	7.11%
40	5.93%	1.26%	1.26%	7.19%
41	5.99%	1.27%	1.27%	7.26%
42	6.07%	1.29%	1.29%	7.36%
43	6.14%	1.31%	1.31%	7.45%
44	6.21%	1.32%	1.32%	7.53%
45	6.29%	1.34%	1.34%	7.63%
46	6.37%	1.35%	1.35%	7.72%
47	6.45%	1.37%	1.37%	7.82%
48	6.54%	1.39%	1.39%	7.93%
49	6.63%	1.41%	1.41%	8.04%
50	6.71%	1.43%	1.43%	8.14%
51	6.81%	1.45%	1.45%	8.26%
52	6.90%	1.47%	1.47%	8.37%
53	7.00%	1.49%	1.49%	8.49%
54	7.10%	1.51%	1.51%	8.61%
55	7.20%	1.53%	1.53%	8.73%
56	7.30%	1.55%	1.55%	8.85%
57	7.40%	1.57%	1.57%	8.97%
58	7.70%	1.64%	1.58%	9.28%
59	8.01%	1.70%	1.58%	9.59%
60	8.01%	1.70%	1.58%	9.59%

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Miscellaneous Tier 3

<u>Age</u>	<u>Basic</u>	<u>COL</u>	Limited to <u>1.58%</u>	Cost Sharing Under <u>Enhanced Formula</u>	<u>Total</u>
16	5.01%	1.07%	1.07%	1.14%	7.22%
17	5.02%	1.07%	1.07%	1.14%	7.23%
18	5.03%	1.07%	1.07%	1.14%	7.24%
19	5.04%	1.07%	1.07%	1.14%	7.25%
20	5.05%	1.07%	1.07%	1.14%	7.26%
21	5.06%	1.08%	1.08%	1.14%	7.28%
22	5.08%	1.08%	1.08%	1.14%	7.30%
23	5.11%	1.09%	1.09%	1.14%	7.34%
24	5.14%	1.09%	1.09%	1.14%	7.37%
25	5.17%	1.10%	1.10%	1.14%	7.41%
26	5.20%	1.11%	1.11%	1.14%	7.45%
27	5.23%	1.11%	1.11%	1.14%	7.48%
28	5.27%	1.12%	1.12%	1.14%	7.53%
29	5.23%	1.13%	1.13%	1.14%	7.59%
30	5.36%	1.14%	1.14%	1.14%	7.64%
31	5.41%	1.15%	1.15%	1.14%	7.70%
32	5.45%	1.16%	1.16%	1.14%	7.75%
33	5.51%	1.17%	1.17%	1.14%	7.82%
34	5.56%	1.18%	1.18%	1.14%	7.88%
35	5.62%	1.20%	1.20%	1.14%	7.96%
36	5.67%	1.21%	1.21%	1.14%	8.02%
37	5.73%	1.22%	1.22%	1.14%	8.09%
38	5.80%	1.23%	1.23%	1.14%	8.17%
39	5.86%	1.25%	1.25%	1.14%	8.25%
40	5.93%	1.26%	1.26%	1.14%	8.33%
41	5.99%	1.27%	1.27%	1.14%	8.40%
42	6.07%	1.29%	1.29%	1.14%	8.50%
43	6.14%	1.31%	1.31%	1.14%	8.59%
44	6.21%	1.32%	1.32%	1.14%	8.67%
45	6.29%	1.34%	1.34%	1.14%	8.77%
46	6.37%	1.35%	1.35%	1.14%	8.86%
47	6.45%	1.37%	1.37%	1.14%	8.96%
48	6.54%	1.39%	1.39%	1.14%	9.07%
49	6.63%	1.41%	1.41%	1.14%	9.18%
50	6.71%	1.43%	1.43%	1.14%	9.28%
51	6.81%	1.45%	1.45%	1.14%	9.40%
52	6.90%	1.47%	1.47%	1.14%	9.51%
53	7.00%	1.49%	1.49%	1.14%	9.63%
54	7.10%	1.51%	1.51%	1.14%	9.75%
55	7.20%	1.53%	1.53%	1.14%	9.87%
56	7.30%	1.55%	1.55%	1.14%	9.99%
57	7.40%	1.57%	1.57%	1.14%	10.11%
58	7.70%	1.64%	1.58%	1.14%	10.42%
59	8.01%	1.70%	1.58%	1.14%	10.73%
60	8.01%	1.70%	1.58%	1.14%	10.73%

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Miscellaneous Special Districts

<u>Age</u>	<u>Basic</u>	<u>COL</u>	<u>Implicit COL</u>	<u>Limited to Implicit COL</u>	<u>Total</u>
16	6.16%	2.76%	0.09%	0.09%	6.25%
17	6.18%	2.77%	0.15%	0.15%	6.33%
18	6.20%	2.78%	0.20%	0.20%	6.40%
19	6.22%	2.79%	0.25%	0.25%	6.47%
20	6.24%	2.80%	0.29%	0.29%	6.53%
21	6.26%	2.81%	0.33%	0.33%	6.59%
22	6.28%	2.82%	0.38%	0.38%	6.66%
23	6.30%	2.83%	0.43%	0.43%	6.73%
24	6.33%	2.84%	0.46%	0.46%	6.79%
25	6.36%	2.85%	0.51%	0.51%	6.87%
26	6.40%	2.87%	0.54%	0.54%	6.94%
27	6.44%	2.89%	0.60%	0.60%	7.04%
28	6.48%	2.91%	0.63%	0.63%	7.11%
29	6.53%	2.93%	0.68%	0.68%	7.21%
30	6.57%	2.95%	0.72%	0.72%	7.29%
31	6.63%	2.97%	0.76%	0.76%	7.39%
32	6.68%	3.00%	0.80%	0.80%	7.48%
33	6.74%	3.02%	0.84%	0.84%	7.58%
34	6.80%	3.05%	0.89%	0.89%	7.69%
35	6.86%	3.08%	0.93%	0.93%	7.79%
36	6.93%	3.11%	0.96%	0.96%	7.89%
37	7.00%	3.14%	1.00%	1.00%	8.00%
38	7.07%	3.17%	1.04%	1.04%	8.11%
39	7.14%	3.20%	1.07%	1.07%	8.21%
40	7.22%	3.24%	1.11%	1.11%	8.33%
41	7.30%	3.27%	1.15%	1.15%	8.45%
42	7.38%	3.31%	1.18%	1.18%	8.56%
43	7.46%	3.35%	1.23%	1.23%	8.69%
44	7.54%	3.38%	1.27%	1.27%	8.81%
45	7.63%	3.42%	1.30%	1.30%	8.93%
46	7.72%	3.46%	1.35%	1.35%	9.07%
47	7.82%	3.51%	1.38%	1.38%	9.20%
48	7.91%	3.55%	1.43%	1.43%	9.34%
49	8.01%	3.59%	1.45%	1.45%	9.46%
50	8.12%	3.64%	2.23%	2.23%	10.35%
51	8.22%	3.69%	2.07%	2.07%	10.29%
52	8.33%	3.74%	1.91%	1.91%	10.24%
53	8.44%	3.79%	1.74%	1.74%	10.18%
54	8.55%	3.84%	1.56%	1.56%	10.11%
55	8.55%	3.84%	1.56%	1.56%	10.11%
56	8.55%	3.84%	1.56%	1.56%	10.11%
57	8.55%	3.84%	1.56%	1.56%	10.11%
58	8.55%	3.84%	1.56%	1.56%	10.11%
59	8.55%	3.84%	1.56%	1.56%	10.11%
60	8.55%	3.84%	1.56%	1.56%	10.11%

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Safety Tier 1*

<u>Age</u>	<u>Basic</u>	<u>COL</u>	<u>Limited to 3.10%</u>	<u>Cost Sharing Under Enhanced Formula</u>	<u>Total</u>
16	7.36%	4.36%	3.10%	3.64%	14.10%
17	7.39%	4.38%	3.10%	3.64%	14.13%
18	7.42%	4.40%	3.10%	3.64%	14.16%
19	7.45%	4.41%	3.10%	3.64%	14.19%
20	7.48%	4.43%	3.10%	3.64%	14.22%
21	7.51%	4.45%	3.10%	3.64%	14.25%
22	7.56%	4.48%	3.10%	3.64%	14.30%
23	7.61%	4.51%	3.10%	3.64%	14.35%
24	7.66%	4.54%	3.10%	3.64%	14.40%
25	7.72%	4.57%	3.10%	3.64%	14.46%
26	7.78%	4.61%	3.10%	3.64%	14.52%
27	7.86%	4.66%	3.10%	3.64%	14.60%
28	7.93%	4.70%	3.10%	3.64%	14.67%
29	8.01%	4.75%	3.10%	3.64%	14.75%
30	8.10%	4.80%	3.10%	3.64%	14.84%
31	8.20%	4.86%	3.10%	3.64%	14.94%
32	8.30%	4.92%	3.10%	3.64%	15.04%
33	8.41%	4.98%	3.10%	3.64%	15.15%
34	8.52%	5.05%	3.10%	3.64%	15.26%
35	8.64%	5.12%	3.10%	3.64%	15.38%
36	8.76%	5.19%	3.10%	3.64%	15.50%
37	8.89%	5.27%	3.10%	3.64%	15.63%
38	9.02%	5.35%	3.10%	3.64%	15.76%
39	9.15%	5.42%	3.10%	3.64%	15.89%
40	9.28%	5.50%	3.10%	3.64%	16.02%
41	9.41%	5.58%	3.10%	3.64%	16.15%
42	9.55%	5.66%	3.10%	3.64%	16.29%
43	9.69%	5.74%	3.10%	3.64%	16.43%
44	9.83%	5.83%	3.10%	3.64%	16.57%
45	9.98%	5.91%	3.10%	3.64%	16.72%
46	10.12%	6.00%	3.10%	3.64%	16.86%
47	10.27%	6.09%	3.10%	3.64%	17.01%
48	10.43%	6.18%	3.10%	3.64%	17.17%
49	10.58%	6.27%	3.10%	3.64%	17.32%
50	10.58%	6.27%	3.10%	3.64%	17.32%
51	10.58%	6.27%	3.10%	3.64%	17.32%
52	10.58%	6.27%	3.10%	3.64%	17.32%
53	10.58%	6.27%	3.10%	3.64%	17.32%
54	10.58%	6.27%	3.10%	3.64%	17.32%
55	10.58%	6.27%	3.10%	3.64%	17.32%
56	10.58%	6.27%	3.10%	3.64%	17.32%
57	10.58%	6.27%	3.10%	3.64%	17.32%
58	10.58%	6.27%	3.10%	3.64%	17.32%
59	10.58%	6.27%	3.10%	3.64%	17.32%
60	10.58%	6.27%	3.10%	3.64%	17.32%

* Those members eligible for 31664.1 are paying an additional contribution per agreement.

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Safety Tier 2*

<u>Age</u>	<u>Basic</u>	<u>COL</u>	<u>Limited to 3.10%</u>	<u>Cost Sharing Under Enhanced Formula</u>	<u>Total</u>
16	7.00%	1.78%	1.78%	3.64%	12.42%
17	7.03%	1.79%	1.79%	3.64%	12.46%
18	7.06%	1.79%	1.79%	3.64%	12.49%
19	7.09%	1.80%	1.80%	3.64%	12.53%
20	7.12%	1.81%	1.81%	3.64%	12.57%
21	7.15%	1.82%	1.82%	3.64%	12.61%
22	7.19%	1.83%	1.83%	3.64%	12.66%
23	7.24%	1.84%	1.84%	3.64%	12.72%
24	7.29%	1.85%	1.85%	3.64%	12.78%
25	7.35%	1.87%	1.87%	3.64%	12.86%
26	7.41%	1.88%	1.88%	3.64%	12.93%
27	7.48%	1.90%	1.90%	3.64%	13.02%
28	7.55%	1.92%	1.92%	3.64%	13.11%
29	7.63%	1.94%	1.94%	3.64%	13.21%
30	7.71%	1.96%	1.96%	3.64%	13.31%
31	7.80%	1.98%	1.98%	3.64%	13.42%
32	7.90%	2.01%	2.01%	3.64%	13.55%
33	8.00%	2.03%	2.03%	3.64%	13.67%
34	8.11%	2.06%	2.06%	3.64%	13.81%
35	8.22%	2.09%	2.09%	3.64%	13.95%
36	8.34%	2.12%	2.12%	3.64%	14.10%
37	8.46%	2.15%	2.15%	3.64%	14.25%
38	8.58%	2.18%	2.18%	3.64%	14.40%
39	8.71%	2.21%	2.21%	3.64%	14.56%
40	8.83%	2.24%	2.24%	3.64%	14.71%
41	8.96%	2.28%	2.28%	3.64%	14.88%
42	9.09%	2.31%	2.31%	3.64%	15.04%
43	9.22%	2.34%	2.34%	3.64%	15.20%
44	9.36%	2.38%	2.38%	3.64%	15.38%
45	9.49%	2.41%	2.41%	3.64%	15.54%
46	9.63%	2.45%	2.45%	3.64%	15.72%
47	9.78%	2.49%	2.49%	3.64%	15.91%
48	10.17%	2.59%	2.59%	3.64%	16.40%
49	10.58%	2.69%	2.69%	3.64%	16.91%
50	10.58%	2.69%	2.69%	3.64%	16.91%
51	10.58%	2.69%	2.69%	3.64%	16.91%
52	10.58%	2.69%	2.69%	3.64%	16.91%
53	10.58%	2.69%	2.69%	3.64%	16.91%
54	10.58%	2.69%	2.69%	3.64%	16.91%
55	10.58%	2.69%	2.69%	3.64%	16.91%
56	10.58%	2.69%	2.69%	3.64%	16.91%
57	10.58%	2.69%	2.69%	3.64%	16.91%
58	10.58%	2.69%	2.69%	3.64%	16.91%
59	10.58%	2.69%	2.69%	3.64%	16.91%
60	10.58%	2.69%	2.69%	3.64%	16.91%

* Those members eligible for 31664.1 are paying an additional contribution per agreement.

Marin County Employees' Retirement Association
Marin County and Special Districts

Contribution Rates Assumed for Members

Safety Special Districts

<u>Age</u>	<u>Basic</u>	<u>COL</u>	<u>Implicit COL</u>	<u>Limited to Implicit COL</u>	<u>Total</u>
16	7.36%	4.36%	1.77%	1.77%	9.13%
17	7.39%	4.38%	1.72%	1.72%	9.11%
18	7.42%	4.40%	1.66%	1.66%	9.08%
19	7.45%	4.41%	1.60%	1.60%	9.05%
20	7.48%	4.43%	1.54%	1.54%	9.02%
21	7.51%	4.45%	1.47%	1.47%	8.98%
22	7.56%	4.48%	1.54%	1.54%	9.10%
23	7.61%	4.51%	1.58%	1.58%	9.19%
24	7.66%	4.54%	1.64%	1.64%	9.30%
25	7.72%	4.57%	1.69%	1.69%	9.41%
26	7.78%	4.61%	1.74%	1.74%	9.52%
27	7.86%	4.66%	1.78%	1.78%	9.64%
28	7.93%	4.70%	1.83%	1.83%	9.76%
29	8.01%	4.75%	1.86%	1.86%	9.87%
30	8.10%	4.80%	1.91%	1.91%	10.01%
31	8.20%	4.86%	1.92%	1.92%	10.12%
32	8.30%	4.92%	1.96%	1.96%	10.26%
33	8.41%	4.98%	1.98%	1.98%	10.39%
34	8.52%	5.05%	2.00%	2.00%	10.52%
35	8.64%	5.12%	2.03%	2.03%	10.67%
36	8.76%	5.19%	2.06%	2.06%	10.82%
37	8.89%	5.27%	2.09%	2.09%	10.98%
38	9.02%	5.35%	2.11%	2.11%	11.13%
39	9.15%	5.42%	2.13%	2.13%	11.28%
40	9.28%	5.50%	2.16%	2.16%	11.44%
41	9.41%	5.58%	2.17%	2.17%	11.58%
42	9.55%	5.66%	2.20%	2.20%	11.75%
43	9.69%	5.74%	2.23%	2.23%	11.92%
44	9.83%	5.83%	2.27%	2.27%	12.10%
45	9.98%	5.91%	3.24%	3.24%	13.22%
46	10.12%	6.00%	3.04%	3.04%	13.16%
47	10.27%	6.09%	2.83%	2.83%	13.10%
48	10.43%	6.18%	2.62%	2.62%	13.05%
49	10.58%	6.27%	2.40%	2.40%	12.98%
50	10.58%	6.27%	2.40%	2.40%	12.98%
51	10.58%	6.27%	2.40%	2.40%	12.98%
52	10.58%	6.27%	2.40%	2.40%	12.98%
53	10.58%	6.27%	2.40%	2.40%	12.98%
54	10.58%	6.27%	2.40%	2.40%	12.98%
55	10.58%	6.27%	2.40%	2.40%	12.98%
56	10.58%	6.27%	2.40%	2.40%	12.98%
57	10.58%	6.27%	2.40%	2.40%	12.98%
58	10.58%	6.27%	2.40%	2.40%	12.98%
59	10.58%	6.27%	2.40%	2.40%	12.98%
60	10.58%	6.27%	2.40%	2.40%	12.98%

APPENDIX B:
RETIREMENT AGE FACTORS

Marin County Employees' Retirement Association
Marin County and Special Districts

Retirement Age Factor

Miscellaneous

Tier 1		Tier 2		Tier 3			
<u>31676.14</u>		<u>31676.1</u>		<u>31676.16</u>		<u>31676.11</u>	
1.667% @ 52		1.667% @ 57		2% @ 55		1.667% @ 55	
<u>Age</u>	<u>Fraction</u>	<u>Age</u>	<u>Fraction</u>	<u>Age</u>	<u>Fraction</u>	<u>Age</u>	<u>Fraction</u>
50	0.8850	50	0.7091	50	0.713	50	0.7454
51	0.9399	51	0.7457	51	0.761	51	0.7882
52	1.0000	52	0.7816	52	0.814	52	0.8346
53	1.0447	53	0.8181	53	0.871	53	0.8850
54	1.1048	54	0.8556	54	0.933	54	0.9399
55	1.1686	55	0.8954	55	1.000	55	1.0000
56	1.2365	56	0.9382	56	1.026	56	1.0447
57	1.3093	57	0.9846	57	1.052	57	1.1048
58	1.3608	58	1.0350	58	1.078	58	1.1686
59	1.4123	59	1.0899	59	1.105	59	1.2365
60	1.4638	60	1.1500	60	1.131	60	1.3093
61	1.5153	61	1.1947	61	1.157	61	1.3608
62+	1.5668	62	1.2548	62	1.183	62	1.4123
		63	1.3186	63+	1.209	63	1.4638
		64	1.3865			64	1.5153
		65+	1.4593			65	1.5668

Safety

<u>31664.1</u>		<u>31664.2</u>	
3% at 50		3% at 55	
<u>Age</u>	<u>Fraction</u>	<u>Age</u>	<u>Fraction</u>
41	0.6258	41	0.4777
42	0.6625	42	0.5058
43	0.7004	43	0.5347
44	0.7397	44	0.5647
45	0.7805	45	0.5958
46	0.8226	46	0.6280
47	0.8678	47	0.6625
48	0.9085	48	0.6936
49	0.9522	49	0.7269
50+	1.0000	50	0.7634
		51	0.8028
		52	0.8457
		53	0.8926
		54	0.9418
		55+	1.0000