

Ventura County Employees' Retirement Association

*Actuarial Valuation and Review
as of June 30, 2010*

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December 8, 2010

*Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003-6572*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2010. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2011-2012 and analyzes the preceding year's experience.

The census information on which our calculations were based was prepared by the VCERA and the financial information was provided by the Retirement Office. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.


This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board of Retirement are reasonably related to the experience of and the expectations for the Plan.

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

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

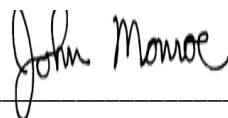
Sincerely,

THE SEGAL COMPANY

By: 

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

JM/hy



*John Monroe, ASA, EA, MAAA
Vice President and Associate Actuary*

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

PURPOSE AND SCOPE

This report has been prepared by The Segal Company to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2010. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2010, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2010, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the system's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

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

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. The Board has adopted a policy to amortize the Association's Unfunded Actuarial Accrued Liability (UAAL) as 15-year fixed (i.e., decreasing) layered amortization periods. The initial 15-year amortization layer consists of the June 30, 2004 total UAAL. Any new changes in the UAAL after June 30, 2004 will be amortized over separate 15-year fixed amortization periods.

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

Please note that the Actuarial Standards Board has adopted a revised Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines for actuaries to follow when selecting actuarial assumptions. For a plan such as that offered by the Retirement Association that may use undistributed excess earnings to provide supplemental benefits, the valuation report must indicate that the impact of any such future use of undistributed excess earnings on the future financial condition of the plan has not been explicitly measured or otherwise reflected in the valuation.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2011 through June 30, 2012.

SIGNIFICANT ISSUES IN THIS VALUATION

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

- Ref: Pg. 10*

➤ The market value of assets earned a return of 15.3% for the July 1, 2009 to June 30, 2010 plan year. The valuation value of assets earned a return of 1.4% for the July 1, 2009 to June 30, 2010 plan year due to the deferral of most of the current year investment gains and the recognition of prior investment losses. This resulted in an actuarial loss when measured against the assumed rate of return of 8.00%. This actuarial investment loss increased the average employer contribution rate by 2.72% of compensation.
- Ref: Pg. 31*

➤ The ratio of the valuation value of assets to actuarial accrued liabilities decreased from 84.3% to 80.4%. The Association's Unfunded Actuarial Accrued Liability (UAAL) increased from \$574 million as of June 30, 2009 to \$761 million as of June 30, 2010. This increase is primarily due to the investment return on actuarial value that was less than the 8.00% assumed rate. A complete reconciliation of the Association's UAAL is provided in Section 3, Exhibit H.
- Ref: Pg. 17*

➤ The average employer rate increased from 19.19% of payroll to 22.43% of payroll. This increase is primarily due to the investment loss (on a valuation value of assets basis) mentioned above. A complete reconciliation of the Association's employer rate is provided in Section 2, Subsection D (see Chart 15).
- Ref: Pg. 18*

➤ The average member rate of 8.24% of payroll did not change from the prior valuation. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).
- Ref: Pg. 30*

➤ As of June 30, 2010, there are no undistributed excess earnings available for allocation under the Board's Interest Crediting policy. A complete presentation of the Association's reserves is provided in Section 3, Exhibit G.

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

Ref: Pg. 5

- As indicated in Section 2, Subsection B of this report, the total unrecognized investment loss as of June 30, 2010 is \$565 million (as compared to an unrecognized loss of \$865 million in the June 30, 2009 valuation). This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years. This means that earning the assumed rate of investment return of 8.00% per year (net of expenses) on a **market value** basis will result in investment losses on the actuarial value of assets in the next few years. Therefore, if the actual market return is equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements would increase over the next few years as those losses are recognized.
- The deferred losses of \$565 million represent about 22% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the \$565 million market losses is expected to have a significant impact on the Association's future funded ratio and average employer contribution rate. This potential impact may be illustrated as follows:
 - If the deferred losses were recognized immediately in the valuation value of assets, the funded ratio would decrease from 80.4% to 65.8%.
 - If the deferred losses were recognized immediately in the valuation value of assets, the average employer rate would increase from 22.43% to about 30% of payroll.
- The actuarial valuation report as of June 30, 2010 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.

Impact of Future Experience on Contribution Rates

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

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

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

Summary of Key Valuation Results (all dollar amounts in thousands)

	June 30, 2010		June 30, 2009	
	Total Rate	Estimated Annual Amount ⁽²⁾	Total Rate	Estimated Annual Amount ⁽²⁾
Employer Contribution Rates: ⁽¹⁾				
General Tier 1	114.29%	\$23,943	79.92%	\$19,019
General Tier 2	10.16%	21,834	8.82%	18,200
General Tier 2C ⁽³⁾	10.51%	26,052	9.22%	22,110
General Combined	14.85%	71,829	12.62%	59,329
Safety	43.86%	75,047	37.94%	62,531
All Categories combined	22.43%	\$146,876	19.19%	\$121,860
Average Member Contribution Rates: ^{(1) (4)}				
	Total Rate	Estimated Annual Amount ⁽²⁾	Total Rate	Estimated Annual Amount ⁽²⁾
General Tier 1	8.66%	\$1,814	8.53%	\$2,030
General Tier 2	5.65%	12,142	5.65%	11,659
General Tier 2C ⁽³⁾	8.28%	20,524	8.28%	19,857
Safety Members	11.39%	19,489	11.39%	18,773
All Categories combined	8.24%	\$53,969	8.24%	\$52,319
Funded Status:				
Actuarial accrued liability ⁽⁵⁾	\$3,877,443		\$3,663,701	
Valuation value of assets ⁽⁵⁾	3,115,984		3,090,148	
Funded percentage	80.36%		84.34%	
Unfunded actuarial accrued liability	\$761,459		\$573,553	
Key Assumptions:				
Interest rate	8.00%		8.00%	
Inflation rate	3.50%		3.50%	
Across the board salary increase	0.75%		0.75%	

⁽¹⁾ Before reflection of any member rate that may be "picked-up" by the employer. Contributions are assumed to be paid throughout the year.

⁽²⁾ Based on projected compensation for each year shown.

⁽³⁾ Throughout this report, this category represents those Tier 2 members who contribute a negotiated 2.63% of compensation for a fixed 2% COLA pursuant to Government Code 31627 that applies to service after March 2003.

⁽⁴⁾ The non-refundability factors as of June 30, 2010 are 0.95 for General and 0.98 for Safety and are unchanged from June 30, 2009.

⁽⁵⁾ Excludes liabilities and assets held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

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

Summary of Key Valuation Demographic and Financial Data

	June 30, 2010	June 30, 2009	Percentage Change
Active Members:			
Number of members	8,003	8,045	-0.5%
Average age	45.0	44.7	N/A
Average service	10.6	10.4	N/A
Projected total compensation	\$654,828,221	\$634,777,000	3.2%
Average projected compensation	\$81,823	\$78,903	3.7%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	3,761	3,578	5.1%
Disability retired	834	831	0.4%
Beneficiaries	672	632	6.3%
Total	5,267	5,041	4.5%
Average age	68.2	68.1	N/A
Average monthly benefit ⁽¹⁾	\$2,572	\$2,446	5.2%
Vested Terminated Members:			
Number of terminated vested members ⁽²⁾	2,040	2,055	-0.7%
Average age	45.3	44.8	N/A
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	\$2,569,552	\$2,247,633	14.3%
Return on market value of assets	15.33%	-21.86%	N/A
Actuarial value of assets	\$3,134,978	\$3,112,308	0.7%
Return on actuarial value of assets	1.41%	0.17%	N/A
Valuation value of assets	\$3,115,984	\$3,090,148	0.8%
Return on valuation value of assets	1.42%	1.02%	N/A

⁽¹⁾ Excludes monthly benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

⁽²⁾ Includes nonvested terminated members with member contributions on deposit.

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

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the member population has changed over the past ten valuations can be seen in this chart.

CHART 1
Member Population: 2001 – 2010

Year Ended June 30	Active Members	Vested Terminated Members⁽¹⁾	Retired Members and Beneficiaries	Ratio of Non-Actives to Actives
2001	7,424	887	3,520	0.59
2002	7,707	921	3,684	0.60
2003	7,717	1,155	3,857	0.65
2004	7,626	1,351	4,031	0.71
2005	7,245	1,713	4,314	0.83
2006	7,403	1,756	4,570	0.85
2007	7,653	1,864	4,770	0.87
2008	7,928	2,007	4,914	0.87
2009	8,045	2,055	5,041	0.88
2010	8,003	2,040	5,267	0.91

⁽¹⁾ Includes nonvested terminated members with member contributions on deposit.

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

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 8,003 active members with an average age of 45.0, average service of 10.6 years and average compensation of \$81,823. The 8,045 active members in the prior valuation had an average age of 44.7, average service of 10.4 years and average compensation of \$78,903.

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

Inactive Members

In this year's valuation, there were 2,040 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 2,055 in the prior valuation.

These graphs show a distribution of active members by age and by years of service.

CHART 2
Distribution of Active Members by Age as of June 30, 2010

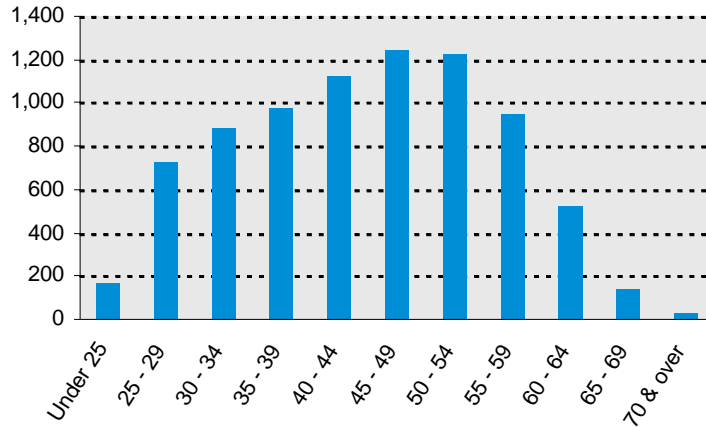
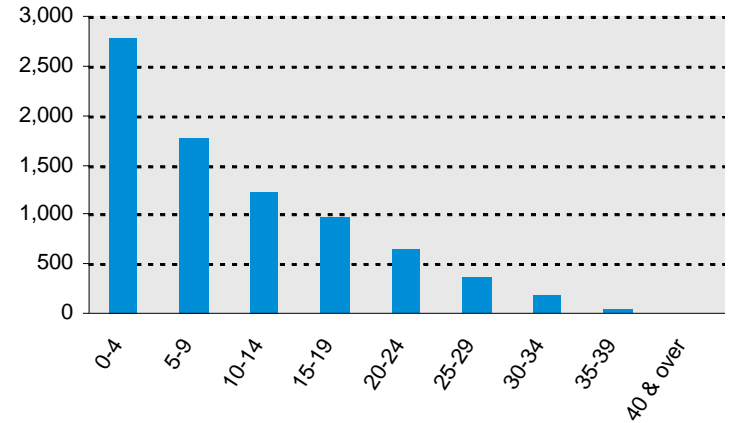


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2010



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

Retired Members and Beneficiaries

As of June 30, 2010, 4,595 retired members and 672 beneficiaries were receiving total monthly benefits of \$13,546,326. For comparison, in the previous valuation, there were 4,409 retired members and 632 beneficiaries receiving monthly benefits of \$12,328,590. These monthly benefits exclude benefits for STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.

CHART 4
Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2010

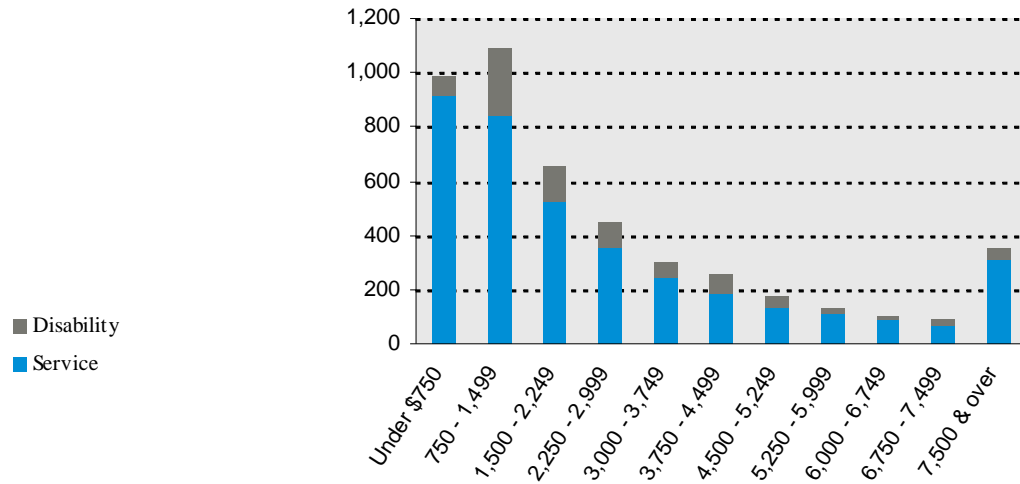
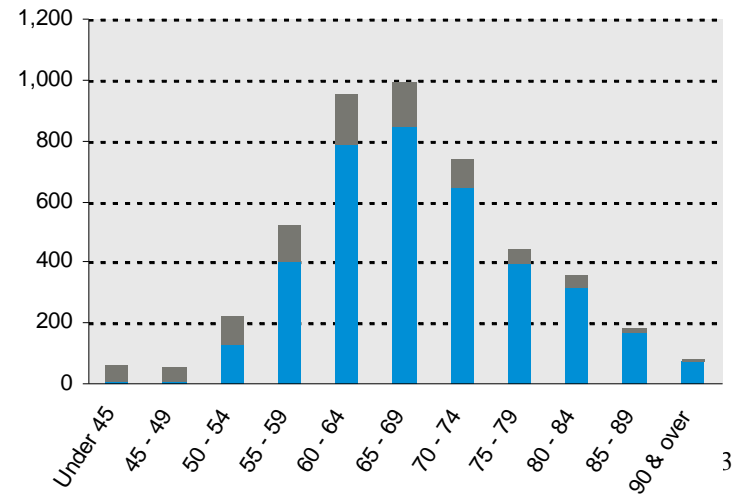


CHART 5
Distribution of Retired Members by Type and by Age as of June 30, 2010



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

B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

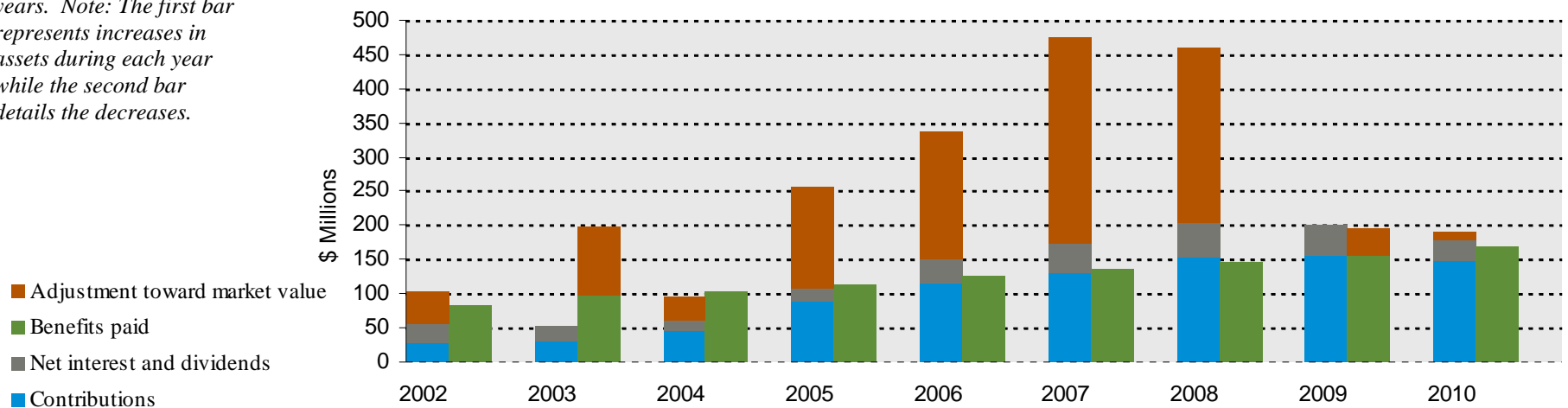
Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

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

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2002 – 2010



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

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2010

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

1. Market Value of Assets			\$2,569,551,855
2. Calculation of unrecognized return*	Original Amount	Deferral Percentage	Unrecognized Return**
(a) Period ended June 30, 2010	\$(174,678,273)	90%	\$(157,210,447)
(b) Period ended December 31, 2009	322,163,100	80%	257,730,480
(c) Period ended June 30, 2009	21,055,314	70%	14,738,720
(d) Period ended December 31, 2008	(850,539,989)	60%	(510,323,993)
(e) Period ended June 30, 2008	(362,758,586)	50%	(181,379,293)
(f) Period ended December 31, 2007	(96,901,051)	40%	(38,760,420)
(g) Year ended June 30, 2007	248,896,193	20%	49,779,239
(h) Year ended June 30, 2006	46,600,533	0%	0
(i) Total unrecognized return***			(565,425,714)
3. Actuarial Value of Assets: (1) – (2i)			\$3,134,977,569
4. Actuarial Value as percentage of Market Value			122.0%
5. Non-valuation reserves:			
(a) STAR COLA			\$1,657,914
(b) Supplemental medical benefit			17,335,326
(c) Statutory contingency			0
(d) Subtotal			\$18,993,240
6. Valuation Value of Assets (3) – (5d)			\$3,115,984,329

* Using six-month basis starting July 1, 2007.

** Recognition at 10% per six month period over 5 years.

*** Deferred return as of June 30, 2010 recognized in each of the next five years:

(a) Amount Recognized during 2010/2011	\$(178,552,658)
(b) Amount Recognized during 2011/2012	(228,331,897)
(c) Amount Recognized during 2012/2013	(172,675,828)
(d) Amount Recognized during 2013/2014	31,602,496
(e) Amount Recognized during 2014/2015	<u>(17,467,827)</u>
	\$(565,425,714)

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

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2010

The calculation of the valuation value of assets from June 30, 2009 to June 30, 2010 by category is provided below:

	Allocated Assets for Funding			
	General			Total
	Tier I	Tier II	Safety	
1. Allocated Assets as of Beginning of Plan Year	\$738,350,481	\$1,059,574,716	\$1,292,222,881	\$3,090,148,078
2. Member Contributions	114,400	13,459,106	2,676,609	16,250,115
3. Member Buybacks	132,681	750,573	316,987	1,200,241
4. Employer Pick-up Contributions Credited to Member Account	786,359	16,237,446	7,992,021	25,015,826
5. Employer Contributions	11,040,322	35,969,417	58,693,190	105,702,929
6. Refunds of Member Contributions and Death Benefits Paid	324,402	2,281,241	621,817	3,227,460
7. Retiree Benefit Payments Excluding STAR COLA and Supplemental Medical Payments	66,065,024	33,189,744	63,606,817	162,861,585
8. Subtotal (Item 1 + 2 + 3 + 4 + 5 – 6 – 7)	\$684,034,817	\$1,090,520,273	\$1,297,673,054	\$3,072,228,144
9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7)	711,192,649	1,075,047,495	1,294,947,968	3,081,188,111
10. Earnings Allocated in Proportion to Item 9	10,099,701	15,266,831	18,389,654	43,756,185
11. Valuation Value of Assets	\$694,134,518	\$1,105,787,104	\$1,316,062,708	\$3,115,984,329

Note: Results may not add due to rounding.

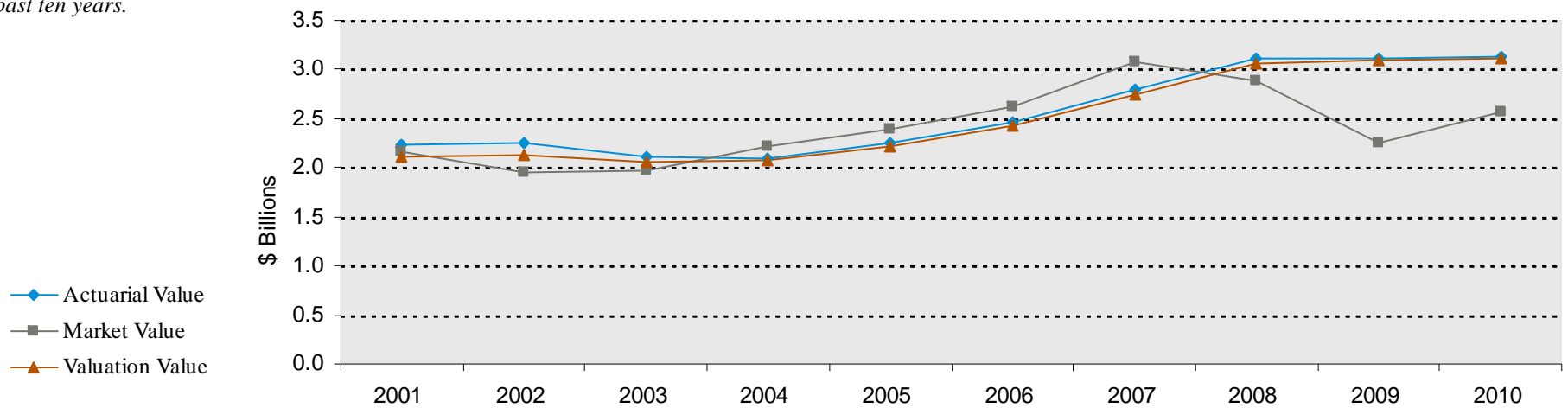
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

The market value, actuarial value, and valuation value of assets are representations of VCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation value of assets is significant because VCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in market value, actuarial value and valuation value over the past ten years.

CHART 9

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2001 – 2010



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

C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term

development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience loss was \$177.4 million, \$202.7 million loss from investments and \$25.4 million gain from all other sources. The net experience variation from individual sources other than investments was 0.65% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 10
Actuarial Experience for Year Ended June 30, 2010

1. Net loss from investments ⁽¹⁾	-\$202,739,000
2. Net gain from other experience ⁽²⁾	<u>25,358,000</u>
3. Net experience loss: (1) + (2)	-\$177,381,000

⁽¹⁾ Details in Chart 11.

⁽²⁾ See Section 3, Exhibit H. Does not include the effect of assumption changes, if any.

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

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on VCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets is 8.00%. The actual rate of return on the valuation value of assets for the 2009/2010 plan year was 1.42%.

Since the actual return for the year was less than the assumed return, the VCERA experienced an actuarial loss during the year ended June 30, 2010 with regard to its investments.

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

CHART 11

Investment Experience for Year Ended June 30, 2010 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Actual return	\$43,756,185	\$43,756,165
2. Average value of assets	3,081,188,111	3,101,764,843
3. Actual rate of return: (1) ÷ (2)	1.42%	1.41%
4. Assumed rate of return	8.00%	8.00%
5. Expected return: (2) x (4)	\$246,495,049	\$248,141,187
6. Actuarial gain/(loss): (1) – (5)	<u>-\$202,738,864</u>	<u>-\$204,385,022</u>

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

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last nine years.

Based upon the most recent Review of Economic Assumptions, the Board has maintained the assumed rate of return of 8.00%.

CHART 12

Investment Return – Market Value, Actuarial Value and Valuation Value: 2002 – 2010

Year Ended June 30	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2002	-\$153,341,047	-7.18%	\$73,939,525	3.35%	-\$64,834,661	-3.10%
2003	78,016,465	4.06	-78,366,548	-3.53	-87,805,515	-4.22
2004	315,448,393	16.28	49,628,346	2.39	70,837,167	3.49
2005	203,080,574	9.19	168,122,229	8.05	168,122,229	8.16
2006	238,212,815	9.95	221,191,725	9.88	221,191,725	10.00
2007	458,962,761	17.48	344,644,568	14.06	308,000,514	12.68
2008	(211,806,573)	-6.86	307,776,354	11.01	310,176,628	11.32
2009	(628,718,568)	-21.86	5,186,654	0.17	31,242,785	1.02
2010	343,005,717	15.33	43,756,165	1.41	43,756,185	1.42
Total	\$642,860,537		\$1,135,879,018		\$1,000,687,057	
Five-Year Average Return		1.51%		6.76%		6.76%

Note: Each year's yield is weighted by the average asset value in that year.

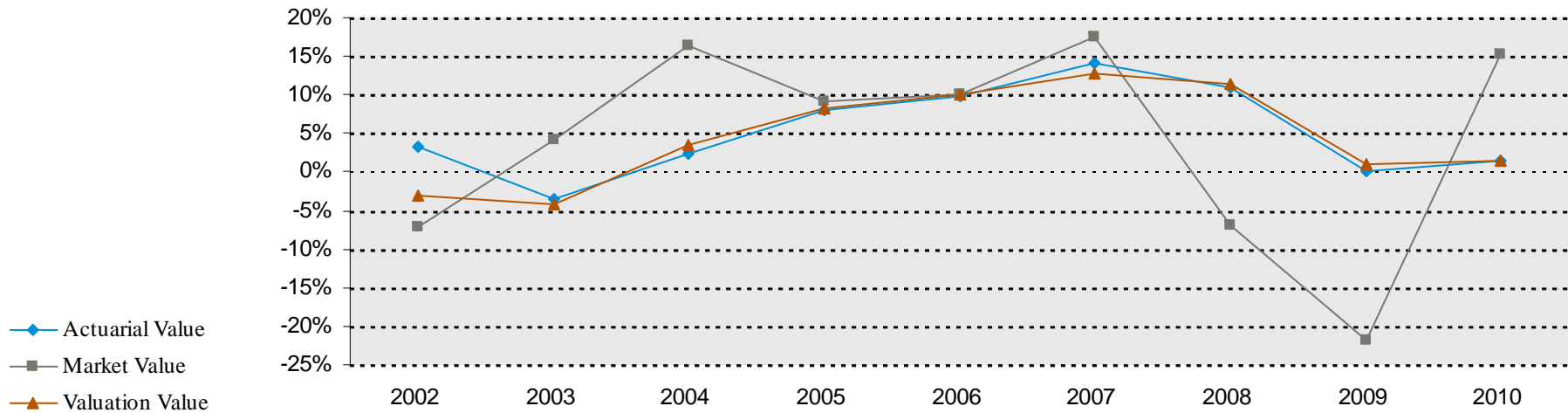
SECTION 2: Valuation Results for the Ventura County Employees' Retirement Association

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 2002 - 2010.

CHART 13

Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2002 - 2010



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

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2010 amounted to \$25.4 million which is 0.65% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

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

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

Contribution to the Unfunded Actuarial Accrued Liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the combined annual inflation and "across the board" increases rate of 4.25%. The June 30, 2004 UAAL is being recognized over a 15-year declining period effective June 30, 2004. Any additional unfunded liability that arises at each valuation will be amortized over its own declining separate 15-year period.

The recommended employer contributions are provided on Chart 14.

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

Member Contributions

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/120 of Final Average Salary for General members and 1/100 of Final Average Salary for Safety members. That age is 55 for General Tier 1 members, 60 for General Tier 2 members and 50 for Safety members. It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions, General Tier 1 and Safety members pay one-half of the total normal cost necessary to fund their cost-of-living benefits. General Tier 2 members eligible for the fixed 2% cost-of-living benefit contribute a negotiated 2.63% of salary per year. Member contributions accumulate with interest at the lesser of the assumed investment earning rate or the rate on ten year U.S. Treasury notes. Any difference between the assumed investment earning rate and the actual interest crediting rate will be credited to the County Advance reserve. The member contribution rates are provided in Appendix A. Please note that the member rates provided in the report are the full rate before reflecting any employer pickup. Also, in calculating the basic member rate, we follow the Board's past practice and have not included any in-service pay redemptions that may potentially increase a member's final average salary and hence retirement benefit.

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

CHART 14

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation

	June 30, 2010 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost	6.99%	\$1,464	2.04%	\$428	9.03%	\$1,892
UAAL	<u>105.42%</u>	<u>22,084</u>	<u>-0.16%</u>	<u>-33</u>	<u>105.26%</u>	<u>22,051</u>
Total Contribution	112.41%	\$23,548	1.88%	\$395	114.29%	\$23,943
General Tier 2 Members w/o COLA						
Normal Cost	7.37%	\$15,838	0.00%	\$0	7.37%	\$15,838
UAAL	<u>2.79%</u>	<u>5,996</u>	<u>0.00%</u>	<u>0</u>	<u>2.79%</u>	<u>5,996</u>
Total Contribution	10.16%	\$21,834	0.00%	\$0	10.16%	\$21,834
General Tier 2 Members w/COLA						
Normal Cost	7.37%	\$18,268	-0.31%	-\$768	7.06%	\$17,500
UAAL ⁽²⁾	<u>2.79%</u>	<u>6,916</u>	<u>0.66%</u>	<u>1,636</u>	<u>3.45%</u>	<u>8,552</u>
Total Contribution	10.16%	\$25,184	0.35%	\$868	10.51%	\$26,052
All General Members						
Normal Cost	7.35%	\$35,570	-0.07%	-\$340	7.28%	\$35,230
UAAL	<u>7.23%</u>	<u>34,996</u>	<u>0.34%</u>	<u>1,603</u>	<u>7.57%</u>	<u>36,599</u>
Total Contribution	14.58%	\$70,566	0.27%	\$1,263	14.85%	\$71,829
Safety Members						
Normal Cost	13.12%	\$22,449	3.87%	\$6,622	16.99%	\$29,071
UAAL	<u>27.79%</u>	<u>47,550</u>	<u>-0.92%</u>	<u>-1,574</u>	<u>26.87%</u>	<u>45,976</u>
Total Contribution	40.91%	\$69,999	2.95%	\$5,048	43.86%	\$75,047
All Categories Combined						
Normal Cost	8.86%	\$58,019	0.96%	\$6,282	9.82%	\$64,301
UAAL	<u>12.61%</u>	<u>82,546</u>	<u>0.00%</u>	<u>29</u>	<u>12.61%</u>	<u>82,575</u>
Total Contribution	21.47%	\$140,565	0.96%	\$6,311	22.43%	\$146,876

⁽¹⁾Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2010 annual payroll (also in thousands) shown below:

General Tier 1	\$20,949
General Tier 2	214,901
General Tier 2C	247,873
Safety	<u>171,106</u>
Total	\$654,829

⁽²⁾ Includes 0.44% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

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

CHART 14 (continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation

	June 30, 2009 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost	6.81%	\$1,621	1.96%	\$466	8.77%	\$2,087
UAAL	<u>72.26%</u>	<u>17,196</u>	<u>-1.11%</u>	<u>-264</u>	<u>71.15%</u>	<u>16,932</u>
Total Contribution	79.07%	\$18,817	0.85%	\$202	79.92%	\$19,019
General Tier 2 Members w/o COLA						
Normal Cost	6.94%	\$14,321	0.00%	\$0	6.94%	\$14,321
UAAL	<u>1.88%</u>	<u>3,879</u>	<u>0.00%</u>	<u>0</u>	<u>1.88%</u>	<u>3,879</u>
Total Contribution	8.82%	\$18,200	0.00%	\$0	8.82%	\$18,200
General Tier 2 Members w/COLA						
Normal Cost	6.94%	\$16,643	-0.24%	-\$576	6.70%	\$16,067
UAAL ⁽²⁾	<u>1.88%</u>	<u>4,508</u>	<u>0.64%</u>	<u>1,535</u>	<u>2.52%</u>	<u>6,043</u>
Total Contribution	8.82%	\$21,151	0.40%	\$959	9.22%	\$22,110
All General Members						
Normal Cost	6.93%	\$32,585	-0.02%	-\$110	6.91%	\$32,475
UAAL	<u>5.44%</u>	<u>25,583</u>	<u>0.27%</u>	<u>1,271</u>	<u>5.71%</u>	<u>26,854</u>
Total Contribution	12.37%	\$58,168	0.25%	\$1,161	12.62%	\$59,329
Safety Members						
Normal Cost	12.99%	\$21,410	3.75%	\$6,180	16.74%	\$27,590
UAAL	<u>21.47%</u>	<u>35,386</u>	<u>-0.27%</u>	<u>-445</u>	<u>21.20%</u>	<u>34,941</u>
Total Contribution	34.46%	\$56,796	3.48%	\$5,735	37.94%	\$62,531
All Categories Combined						
Normal Cost	8.51%	\$53,995	0.95%	\$6,070	9.46%	\$60,065
UAAL	<u>9.60%</u>	<u>60,969</u>	<u>0.13%</u>	<u>826</u>	<u>9.73%</u>	<u>61,795</u>
Total Contribution	18.11%	\$114,964	1.08%	\$6,896	19.19%	\$121,860

⁽¹⁾Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2009 annual payroll (also in thousands) shown below:

General Tier 1	\$23,797
General Tier 2	206,350
General Tier 2C	239,813
Safety	<u>164,817</u>
Total	\$634,777

⁽²⁾ Includes 0.43% in UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

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

The employer contribution rates as of June 30, 2010 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Employer Contribution Rate

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

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

CHART 15

Reconciliation of Recommended Average Employer Contribution Rate from June 30, 2009 to June 30, 2010 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Employer Contribution Rate as of June 30, 2009	19.19%	\$121,860
Effect of investment loss ⁽²⁾	2.72%	17,811
Effect of difference in actual versus expected total and individual salary increases ⁽³⁾	0.19%	1,244
Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in June 30, 2009 valuation	0.37%	2,423
Effect of net other changes ⁽⁴⁾	<u>-0.04%</u>	<u>3,538</u>
Total change	<u>3.24%</u>	<u>\$25,016</u>
Recommended Average Employer Contribution Rate as of June 30, 2010	22.43%	\$146,876

⁽¹⁾ Based on projected payroll for each year.

⁽²⁾ The Association's valuation value of assets earned 1.42% and was less than the 8.00% assumed rate of return.

⁽³⁾ This item represents the impact of lower than expected individual salary increases and the effect of amortizing the UAAL over lower than expected total payroll.

⁽⁴⁾ Other differences in actual versus expected experience including mortality, disability, withdrawal, retirement and in-service redemption experience. Estimated annual dollar cost also reflects change in payroll from prior valuation.

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

The member contribution rates as of June 30, 2010 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation.

Reconciliation of Recommended Member Contribution Rate

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

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

CHART 16
Reconciliation of Recommended Average Member Contribution Rate from June 30, 2009 to June 30, 2010
(Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost ⁽¹⁾
Recommended Average Member Contribution Rate in June 30, 2009 Valuation	8.24%	\$52,319
Effect of changes in demographic profile of employee group ⁽²⁾	<u>0.00%</u>	<u>1,650</u>
Total Change	<u>0.00%</u>	<u>\$1,650</u>
Recommended Average Member Contribution Rate in June 30, 2010 Valuation	8.24%	\$53,969

⁽¹⁾ Based on projected payroll for each year.

⁽²⁾ Estimated annual dollar cost also reflects change in payroll from prior valuation.

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

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the valuation value of assets to the actuarial accrued liabilities of the plan as calculated under GASB standards. High ratios indicate a well-funded plan with assets sufficient to cover the Plan's liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits I, II, and III.

These graphs show key GASB factors.

CHART 17
Required Versus Actual Contributions

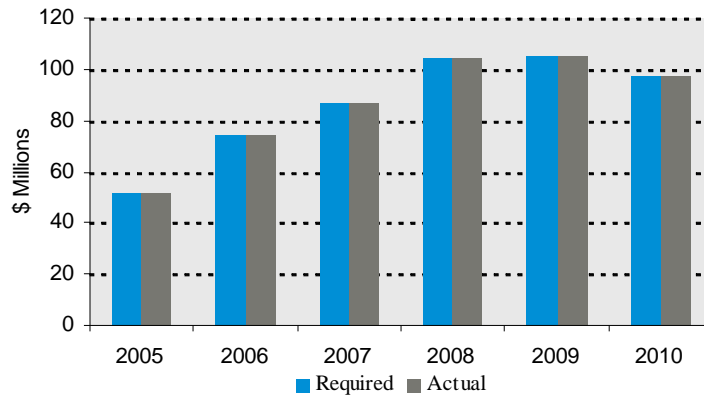
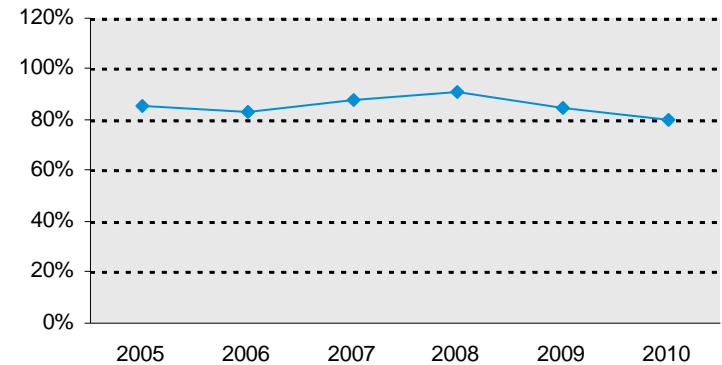


CHART 18
Funded Ratio



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

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30		Change From Prior Year
	2010	2009	
Active members in valuation:			
Number	204	239	-14.6%
Average age	53.7	54.5	N/A
Average service	24.4	25.1	N/A
Projected total compensation ⁽¹⁾	\$20,948,928	\$23,797,357	-12.0%
Projected average compensation	\$102,691	\$99,571	3.1%
Account balances	\$28,471,105	\$32,998,281	-13.7%
Total active vested members	174	212	-17.9%
Vested terminated members⁽²⁾			
	69	86	-19.8%
Retired members:			
Number in pay status	1,635	1,644	-0.5%
Average age	72.8	72.5	N/A
Average monthly benefit ⁽³⁾	\$2,959	\$2,777	6.6%
Disabled members:			
Number in pay status	140	150	-6.7%
Average age	71.1	71.0	N/A
Average monthly benefit ⁽³⁾	\$1,929	\$1,828	5.5%
Beneficiaries:			
Number in pay status	342	337	1.5%
Average age	78.1	78.5	N/A
Average monthly benefit ⁽³⁾	\$1,292	\$1,236	4.5%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

⁽²⁾ Includes nonvested terminated members with member contributions on deposit.

⁽³⁾ Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

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

EXHIBIT A (continued)

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended June 30		Change From Prior Year
	2010	2009	
Active members in valuation:			
Number	6,301	6,262	0.6%
Average age	45.7	45.4	N/A
Average service	9.4	9.0	N/A
Projected total compensation ⁽¹⁾	\$462,773,680	\$446,163,220	3.7%
Projected average compensation	\$73,444	\$71,249	3.1%
Account balances	\$290,671,388	\$267,747,090	8.6%
Total active vested members	3,904	3,857	1.2%
Vested terminated members⁽²⁾	1,711	1,709	0.1%
Retired members:			
Number in pay status	1,574	1,422	10.7%
Average age	66.3	66.0	N/A
Average monthly benefit ⁽³⁾	\$1,254	\$1,160	8.1%
Disabled members:			
Number in pay status	322	318	1.3%
Average age	60.5	59.8	N/A
Average monthly benefit ⁽³⁾	\$1,318	\$1,284	2.6%
Beneficiaries:			
Number in pay status	170	155	9.7%
Average age	64.8	64.1	N/A
Average monthly benefit ⁽³⁾	\$755	\$758	-0.4%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

⁽²⁾ Includes nonvested terminated members with member contributions on deposit.

⁽³⁾ Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

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

EXHIBIT A (continued)

Table of Plan Coverage

iii. Safety

Category	Year Ended June 30		Change From Prior Year
	2010	2009	
Active members in valuation:			
Number	1,498	1,544	-3.0%
Average age	40.8	40.5	N/A
Average service	13.8	13.4	N/A
Projected total compensation ⁽¹⁾	\$171,105,613	\$164,817,315	3.8%
Projected average compensation	\$114,223	\$106,747	7.0%
Account balances	\$143,737,328	\$139,537,410	3.0%
Total active vested members	1,158	1,187	-2.4%
Vested terminated members⁽²⁾			
	260	260	0.0%
Retired members:			
Number in pay status	552	512	7.8%
Average age	64.5	64.2	N/A
Average monthly benefit ⁽³⁾	\$6,123	\$5,773	6.1%
Disabled members:			
Number in pay status	372	363	2.5%
Average age	61.4	60.9	N/A
Average monthly benefit ⁽³⁾	\$4,408	\$4,265	3.4%
Beneficiaries:			
Number in pay status	160	140	14.3%
Average age	65.8	66.5	N/A
Average monthly benefit ⁽³⁾	\$2,817	\$2,816	0.0%

⁽¹⁾ Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.

⁽²⁾ Includes nonvested terminated members with member contributions on deposit.

⁽³⁾ Excludes STAR COLA, vested fixed supplemental and supplemental medical benefit amounts.

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

EXHIBIT B

**Members in Active Service and Projected Average Compensation as of June 30, 2010
By Age and Years of Service**

i. General Tier 1

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	11	11	--	--	--	--	--	--	--	--
	\$72,589	\$72,589	--	--	--	--	--	--	--	--
25 - 29	11	11	--	--	--	--	--	--	--	--
	73,088	73,088	--	--	--	--	--	--	--	--
30 - 34	3	3	--	--	--	--	--	--	--	--
	73,127	73,127	--	--	--	--	--	--	--	--
35 - 39	2	2	--	--	--	--	--	--	--	--
	71,622	71,622	--	--	--	--	--	--	--	--
40 - 44	3	1	1	--	--	1	--	--	--	--
	162,493	71,622	\$181,018	--	--	\$234,840	--	--	--	--
45 - 49	4	--	--	1	1	1	--	1	--	--
	197,411	--	--	\$218,883	\$273,552	190,266	--	\$106,944	--	--
50 - 54	38	1	1	3	2	3	3	24	1	--
	116,710	153,788	207,157	171,090	138,825	215,433	\$122,956	91,028	\$83,295	--
55 - 59	76	1	2	2	7	8	7	29	20	--
	99,115	84,102	177,089	202,671	129,915	91,835	113,918	88,922	83,444	--
60 - 64	48	--	2	4	2	9	6	19	5	1
	106,491	--	81,218	108,088	106,841	125,265	97,079	109,149	90,361	\$67,610
65 - 69	7	--	1	--	--	1	--	2	2	1
	82,285	--	55,659	--	--	81,713	--	77,191	117,157	49,930
70 & over	1	--	--	--	--	--	--	--	--	1
	51,397	--	--	--	--	--	--	--	--	51,397
Total	204	30	7	10	12	23	16	75	28	3
	\$102,691	\$75,819	\$137,207	\$156,985	\$139,524	\$131,095	\$109,298	\$94,648	\$87,082	\$56,313

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

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2010

By Age and Years of Service

ii. General Tier 2

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	111	111	--	--	--	--	--	--	--	--
	\$46,189	\$46,189	--	--	--	--	--	--	--	--
25 - 29	545	469	75	1	--	--	--	--	--	--
	58,681	58,454	\$60,139	\$55,760	--	--	--	--	--	--
30 - 34	653	399	195	59	--	--	--	--	--	--
	65,990	64,582	69,173	64,988	--	--	--	--	--	--
35 - 39	704	318	220	134	28	4	--	--	--	--
	73,042	70,764	73,773	78,305	\$69,355	\$63,458	--	--	--	--
40 - 44	864	281	240	175	131	35	2	--	--	--
	75,460	69,429	74,582	83,774	78,137	78,319	\$75,473	--	--	--
45 - 49	1,005	300	239	169	155	100	41	1	--	--
	76,556	69,465	79,587	77,471	80,880	80,291	80,439	\$121,869	--	--
50 - 54	995	240	228	164	163	114	77	9	--	--
	78,854	70,115	78,196	79,197	83,747	84,986	87,728	80,161	--	--
55 - 59	797	175	165	128	148	87	76	18	--	--
	77,735	76,258	70,969	77,625	78,196	81,459	84,149	106,035	--	--
60 - 64	462	79	103	85	90	61	34	8	2	--
	77,845	72,382	75,522	77,329	75,471	84,772	87,031	100,968	\$82,189	--
65 - 69	135	28	41	23	22	14	6	1	--	--
	78,744	79,724	71,658	81,043	82,294	83,398	91,681	68,104	--	--
70 & over	30	7	9	7	2	1	3	1	--	--
	66,870	57,937	75,382	62,710	72,741	53,777	65,619	87,018	--	--
Total	6,301	2,407	1,515	945	739	416	239	38	2	--
	\$73,444	\$66,344	\$73,983	\$78,240	\$79,413	\$82,192	\$84,960	\$97,758	\$82,189	--

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

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2010

By Age and Years of Service

iii. Safety

Age	Total	Years of Service							
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over
Under 25	47	47	--	--	--	--	--	--	--
	\$77,001	\$77,001	--	--	--	--	--	--	--
25 - 29	174	148	26	--	--	--	--	--	--
	89,559	89,018	\$92,635	--	--	--	--	--	--
30 - 34	229	78	107	44	--	--	--	--	--
	103,180	99,650	98,450	\$120,938	--	--	--	--	--
35 - 39	272	39	60	116	57	--	--	--	--
	112,218	95,794	103,399	115,080	\$126,913	--	--	--	--
40 - 44	255	12	38	71	88	46	--	--	--
	118,984	100,483	100,246	114,707	124,073	\$136,154	--	--	--
45 - 49	234	5	16	31	44	93	44	1	--
	127,436	128,131	97,893	116,446	121,086	131,347	\$143,750	\$135,203	--
50 - 54	192	3	3	11	18	50	59	46	2
	134,225	128,567	84,517	108,770	120,899	130,353	136,011	150,690	\$142,596
55 - 59	75	6	5	1	7	17	10	24	5
	128,542	141,689	101,870	117,590	118,181	116,477	129,753	142,032	129,981
60 - 64	19	2	0	4	3	3	1	2	4
	109,738	78,942	0	89,187	103,611	110,654	80,334	94,162	164,736
65 - 69	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
70 & over	1	--	--	--	1	--	--	--	--
	94,282	--	--	--	94,282	--	--	--	--
Total	1,498	340	255	278	218	209	114	73	11
	\$114,223	\$92,772	\$99,158	\$115,451	\$123,343	\$130,661	\$137,961	\$146,082	\$144,913

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

EXHIBIT C

Reconciliation of Member Data – June 30, 2009 to June 30, 2010

	Active Members	Vested Terminated Members⁽¹⁾	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2009	8,045	2,055	3,578	831	632	15,141
New members	401	18	0	0	72	491
Terminations – with vested rights	-135	135	0	0	0	0
Contributions refunds	-106	-67	0	0	0	-173
Retirements	-197	-73	270	0	0	0
New disabilities	-19	-5	-4	28	0	0
Return to work	22	-20	-2	0	0	0
Died with or without beneficiary	-8	-3	-82	-25	-31	-149
Data adjustments	0	0	1	0	-1	0
Number as of June 30, 2010	8,003	2,040	3,761	834	672	15,310

⁽¹⁾ Includes nonvested terminated members with member contributions on deposit.

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

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2010	Year Ended June 30, 2009
Contribution income:		
Employer contributions	\$105,702,929	\$113,915,784
Member contributions	<u>42,466,182</u>	<u>42,325,754</u>
Contribution income	\$148,169,111	\$156,241,538
Investment income:		
Interest, dividends and other income	\$40,171,342	\$54,905,894
Adjustment toward market value ⁽¹⁾	14,295,448	-39,733,203
Less investment and administrative fees	<u>-10,710,625</u>	<u>-9,986,037</u>
Net investment income	<u>\$43,756,165</u>	<u>\$5,186,654</u>
Total income available for benefits	\$191,925,276	\$161,428,192
Less benefit payments	-\$169,255,990	-\$156,342,094
Change in reserve for future benefits	\$22,669,286	\$5,086,098

⁽¹⁾ Equals the "non-cash" earnings on investments included in the Actuarial Value of Assets.

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

EXHIBIT E

Summary Statement of Net Assets

	Year Ended June 30, 2010	Year Ended June 30, 2009
Cash equivalents	\$57,584,599	\$64,580,454
Accounts receivable:		
Securities sold	\$1,292,222	\$34,773,703
Accrued interest and dividends	5,178,129	6,098,978
Member and employer contributions	1,652,208	7,196,215
Other	<u>23,360</u>	<u>41,112</u>
Total accounts receivable	\$8,145,919	\$48,110,008
Investments:		
Equities	\$1,611,235,516	\$1,345,630,042
Fixed income	742,041,837	660,152,628
Real estate	156,440,846	161,873,618
Investments received on securities lending	<u>171,561,750</u>	<u>71,474,456</u>
Total investments at market value	<u>\$2,681,279,949</u>	<u>\$2,239,130,744</u>
Total assets	\$2,747,010,467	\$2,351,821,206
Liabilities:		
Securities lending	-\$171,561,750	-\$71,474,456
Security purchases	-4,175,431	-30,575,063
Accounts payable	-1,698,276	-2,098,245
Prepaid contributions	<u>-23,155</u>	<u>-40,425</u>
Total liabilities	-\$177,458,612	-\$104,188,189
Net assets at market value	<u>\$2,569,551,855</u>	<u>\$2,247,633,017</u>
Net assets at actuarial value	<u>\$3,134,977,569</u>	<u>\$3,112,308,283</u>
Net assets at valuation value	<u>\$3,115,984,329</u>	<u>\$3,090,148,078</u>

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

EXHIBIT F

Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the "liability" of the Plan.

Second, we determine how this liability will be met. These actuarial "assets" include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet (\$ in 000s)

<u>Assets</u>	June 30, 2010	June 30, 2009
1. Total valuation value of assets	\$3,115,984	\$3,090,148
2. Present value of future contributions by members	433,553	420,709
3. Present value of future employer contributions for:		
a. Entry age normal cost	521,331	488,117
b. Unfunded actuarial accrued liability	<u>761,459</u>	<u>573,553</u>
4. Total current and future assets	\$4,832,327	\$4,572,527
 <u>Liabilities</u>		
5. Present value of benefits for retirees and beneficiaries	\$1,989,393	\$1,827,184
6. Present value of benefits for vested terminated members	104,567	110,379
7. Present value of benefits for active members	<u>2,738,367</u>	<u>2,634,964</u>
8. Total liabilities	\$4,832,327	\$4,572,527

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

EXHIBIT G

Summary of Allocated Reserves

Reserves		
	June 30, 2010	June 30, 2009
Member deposit reserve ⁽¹⁾	\$525,189,736	\$499,204,723
Employer advance reserve ⁽¹⁾	1,202,911,271	1,108,191,809
Contra reserve	(421,006,839)	(193,218,383)
Retired member reserve ⁽¹⁾	1,674,735,344	1,545,346,892
Supplemental death benefit reserve ⁽¹⁾	11,820,240	11,396,302
Vested fixed supplemental reserve ⁽¹⁾	122,334,577	119,226,735
Undistributed excess earnings ⁽¹⁾	0	0
Valuation reserves	<u>\$3,115,984,329</u>	<u>\$3,090,148,078</u>
STAR COLA benefit reserve ⁽²⁾	1,657,914	3,146,286
Supplemental medical benefit reserve ⁽²⁾	17,335,326	19,013,919
Statutory contingency reserve ⁽²⁾	0	0
Total reserves	<u>\$3,134,977,569</u>	<u>\$3,112,308,283</u>
Market stabilization reserve ⁽²⁾	<u>(565,425,714)</u>	<u>(864,675,266)</u>
Net market value	<u>\$2,569,551,855</u>	<u>\$2,247,633,017</u>

⁽¹⁾ *Included in valuation value of assets.*

⁽²⁾ *Not included in valuation value of assets.*

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

EXHIBIT H

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2010

1. Unfunded actuarial accrued liability at beginning of year		\$573,553,000
2. Total Normal Cost payable at middle of year		114,170,000
3. Actual employer and member contributions		-148,169,000
4. Interest (whole year on (1) plus half year on (2) + (3))		<u>44,524,000</u>
5. Expected unfunded actuarial accrued liability at end of year*		<u>\$584,078,000</u>
6. Actuarial (gain)/loss due to all changes:		
(a) Investment return	\$202,739,000	
(b) Lower than expected individual salary increases	-19,314,000	
(c) Other experience (gain)/loss	<u>-6,044,000</u>	
Total changes		<u>\$177,381,000</u>
7. Unfunded actuarial accrued liability at end of year		<u>\$761,459,000</u>

**Includes contribution loss of \$28.7 million during the year from actual contributions less than expected.*

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

EXHIBIT I

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
General Tier 1	June 30, 2004	Restart of Amortization	\$63,394,000	\$53,887,000	9	\$7,160,000
	June 30, 2005	Actuarial (Gain)/Loss	22,085,000	19,685,000	10	2,394,000
	June 30, 2006	Actuarial (Gain)/Loss	7,048,000	6,521,000	11	733,000
	June 30, 2006	Assumption Change	41,538,000	38,403,000	11	4,316,000
	June 30, 2007	Actuarial (Gain)/Loss	-19,901,000	(18,942,000)	12	(1,984,000)
	June 30, 2008	Actuarial (Gain)/Loss	-18,128,000	(17,641,000)	13	(1,734,000)
	June 30, 2009	Actuarial (Gain)/Loss	55,190,000	54,580,000	14	5,062,000
	June 30, 2009	Assumption Change	18,574,000	18,366,000	14	1,703,000
	June 30, 2010	Actuarial (Gain)/Loss	50,018,000	<u>50,018,000</u>	15	<u>4,400,000</u>
						\$204,877,000
						\$22,050,000
General Tier 2	June 30, 2004	Restart of Amortization	\$49,731,000	\$42,275,000	9	\$5,617,000
	June 30, 2005	Actuarial (Gain)/Loss	7,622,000	6,799,000	10	827,000
	June 30, 2006	Actuarial (Gain)/Loss	-9,108,000	(8,423,000)	11	(947,000)
	June 30, 2006	Assumption Change	19,085,000	17,643,000	11	1,983,000
	June 30, 2006	Plan Provision Change	14,731,000	13,617,000	11	1,530,000
	June 30, 2007	Actuarial (Gain)/Loss	-39,508,000	(37,605,000)	12	(3,939,000)
	June 30, 2008	Actuarial (Gain)/Loss	-34,794,000	(33,851,000)	13	(3,327,000)
	June 30, 2009	Actuarial (Gain)/Loss	71,253,000	70,451,000	14	6,534,000
	June 30, 2009	Assumption Change	22,696,000	22,446,000	14	2,082,000
	June 30, 2010	Actuarial (Gain)/Loss	47,615,000	<u>47,615,000</u>	15	<u>4,189,000</u>
						\$140,967,000
						\$14,549,000
Safety	June 30, 2004	Restart of Amortization	\$210,319,000	\$178,765,000	9	\$23,752,000
	June 30, 2005	Actuarial (Gain)/Loss	19,142,000	17,061,000	10	2,075,000
	June 30, 2006	Actuarial (Gain)/Loss	3,418,000	3,163,000	11	355,000
	June 30, 2006	Assumption Change	42,167,000	38,978,000	11	4,381,000
	June 30, 2007	Actuarial (Gain)/Loss	-37,489,000	(35,674,000)	12	(3,736,000)
	June 30, 2008	Actuarial (Gain)/Loss	-22,443,000	(21,832,000)	13	(2,145,000)
	June 30, 2009	Actuarial (Gain)/Loss	78,157,000	77,285,000	14	7,168,000
	June 30, 2009	Assumption Change	49,982,000	49,421,000	14	4,584,000
	June 30, 2010	Actuarial (Gain)/Loss	108,448,000	<u>108,448,000</u>	15	<u>9,541,000</u>
						\$45,975,000
Grand Total						\$761,459,000
						\$82,574,000

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

EXHIBIT J

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$195,000 for 2010 and 2011. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Limits are also affected by the "grandfather" election under Section 415(b)(10).

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

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

EXHIBIT K

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial

Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount of contributions required to fund the cost allocated to the current year of service.

**Actuarial Accrued Liability
for Actives:**

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability
for Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

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

**Unfunded/(Overfunded) Actuarial
Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan.

**Amortization of the Unfunded/
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.

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

EXHIBIT I

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2005	\$51,792,000	\$51,792,000	100.0%
2006	74,373,000	74,373,000	100.0%
2007	86,455,000	86,455,000	100.0%
2008	104,429,000	104,429,000	100.0%
2009	105,278,000	105,278,000	100.0%
2010	97,324,000	97,324,000	100.0%

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

EXHIBIT II

Supplementary Information Required by the GASB – Schedule of Funding Progress

Actuarial Valuation Date	Valuation Value of Assets⁽¹⁾ (a)	Actuarial Accrued Liability (AAL)⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
06/30/2005	\$2,216,229,000	\$2,584,905,000	\$368,676,000	85.74%	\$478,053,000	77.12%
06/30/2006	2,430,048,000	2,911,918,000	481,870,000	83.45%	519,145,000	92.82%
06/30/2007	2,736,558,000	3,112,583,000	376,025,000	87.92%	551,968,000	68.12%
06/30/2008	3,055,756,000	3,345,804,000	290,048,000	91.33%	599,173,000	48.41%
06/30/2009	3,090,148,000	3,663,701,000	573,553,000	84.34%	634,777,000	90.36%
06/30/2010	3,115,984,000	3,877,443,000	761,459,000	80.36%	654,829,000	116.28%

⁽¹⁾ Excludes assets for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

⁽²⁾ Excludes liabilities held for STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.

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

EXHIBIT III

Supplementary Information Required by the GASB

Valuation date	June 30, 2010
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of payroll (4.25% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 will be separately amortized over a fixed (decreasing or closed) 15-year period effective with that valuation.
Asset valuation method	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Prior to June 30, 2007, the unrecognized return was determined on an annual basis. The Actuarial Value of Assets is reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.
Actuarial assumptions:	
Investment rate of return	8.00% ⁽¹⁾
Projected salary increases	5.00% - 13.25% ⁽²⁾ varying by service
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are contingent upon CPI increases with a 3.00% maximum). For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Plan membership:	
Retired members and beneficiaries receiving benefits	5,267
Terminated members entitled to, but not yet receiving benefits ⁽³⁾	2,040
Active members	<u>8,003</u>
Total	15,310

⁽¹⁾ Includes inflation at 3.50%.

⁽²⁾ Includes inflation at 3.50%, "across the board" increases of 0.75%, plus merit and longevity increases. See Exhibit IV for these increases.

⁽³⁾ Includes nonvested terminated members with member contributions on deposit.

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

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Post – Retirement Mortality Rates:

- Healthy:* For General Members: RP-2000 Combined Healthy Mortality Table set back one year.
For Safety Members: RP-2000 Combined Healthy Mortality Table set back one year.
- Disabled:* For General Members: RP-2000 Combined Healthy Mortality Table set forward six years.
For Safety Members: RP-2000 Combined Healthy Mortality Table set back one year.
- Beneficiaries:* Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who has taken a service (non-disability) retirement.
- Member Contribution Rates:* For General Members: RP-2000 Combined Healthy Mortality Table set back one year weighted 35% male and 65% female.
For Safety Members: RP-2000 Combined Healthy Mortality Table set back one year weighted 80% male and 20% female.

Termination Rates Before Retirement:

Age	Rate (%) Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.07	0.04	0.07	0.04
40	0.10	0.06	0.10	0.06
45	0.14	0.10	0.14	0.10
50	0.20	0.16	0.20	0.16
55	0.32	0.24	0.32	0.24
60	0.59	0.44	0.59	0.44
65	1.13	0.86	1.13	0.86

All pre-retirement deaths are assumed to be non-duty related.

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

Termination Rates Before Retirement (continued):

Age	Rate (%)	
	Disability	
	General⁽¹⁾	Safety⁽²⁾
25	0.02	0.11
30	0.04	0.24
35	0.08	0.57
40	0.13	0.90
45	0.24	1.15
50	0.48	2.15
55	0.69	4.10
60	0.75	5.75
65	0.75	0.00
70	0.75	0.00

⁽¹⁾45% of General disabilities are assumed to be duty disabilities and the other 55% are assumed to be ordinary disabilities.

⁽²⁾90% of Safety disabilities are assumed to be duty disabilities and the other 10% are assumed to be ordinary disabilities.

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

Termination Rates Before Retirement (continued):

Rate (%)		
Withdrawal (Less than Five Years of Service)*		
Years of Service	General	Safety
0	16.00	10.00
1	12.00	7.00
2	10.00	7.00
3	8.00	6.00
4	8.00	5.50

Withdrawal (Five or More Years of Service)*		
Age	General	Safety
20	8.00	5.00
25	8.00	4.70
30	7.10	3.60
35	5.60	2.40
40	4.10	1.40
45	3.05	0.70
50	2.00	0.20
55	1.35	0.00
60	1.10	0.00
65	1.00	0.00
70	0.00	0.00

* The greater of a refund of member contributions and a deferred annuity is valued when a member withdraws.

No withdrawal is assumed after a member is first assumed to retire.

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

Retirement Rates:

Age	Rate (%)	
	General	Safety
40	0.00	1.00
41	0.00	1.00
42	0.00	1.00
43	0.00	1.00
44	0.00	1.00
45	0.00	1.00
46	0.00	1.00
47	0.00	1.00
48	0.00	1.00
49	0.00	1.00
50	4.00	2.00
51	4.00	2.00
52	5.00	5.00
53	5.00	8.00
54	7.00	18.00
55	8.00	20.00
56	8.00	20.00
57	9.00	18.00
58	10.00	18.00
59	12.00	30.00
60	14.00	30.00
61	20.00	30.00
62	25.00	50.00
63	20.00	50.00
64	30.00	50.00
65	40.00	100.00
66	35.00	100.00
67	35.00	100.00
68	35.00	100.00
69	20.00	100.00
70	20.00	100.00
71	20.00	100.00
72	20.00	100.00
73	20.00	100.00
74	50.00	100.00
75	100.00	100.00

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

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

For deferred vested members, we make the following retirement assumption:

General Age: 57

Safety Age: 53

We assume that 50% and 65% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 5.00% compensation increases per annum.

Future Benefit Accruals:

1.0 year of service per year.

Unknown Data for Members:

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

Definition of Active Members:

All active members of VCERA as of the valuation date.

Percent Married:

75% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.

Age of Spouse:

Female (or male) spouses are 3 years younger (or older) than their spouses.

Net Investment Return:

8.00%, net of investment and administration expenses.

Member Contribution

Crediting Rate:

3.50% (Actual increase is based on projected long term ten-year Treasury rate).

Consumer Price Index:

Increase of 3.50% per year; retiree COLA increases due to CPI are subject to a 3.0% maximum change per year for General Tier 1 and Safety. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.

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

In-Service Redemptions:

The following assumptions for in-service redemptions pay as a percentage of final average pay are used:

General Tier 1	8.00%
General Tier 2	3.25%
Safety	7.00%

For determining the cost of the basic benefit (i.e., non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect member contribution rates.

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.50% per year; plus “across the board” salary increases of 0.75% per year; plus the following promotional and merit increases:

<u>Years of Service</u>	<u>General</u>	<u>Safety</u>
Less than 1	4.50%	9.00%
1	3.50	6.50
2	3.00	4.75
3	2.50	3.50
4	2.00	3.00
5	1.50	2.50
6	1.00	2.00
7	1.00	1.50
8	0.75	1.25
9	0.75	1.00
10	0.75	0.75
11	0.75	0.75
12	0.75	0.75
13	0.75	0.75
14	0.75	0.75
15	0.75	0.75
16	0.75	0.75
17	0.75	0.75
18	0.75	0.75
19	0.75	0.75
20 and Over	0.75	0.75

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

Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Prior to June 30, 2007, the unrecognized return was determined on an annual basis.
Valuation Value of Assets:	Actuarial Value of Assets reduced by the value of the STAR COLA benefit reserve, supplemental medical benefit reserve and statutory contingency reserve.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an aggregate basis by taking the Present Value of Future Normal Costs (calculated as if the current benefit accrual rate had always been in effect) divided by the Present Value of Future Salaries to obtain a normal cost rate. This normal cost rate is then multiplied by the total of current salaries.
Changes in Actuarial Assumptions:	There have been no changes in actuarial assumptions since the prior valuation.

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

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the VCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership Eligibility:	All regular employees of the County of Ventura or contracting district, scheduled to work 64 or more hours biweekly, are eligible to become a member of the Retirement Association subject to classification below:
<i>General Tier 1</i>	All General members hired before June 30, 1979.
<i>General Tier 2</i>	All General members hired on or after June 30, 1979, except as noted above.
<i>Safety</i>	All Safety members.

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

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

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Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Tier 1 (§31676.11)</i>	50	$(1.24\% \times \text{FAS1} - 1/3 \times 1.24\% \times \$350 \times 12) \times \text{Yrs}$
	55	$(1.67\% \times \text{FAS1} - 1/3 \times 1.67\% \times \$350 \times 12) \times \text{Yrs}$
	60	$(2.18\% \times \text{FAS1} - 1/3 \times 2.18\% \times \$350 \times 12) \times \text{Yrs}$
	62	$(2.35\% \times \text{FAS1} - 1/3 \times 2.35\% \times \$350 \times 12) \times \text{Yrs}$
	65	$(2.61\% \times \text{FAS1} - 1/3 \times 2.61\% \times \$350 \times 12) \times \text{Yrs}$

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

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	Retirement Age	Benefit Formula
<i>Safety (Non-Integrated) (§31664)</i>	50	(2.00% x FAS1 x Yrs)
	55	(2.62% x FAS1 x Yrs)
	60	(2.62% x FAS1 x Yrs)
Maximum Benefit:		100% of Highest Average Compensation (§31676.1, §31676.11, §31664)
Ordinary Disability:		
<i>General Tier 1 and Tier 2</i>		
<i>Eligibility</i>	Five years of service (§31720).	
<i>Benefit Formula</i>	1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but total benefit cannot be more than one-third of Final Compensation (§31727).	
<i>Safety</i>		
<i>Eligibility</i>	Five years of service (§31720).	
<i>Benefit Formula</i>	1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but total benefit cannot be more than one-third of Final Compensation (§31727.2).	
Line-of-Duty Disability:		
<i>All Members</i>		
<i>Eligibility</i>	No age or service requirements (§31720).	
<i>Benefit Formula</i>	50% of the Final Compensation or 100% of Service Retirement benefit, if larger (§31727.4).	

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

Pre-Retirement Death:

All Members

Eligibility - A

None.

Benefit - A

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

50% of Final Compensation or 100% of Service Retirement benefit, if larger, payable to spouse if Line-of-Duty death (§31787).

OR

Eligibility - B

Five years of service.

Benefit - B

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

Death After Retirement:

All Members

Service or

Ordinary Disability Retirement

60% of member's unmodified allowance continued to eligible spouse (§31760.1). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).

Line-of-Duty Disability

100% of member's allowance continued to eligible spouse (§31786). In addition, there is a \$5,000 lump sum benefit payable to member's beneficiary (§31789.3).

Withdrawal Benefits:

Less than Five Years of Service

Refund of accumulated employee contributions with interest or earned benefit at age 70 (§31628).

Five or More Years of Service

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

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Post-retirement

Cost-of-Living Benefits:

General Tier 1 and Safety

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

General Tier 2

SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March, 2003.

County Contributions:

Determined by the Entry Age Normal Actuarial Cost Method. The Unfunded Actuarial Accrued Liability is being funded as a level percent of compensation over a 15-year fixed (decreasing) layered amortization period.

Supplemental Benefit:

A supplemental benefit in the amount of \$108.44 per month is paid to retirees and their survivors.

Member Contributions:

Please refer to Appendix A for the specific rates.

General Tier 1

Basic

Provide for an average annuity at age 55 equal to 1/120 of FAS1 (§31621.1).

Cost-of-Living

Provide for one-half of future cost-of-living costs.

General Tier 2

Basic

Provide for an average annuity at age 60 equal to 1/120 of FAS3 (§31621).

Cost-of-Living

Provide for a fixed 2% cost-of-living increase for SEIU members that applies to service after March 2003 (§31627). The contribution rate is currently a negotiated 2.63% of compensation.

Safety

Basic

Provide for an average annuity at age 50 equal to 1/100 of FAS1 (§31639.25).

Cost-of-Living

Provide for one-half of future cost-of-living costs.

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Other Information: For members hired after November 1974, they will pay a contribution corresponding to a General and Safety member hired at entry age 36 and 27, respectively. Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for General members hired on or before March 7, 1973.

Plan Changes: There have been no changes in plan provisions since the previous actuarial valuation.

Plan Provisions Not Valued: The Board of Retirement has approved a STAR COLA benefit and a Supplemental Medical Benefit. These benefits are funded from Undistributed Excess Earnings, paid from reserves that are not included in the Valuation Value of Assets and are subject at all times to the availability of funds.

The STAR COLA benefit is a benefit designed to protect against loss of purchasing power and is paid to a closed group of retirees and beneficiaries. The Supplemental Medical Benefit is \$27.50 per month and is payable to virtually all retirees and beneficiaries.

NOTE: *The summary of major plan provisions is designed to outline principle plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

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

Appendix A

Member Contribution Rates

**General Tier 1 Members' Contribution Rates from the June 30, 2010 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	3.34%	5.01%	1.15%	1.72%	4.49%	6.73%
16	3.34%	5.01%	1.15%	1.72%	4.49%	6.73%
17	3.40%	5.10%	1.16%	1.74%	4.56%	6.84%
18	3.46%	5.18%	1.18%	1.78%	4.64%	6.96%
19	3.51%	5.27%	1.21%	1.81%	4.72%	7.08%
20	3.57%	5.36%	1.23%	1.84%	4.80%	7.20%
21	3.63%	5.45%	1.25%	1.87%	4.88%	7.32%
22	3.69%	5.54%	1.27%	1.90%	4.96%	7.44%
23	3.76%	5.63%	1.28%	1.93%	5.04%	7.56%
24	3.82%	5.73%	1.31%	1.96%	5.13%	7.69%
25	3.88%	5.82%	1.33%	1.99%	5.21%	7.81%
26	3.94%	5.92%	1.35%	2.02%	5.29%	7.94%
27	4.01%	6.01%	1.37%	2.06%	5.38%	8.07%
28	4.08%	6.11%	1.39%	2.10%	5.47%	8.21%
29	4.14%	6.21%	1.42%	2.13%	5.56%	8.34%
30	4.21%	6.32%	1.44%	2.16%	5.65%	8.48%
31	4.28%	6.42%	1.47%	2.20%	5.75%	8.62%
32	4.35%	6.52%	1.49%	2.24%	5.84%	8.76%
33	4.42%	6.63%	1.51%	2.27%	5.93%	8.90%
34	4.49%	6.74%	1.54%	2.31%	6.03%	9.05%
35	4.57%	6.85%	1.56%	2.34%	6.13%	9.19%
36	4.64%	6.96%	1.59%	2.38%	6.23%	9.34%
37	4.72%	7.07%	1.61%	2.43%	6.33%	9.50%

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**General Tier 1 Members' Contribution Rates from the June 30, 2010 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
38	4.79%	7.19%	1.64%	2.46%	6.43%	9.65%
39	4.87%	7.31%	1.67%	2.50%	6.54%	9.81%
40	4.95%	7.43%	1.70%	2.54%	6.65%	9.97%
41	5.04%	7.55%	1.72%	2.59%	6.76%	10.14%
42	5.12%	7.68%	1.75%	2.63%	6.87%	10.31%
43	5.21%	7.81%	1.78%	2.68%	6.99%	10.49%
44	5.30%	7.95%	1.81%	2.72%	7.11%	10.67%
45	5.40%	8.09%	1.85%	2.78%	7.25%	10.87%
46	5.50%	8.24%	1.88%	2.83%	7.38%	11.07%
47	5.59%	8.38%	1.92%	2.88%	7.51%	11.26%
48	5.69%	8.54%	1.95%	2.92%	7.64%	11.46%
49	5.77%	8.66%	1.98%	2.97%	7.75%	11.63%
50	5.84%	8.76%	2.00%	3.00%	7.84%	11.76%
51	5.89%	8.84%	2.02%	3.02%	7.91%	11.86%
52	5.92%	8.88%	2.03%	3.05%	7.95%	11.93%
53	5.94%	8.91%	2.03%	3.05%	7.97%	11.96%
54 & Over	5.92%	8.88%	2.03%	3.04%	7.95%	11.92%
Interest:	8.00%					
COLA:	3.00%					
COLA Loading:	34.25%					
Mortality:	RP-2000 Combined Health Mortality Table set back one year, weighted 35% male and 65% female.					
Salary Increase:	See Exhibit IV.					

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

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**General Tier 2 Members' Contribution Rates from the June 30, 2010 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)
Calculated Under Recommended Assumptions**

Entry Age	Basic Only		Entry Age	Basic Only	
	First \$350	Over \$350		First \$350	Over \$350
16	2.74%	4.11%	38	3.95%	5.92%
17	2.79%	4.18%	39	4.01%	6.02%
18	2.83%	4.25%	40	4.07%	6.11%
19	2.89%	4.33%	41	4.14%	6.21%
20	2.93%	4.40%	42	4.21%	6.32%
21	2.99%	4.48%	43	4.28%	6.42%
22	3.03%	4.55%	44	4.35%	6.52%
23	3.09%	4.63%	45	4.42%	6.63%
24	3.14%	4.71%	46	4.49%	6.74%
25	3.19%	4.79%	47	4.57%	6.86%
26	3.25%	4.87%	48	4.65%	6.98%
27	3.30%	4.95%	49	4.73%	7.10%
28	3.35%	5.03%	50	4.81%	7.22%
29	3.41%	5.11%	51	4.89%	7.34%
30	3.47%	5.20%	52	4.97%	7.46%
31	3.52%	5.28%	53	5.04%	7.56%
32	3.58%	5.37%	54	5.09%	7.63%
33	3.64%	5.46%	55	5.13%	7.69%
34	3.70%	5.55%	56	5.15%	7.72%
35	3.76%	5.64%	57	5.14%	7.71%
36	3.82%	5.73%	58	5.34%	8.01%
37	3.88%	5.82%	59 & over	5.54%	8.31%

Interest: 8.00%
 COLA: SEIU members contribute a negotiated 2.63% for a fixed 2% COLA pursuant to Government Code 31627.
 Mortality: RP-2000 Combined Health Mortality Table set back one year, weighted 35% male and 65% female.
 Salary Increase: See Exhibit IV.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

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**Safety Members' Contribution Rates from the June 30, 2010 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	7.52%	3.97%	11.49%
16	7.52%	3.97%	11.49%
17	7.52%	3.97%	11.49%
18	7.52%	3.97%	11.49%
19	7.52%	3.97%	11.49%
20	7.52%	3.97%	11.49%
21	7.52%	3.97%	11.49%
22	7.64%	4.05%	11.69%
23	7.77%	4.12%	11.89%
24	7.91%	4.18%	12.09%
25	8.04%	4.25%	12.29%
26	8.18%	4.32%	12.50%
27	8.32%	4.39%	12.71%
28	8.46%	4.47%	12.93%
29	8.60%	4.55%	13.15%
30	8.75%	4.63%	13.38%
31	8.90%	4.71%	13.61%
32	9.06%	4.79%	13.85%
33	9.22%	4.88%	14.10%
34	9.39%	4.96%	14.35%
35	9.56%	5.06%	14.62%
36	9.74%	5.15%	14.89%
37	9.93%	5.25%	15.18%
38	10.12%	5.36%	15.48%
39	10.33%	5.47%	15.80%
40	10.53%	5.58%	16.11%
41	10.73%	5.67%	16.40%
42	10.91%	5.78%	16.69%

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**Safety Members' Contribution Rates from the June 30, 2010 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
43	11.07%	5.86%	16.93%
44	11.21%	5.92%	17.13%
45	11.31%	5.99%	17.30%
46	11.41%	6.03%	17.44%
47	11.42%	6.04%	17.46%
48	11.32%	5.99%	17.31%
49 & Over	11.06%	5.85%	16.91%

Interest: 8.00%
 COLA: 3.00%
 COLA Loading: 52.89%
 Mortality: RP-2000 Combined Health Mortality Table set back one year, weighted 80% male and 20% female.
 Salary Increase: See Exhibit IV.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 27. These rates are determined before any pickups by the employers.

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