

**Santa Barbara County Employees'
Retirement System**

**Actuarial Valuation of
Post Employment Benefits Other than Pensions
as of June 30, 2010**



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March 16, 2011

Mr. Vincent Brown
Chief Executive Officer
Santa Barbara County Employees' Retirement System
3916 State Street, Suite 210
Santa Barbara, CA 93105

Re: Actuarial Valuation of Post Employment Benefits as of June 30, 2010

In accordance with the request of Santa Barbara County Employees Retirement System (SBCERS), we have performed an Actuarial Valuation of the Other Post Employment Benefits (OPEB) as of June 30, 2010. The major findings of the valuation are contained in this report. This report reflects the benefit provisions in effect as of June 30, 2010.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated experience affecting the System.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as a change in the amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Retirement has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Actuarial computations presented in this report under GASB Statements No. 43 and 45 are for purposes of fulfilling financial accounting requirements. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's goals. The

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calculations in this report have been made on a basis consistent with our understanding of the OPEB plan provisions described in Appendix B of this report, and of GASB Statements No. 43 and 45. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of SBCERS. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

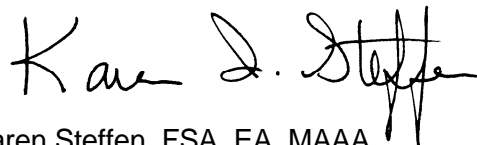
We would like to express our appreciation to members of SBCERS' staff, who gave substantial assistance in supplying the data on which this report is based.

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

Sincerely,

A handwritten signature in black ink that reads "Daniel Wade".

Daniel Wade, FSA, EA, MAAA
Consulting Actuary

A handwritten signature in black ink that reads "Karen J. Steffen".

Karen Steffen, FSA, EA, MAAA
Consulting Actuary

DRW/KIS/nlo

**Santa Barbara County Employees' Retirement System
Actuarial Valuation of
Post Employment Benefits Other than Pensions
as of June 30, 2010**

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Santa Barbara County Employees' Retirement System Actuarial Valuation of Post Employment Benefits Other than Pensions as of June 30, 2010

Section 1: Executive Summary



Introduction

Milliman, Inc. ("Milliman") has been retained by Santa Barbara County Employee Retirement System (SBCERS) to provide an actuarial valuation of its other post employment benefit (OPEB) retiree health plan. In our valuation we:

- Calculate the present value of total benefits for each employer and in total (shown in Exhibit 2).
- Calculate the actuarial accrued liability (present value of benefits attributable to past service) for each employer and in total (shown in Exhibit 2).
- Project expected Employer payouts for the next 10 years (shown in Exhibits 6 and 7).
- Calculate the annual OPEB expense under GASB Statement No. 45 for the 2009-2010 Fiscal Year for each employer (shown in Exhibit 8).
- Calculate the Annual Required Contribution (ARC) and annual OPEB expense under GASB Statement No. 45 for each employer for the 2010-2011 Fiscal Year (shown in Exhibits 9 and 10).
- Prepare the financial statement disclosures relating to the funded status of the plan (shown in Exhibit 11).

Background

PLAN PROVISIONS

Members who retire and are eligible to receive a pension from SBCERS may elect to continue coverage in the employers' health plans and receive a subsidy of \$15 per month per year of service that will help pay their retiree health premiums. If the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. The health plans can include coverage for eligible spouses and dependents.

After the member's death, a surviving spouse is eligible to continue health plan coverage. The monthly subsidy benefit will be equal to \$15 per year of service times the survivor continuation percentage applicable for pension benefits.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 per month or a \$15 per year of service, whichever is greater.

**PLAN PROVISIONS
(CONTINUED)**

Retirees who choose not to participate in an employer sponsored health plan receive a benefit of \$4 per month per year of service. After the member's death, a surviving spouse is eligible to receive a benefit equal to \$4 per month per year of service times the survivor continuation percentage applicable for pension benefits.

For the Santa Barbara County Association of Governments (SBCAG), the benefit options are different from what they are for all other employers.

For retired, deferred vested and active SBCAG members hired prior to January 1, 2010:

- Those who retire within 120 days of leaving active duty may elect CalPERS health insurance and receive a \$475 per month subsidy. As with other employees, they can forego the subsidy and receive a benefit of \$4 per month per year of service.
- Those who retire more than 120 days after leaving active duty may elect County health insurance and receive a \$15 per month per year of service subsidy. As with other employees, they can forego the subsidy and receive a benefit of \$4 per month per year of service.

Active SBCAG members hired on or after January 1, 2010 are ineligible for the County plan. The CalPERS benefits above are not part of the County plan and are administered separately by SBCAG.

For purposes of this actuarial valuation report, we did not treat SBCAG active or deferred vested members differently from members of other employers. For retired SBCAG members, we valued their benefits if and only if they are receiving benefits through the County health insurance or they selected the \$4 per month per year of service benefit. This methodology should be reviewed for future valuations.

**HISTORICAL PLAN
PROVISIONS**

A settlement agreement between the County and retirees provided for a benefit for all retired SBCERS members as of June 24, 1988. At the time of the settlement, the County agreed to pay a retiree health care subsidy of \$8 per month per year of service for retirees who participated in an employer sponsored health plan. For those who did not participate in a health plan, the cash benefit was \$1.47 per month per year of service. Between 1996 and 2002, the Board of Retirement expanded the subsidy incrementally to the current level. These benefits have not increased since 2002.

For this valuation, we assume that no future increases will be granted in any of the following:

- Monthly Health Premium Subsidy of \$15 per year of service.
- Monthly Cash Benefit of \$4 per year of service for those electing to forego the employer-sponsored health plan.
- Monthly subsidy of \$187 for members receiving disability retirement benefits.

It is our understanding that the employers do not intend to increase these levels at any time in the future.

IMPLICIT RATE SUBSIDIES

Retiree health premiums (excluding dental and vision) are rated separately from the premiums for active employees. For this reason, there is no implicit rate subsidy for health benefits.

For dental and vision benefits, the retirees are pooled with the active employees for setting premium amounts. Because these benefits are relatively small and the claims costs between actives and retirees are not expected to differ as much as they would for other health benefits, any implicit subsidies for dental and vision benefits were deemed immaterial.

Only the direct subsidies are valued in this report.

**NET OPEB
OBLIGATION**

The OPEB plan is considered an agent plan. Unlike the SBCERS pension plan where the experience is pooled among different employers, an agent plan tracks income, disbursements, and liability experience separately for each individual employer group.

GASB Statement 45 allows employers to set the beginning net OPEB obligation at zero as of the beginning of the initial year. Implementation is required in three phases based upon a government's total annual revenues. It is our understanding that the County is a phase 1 employer, the Santa Barbara County Association of Governments (SBCAG) is a phase 2 employer, while all of the other employers are phase 3 employers.

For phase 1 employers, such as the County, implementation was required for periods starting after December 15, 2006. The net OPEB obligation for the County was zero as of June 30, 2007. The ARC for the July 1, 2007 through June 30, 2008 and July 1, 2008 through June 30, 2009 was calculated by the County. The net OPEB obligation for Santa Barbara County as of June 30, 2009 was provided by the County.

For phase 2 employers, the implementation date was for periods starting after December 15, 2007. In our June 30, 2009 valuation, we calculated an ARC for SBCAG for the July 1, 2008 through June 30, 2009 period, with a net OPEB obligation of zero as of June 30, 2008.

Because the Air Pollution Control District (APCD) began making substantial contributions to the 401(h) account during the July 1, 2008 through June 30, 2009 period, we calculated an ARC for that period. We started with a net OPEB obligation equal to zero as of June 30, 2008.

The other employers did not need to report an ARC for the July 1, 2007 through June 30, 2009 period, but needed to do so for the July 1, 2009 to June 30, 2010 period and after. This is because phase 3 employers were not required to report for OPEB until periods starting after December 15, 2008. For those employers, we started with zero net OPEB obligation as of June 30, 2009.

For all employers, we calculated an ARC for the July 1, 2010 through June 30, 2011 period based upon this June 30, 2010 actuarial valuation. We have calculated the final June 30, 2010 net OPEB obligation for all employers using actual employer contributions. We have also estimated the June 30, 2011 net OPEB obligation based upon estimated employer contributions for the July 1, 2010 through June 30, 2011 period.

**Changes from the
June 30, 2009
Actuarial Valuation
Report**

ASSETS

In September 2008, the employers and SBCERS adopted an Internal Revenue Code Section 401(h) account to pay for retiree medical benefits. The 401(h) account was used for the \$15 health subsidy benefits beginning in October 2008 and the \$4 cash benefits in January 2009.

There are limits as to the annual contribution that an employer is allowed to make to a Section 401(h) account, based upon the normal cost for the pension plan. It is our understanding that the 2009-2010 contributions used in this report are within the limits. We reviewed the calculation used to determine that the 2009-2010 contributions were within the limits and found the calculations to be reasonable. We are not attorneys and cannot give legal advice on such issues. We suggest that you review this issue with counsel.

The County has adopted a funding policy to contribute 3% of payroll for covered employees. This results in partial pre-funding of the retiree medical benefits for the County. The APCD is also partially pre-funding its obligation. The other employers are funding on a pay-as-you-go basis.

**INVESTMENT RETURN
ASSUMPTION
(DISCOUNT RATE)**

Since the previous valuation, the investment return assumption (discount rate) has been changed from 4.50% to 4.00%.

The investment return assumption (discount rate) is based on the expected rate of return for the 401(h) account, which is invested in the Treasurer's pool. The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of OPEB benefits. Based on our inflation assumption of 3.25% and the asset allocation of the Treasurer's Pool as of June 30, 2010, we believe that a long-term assumption of 4.00% is appropriate for the 2010 OPEB valuation.

We recommend that the Board adopt this assumption at its March 23, 2011 meeting.

Significant Assumptions Used in This Report

Please see Appendix A for a complete summary of our assumptions.

When appropriate, our assumptions for valuing the OPEB Plan match the assumptions used for the pension plan. In December 2010, Milliman reviewed SBCERS experience from July 2007 through June 2010. As a result of this study, changes were made to the termination, retirement, disability, mortality and probability of marriage assumptions and were reflected in the 2010 SBCERS pension valuation. These same assumption changes are reflected in the 2010 OPEB valuation.

HEALTH PLAN PARTICIPATION

For this OPEB valuation, we assumed that 65% of future retirees will select a monthly subsidy for employer health plan benefits of \$15 per year of service, while 35% will select the \$4 cash benefit option. This has been updated from our June 30, 2009 OPEB valuation assumption that 75% of future retirees will select the \$15 monthly subsidy. The Board adopted this change in assumptions at its December 15, 2010 meeting.

As of the 2010 valuation date, approximately 57% of retirees choose the \$15 subsidy. However, those with long service are significantly more likely to choose the \$15 option than those with short service. When we reviewed the selection of health plan coverage on a service-weighted basis, we found that those who chose the \$15 subsidy had approximately 70% of the total service. At the time of our last valuation, approximately 73% of the total service was for people who had chosen the \$15 subsidy. At its October 27 meeting, the Board indicated that it believed that future declines in election percentage are likely. Therefore, we feel that the assumption of 65% is reasonable and appropriate.

MAXIMUM SUBSIDY

As mentioned above, if the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. For this valuation, we used the maximum monthly subsidy.

As of the valuation date, there are retirees who are receiving a subsidy that is less than the maximum monthly subsidy implied by \$15 times years of service. When considering all retirees, the total subsidy as of the valuation date was approximately 99.5% of the maximum possible based upon \$15 times years of service. As health costs continue to increase, this percentage should increase with time. For this reason, we feel it is appropriate to use the maximum subsidy for our valuation.

Results of Study

The valuation results are summarized in the following exhibit and use the following terms:

The **Present Value of Benefits** is the present value of projected benefits discounted at the valuation interest rate (4.50% for 2009 and 4.00% for 2010).

The **Actuarial Accrued Liability (AAL)** is the portion of the present value of benefits attributed to past service only. The portion attributed to future employee service is excluded. For retirees, this is equal to the present value of benefits. For active employees, the actuarial present value of the projected benefits of each individual is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit (until maximum retirement age). The portion attributed to service between entry age and the valuation date is the actuarial accrued liability.

The **Normal Cost** is that portion of the Employer provided benefit attributable to employee service in the current year.

The **Annual Required Contribution (ARC)** is the amount that the employer is required to report as an expense under GASB 45. The ARC is equal to the Normal Cost plus an amount to amortize the unfunded AAL. Note the ARC represents an accounting expense, but the employer is not required to contribute the ARC to a trust. If the employer does not set aside funds equal to the ARC each year, then a net OPEB obligation is disclosed.

AMORTIZATION PERIOD

For Santa Barbara County, a closed amortization period of 15 years was established as of January 1, 2007. As of June 30, 2010 this period is now 11.5 years.

For other employers, an open/rolling period of 30 years is used. This is the longest amortization period available and will result in the lowest level of ARC and net OPEB obligation status for the employers' accounting statements. This is common practice if little or no prefunding is expected.

Exhibit 1 on the following page is a summary of the valuation results. The results from the prior valuation are also displayed for purposes of comparison.

**Santa Barbara County Employees' Retirement System
Actuarial Valuation of
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as of June 30, 2010**

Exhibit 1

Summary of Valuation Results

	Valuation Date		Percentage Change
	June 30, 2010	June 30, 2009	
Total Membership			
Active members	4,228	4,467	(5.4%)
Vested Terminated Members	902	906	(0.4%)
Retirees and Surviving Spouses	<u>3,214</u>	<u>3,019</u>	6.5%
Total	8,344	8,392	(0.6%)
Discount Rate	4.00%	4.50%	
Present Value of Benefits	\$ 242,435,000	\$ 224,422,000	8.0%
Actuarial Accrued Liability (AAL)	\$ 187,220,000	\$ 174,532,000	7.3%
Assets	<u>2,153,000</u>	<u>1,169,000</u>	84.2%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 185,067,000	\$ 173,363,000	6.8%
One-Year Period Following the Valuation Date:			
Normal Cost	\$ 5,559,000	\$ 5,498,000	1.1%
Annual Required Contribution (ARC)	\$ 21,784,000	\$ 19,791,000	10.1%
Estimated Annual Benefit Payments	\$ 8,331,000	\$ 8,041,000	3.6%

Note that the liabilities do not include any liabilities for the Oak Hill Cemetery or the Santa Barbara County Vector Control District. These employers have not elected to join the 401(h) account.

Results of Study (continued)

All of the numbers in Exhibit 1 are aggregate amounts for all employers. See the exhibits later in the report for the breakdowns by individual employers.

Note that the count for retirees and surviving spouses is lower for this valuation than it is for the pension valuation. Retirees who are married to other SBCERS retirees often pool their service credit for a better insurance subsidy. In those cases, there are two pension allowances, but only one retiree medical subsidy. Also, the pension valuation includes those receiving pension benefits pursuant to a Qualified Domestic Relations Order (QDRO), but not receiving retiree medical benefits.

Reconciliation

As of the 2009 OPEB valuation, the actuarial accrued liability was determined to be \$174.5 million. The expected value as of June 30, 2010 based upon the 2009 valuation, including the 2009 discount rate assumption, was \$179.9 million. The actuarial accrued liability based upon our June 30, 2010 valuation is \$187.2 million, which is 4% greater than expected for reasons summarized as follows:

Reason	Liability Increase (Decrease) as a Percentage
Demographic Experience	(1%)
New Election Percentage Assumption	(4%)
Discount Rate Change	6%
All Other Assumptions	<u>3%</u>
Total	4%

We generally expect the actuarial accrued liability to increase due to the passage of time. Employees have earned one more year of service credit since our last valuation and there is one less year of discounting applied to future payments. Those increases are partially offset by the fact that there is no longer an obligation for benefits paid over the year between valuations.

When we reviewed the 2010 census, the actual **demographic experience** (health plan participation, termination of employment, disability, retirement, and mortality rates) since 2009 do not perfectly match our demographic assumptions. There was a small decrease in liability attributable to the demographic experience between June 30, 2009 and June 30, 2010. This is largely due to the decline in the number of members electing coverage compared to the previous valuation.

The change in the **discount rate** was largely responsible for the increase in liabilities between the June 30, 2009 valuation and the June 30, 2010 valuation. Discounting at a lower rate resulted in higher liabilities.

**Reconciliation
(continued)**

The change in the election percentage assumption resulted in a decline in liabilities for future retirees. All other assumption changes, including mortality, retirement, termination, disability and the probability of marriage assumptions resulted in an increase in liabilities.

Variability of Results

The results contained in this report represent our best estimates. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

**Santa Barbara County Employees' Retirement System
Actuarial Valuation of
Post Employment Benefits Other than Pensions
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Section 2: Exhibits



Detailed Valuation Results

Exhibit 2 displays the Present Value of Benefits and Actuarial Accrued Liabilities for each employer and in total.

Exhibit 3 displays the Normal Cost by each employer and in total.

Exhibit 4 displays a reconciliation of assets in the 401(h) account from the beginning of the year to the end of the year.

Exhibit 5 displays the Unfunded Actuarial Accrued Liability for each individual employer and in total.

Benefit Payments

Exhibit 6 illustrates the projected employer costs of providing subsidized retiree health benefits on a pay-as-you-go basis. The chart in Exhibit 7 graphically illustrates the total projected cash flow payments for all employers combined.

Note that these projections do not reflect any new hires after July 1, 2010, however all employees hired prior to that date are included in our valuation.

Accounting Disclosure Information for GASB 43 and 45

Exhibit 8 shows the calculation for the development of the Net OPEB Obligation as of June 30, 2010 for each employer and in total.

Exhibit 9 provides the development of the ARC for 2010-2011 for each employer and in total.

Exhibit 10 shows the calculation for the development of the Net OPEB Obligation as of June 30, 2011 for each employer and in total.

Exhibit 11 displays the Schedule of Funding Progress for each employer and in total.

**Santa Barbara County Employees' Retirement System
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Exhibit 2

Liabilities

<u>June 30, 2010</u>	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summerland Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
<i>Present Value of Benefits</i>										
Active employees	\$ 122,683,079	\$ 111,462,942	\$ 1,060,023	\$ 253,292	\$ 103,527	\$ 515,367	\$ 116,060	\$ 31,757	\$ 1,545,115	\$ 7,594,996
Vested Terminated Employees	11,035,916	10,352,360	79,654	0	0	79,247	0	42,603	210,996	271,056
Retirees	<u>108,716,242</u>	<u>102,663,214</u>	<u>1,885,318</u>	<u>190,385</u>	<u>69,758</u>	<u>100,586</u>	<u>21,369</u>	<u>14,555</u>	<u>585,458</u>	<u>3,185,599</u>
Total	<u>\$ 242,435,237</u>	<u>\$ 224,478,516</u>	<u>\$ 3,024,995</u>	<u>\$ 443,677</u>	<u>\$ 173,285</u>	<u>\$ 695,200</u>	<u>\$ 137,429</u>	<u>\$ 88,915</u>	<u>\$ 2,341,569</u>	<u>\$ 11,051,651</u>
<i>Actuarial Accrued Liability</i>										
Active employees	\$ 67,467,354	\$ 60,927,962	\$ 594,003	\$ 141,197	\$ 67,918	\$ 279,008	\$ 61,742	\$ 7,112	\$ 1,025,849	\$ 4,362,563
Vested Terminated Employees	11,035,916	10,352,360	79,654	0	0	79,247	0	42,603	210,996	271,056
Retirees	<u>108,716,242</u>	<u>102,663,214</u>	<u>1,885,318</u>	<u>190,385</u>	<u>69,758</u>	<u>100,586</u>	<u>21,369</u>	<u>14,555</u>	<u>585,458</u>	<u>3,185,599</u>
Total	<u>\$ 187,219,512</u>	<u>\$ 173,943,536</u>	<u>\$ 2,558,975</u>	<u>\$ 331,582</u>	<u>\$ 137,676</u>	<u>\$ 458,841</u>	<u>\$ 83,111</u>	<u>\$ 64,270</u>	<u>\$ 1,822,303</u>	<u>\$ 7,819,218</u>



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Exhibit 3

Normal Cost

Normal Cost	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summer- land Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
Active employees	\$ 5,345,452	\$ 4,858,036	\$ 51,737	\$ 11,192	\$ 6,379	\$ 21,659	\$ 4,924	\$ 1,685	\$ 64,954	\$ 324,886
Interest*	213,816	194,321	2,069	448	255	866	197	67	2,598	12,995
Normal Cost with interest	\$ 5,559,268	\$ 5,052,357	\$ 53,806	\$ 11,640	\$ 6,634	\$ 22,525	\$ 5,121	\$ 1,752	\$ 67,552	\$ 337,881

* Interest is calculated using the OPEB valuation interest rate of 4.00%.

**Santa Barbara County Employees' Retirement System
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Exhibit 4

Assets

	Total	Santa Barbara County	Carpinteria- Summerland FPD	Santa Maria Cemetery	Goleta Cemetery	SBCAG	Summer- land Sanitary	Carpinteria Cemetery	APCD	Courts
Total Assets as of July 1, 2009	\$1,168,563	\$1,040,965	\$0	\$0	\$77	\$0	\$0	\$0	\$127,521	\$0
Revenues										
Contributions	\$ 8,782,199	\$ 8,239,982	\$ 127,962	\$ 12,998	\$ 4,676	\$ 10,076	\$ 1,566	\$ 2,221	\$ 186,134	\$ 196,584
Interest Income	27,943	27,040	0	0	0	0	0	0	903	0
Unrealized Gains on Investments	3,122	2,512	0	0	0	0	0	0	611	0
Total Revenues	\$ 8,813,264	\$ 8,269,534	\$ 127,962	\$ 12,998	\$ 4,676	\$ 10,076	\$ 1,566	\$ 2,221	\$ 187,648	\$ 196,584
Expenditures										
\$15 Health Insurance Subsidy	\$ 7,129,161	\$ 6,778,022	\$ 123,641	\$ 9,093	\$ 4,150	\$ 7,239	\$0	\$ 1,694	\$ 28,546	\$ 176,775
\$4 Cash Benefit	699,931	657,547	4,320	1,859	525	2,837	1,566	527	11,527	19,222
Total Expenditures	\$ 7,829,092	\$ 7,435,569	\$ 127,962	\$ 10,952	\$ 4,676	\$ 10,076	\$ 1,566	\$ 2,221	\$ 40,073	\$ 195,997
Total Assets as of June 30, 2010	\$ 2,152,735	\$ 1,874,929	\$0	\$2,046	\$ 77	\$0	\$0	\$0	\$ 275,096	\$587



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as of June 30, 2010**

Exhibit 5

Unfunded Actuarial Accrued Liability

<i>June 30, 2010 UAAL</i>	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summer- land Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
Actuarial Accrued Liability	\$ 187,219,512	\$ 173,943,536	\$ 2,558,975	\$ 331,582	\$ 137,676	\$ 458,841	\$ 83,111	\$ 64,270	\$ 1,822,303	\$ 7,819,218
Assets	<u>2,152,735</u>	<u>1,874,929</u>	<u>0</u>	<u>2,046</u>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>275,096</u>	<u>587</u>
UAAL	\$ 185,066,777	172,068,607	2,558,975	329,536	137,599	458,841	83,111	64,270	1,547,207	7,818,631
Funded percentage	1.1%	1.1%	0.0%	0.6%	0.1%	0.0%	0.0%	0.0%	15.1%	0.0%

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Exhibit 6

Projected Benefit Payments

Total Benefit Payments

Fiscal Year Ending	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summerland Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
2011	\$ 8,330,879	\$ 7,904,922	\$ 131,607	\$ 11,280	\$ 4,742	\$ 8,000	\$ 1,532	\$ 903	\$ 42,115	\$ 225,778
2012	8,653,661	8,186,023	134,979	11,728	5,705	9,705	1,722	904	50,210	252,685
2013	8,986,880	8,471,030	138,489	12,258	6,698	11,375	1,951	906	59,044	285,129
2014	9,321,442	8,757,075	141,683	12,952	7,559	13,822	2,214	919	67,170	318,048
2015	9,653,740	9,044,269	145,517	13,937	8,293	15,212	2,489	953	75,451	347,619
2016	9,993,029	9,333,717	149,971	15,116	8,873	17,169	2,838	990	88,476	375,879
2017	10,308,025	9,605,120	154,460	16,462	9,350	18,744	3,294	1,031	96,568	402,996
2018	10,617,390	9,874,753	157,721	17,876	9,736	21,108	3,860	1,074	102,917	428,345
2019	10,925,012	10,143,407	160,599	19,201	10,033	22,783	4,437	1,120	109,791	453,641
2020	11,228,286	10,404,894	161,807	20,400	10,302	26,366	4,995	4,693	116,767	478,062

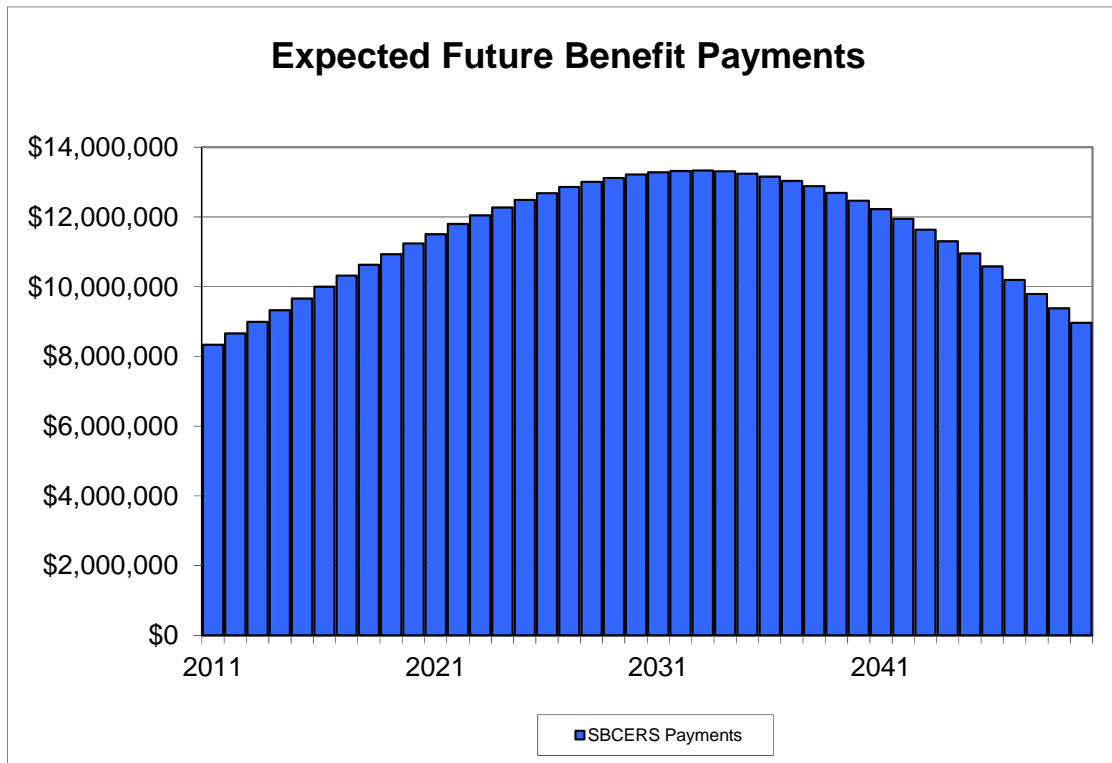


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**Santa Barbara County Employees' Retirement System
Actuarial Valuation of
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Exhibit 7

**Projected Benefit Payments
(all employers except Oak Hill Cemetery
and SB County Vector Control District)**



Note that these projections are for current employees and retirees only. They do not include any projection for new hires.

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Exhibit 8

Development of Net OPEB Obligation for June 30, 2010

Development of Net OPEB Obligation	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summerland Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
1. End of Year Normal Cost	5,498,341	5,002,721	50,815	11,007	6,308	20,739	4,668	1,490	72,570	328,023
2. Amortization of UAAL	14,293,108	13,830,256	90,755	10,181	4,609	20,343	2,846	3,767	64,323	266,028
3. Annual Required Contribution (1.+2.)	\$ 19,791,449	\$ 18,832,977	\$ 141,570	\$ 21,188	\$ 10,917	\$ 41,082	\$ 7,514	\$ 5,257	\$ 136,893	\$ 594,051
4. Interest on Net OPEB Obligation (4.50% x 9.)	859,164	858,915	-	-	-	1,254	-	-	(1,005)	-
5. Adjustment to ARC (9./amortization factor)	1,569,620	1,569,423	-	-	-	995	-	-	(798)	-
6. Annual OPEB Cost (3.+4.-5.)	\$ 19,080,993	\$ 18,122,469	\$ 141,570	\$ 21,188	\$ 10,917	\$ 41,341	\$ 7,514	\$ 5,257	\$ 136,686	\$ 594,051
7. Actual Employer Contributions	8,782,199	8,239,982	127,962	12,998	4,676	10,076	1,566	2,221	186,134	196,584
8. Change in Net OPEB Obligation (6.-7.)	\$ 10,298,794	\$ 9,882,487	\$ 13,608	\$ 8,190	\$ 6,241	\$ 31,265	\$ 5,948	\$ 3,036	\$ (49,448)	\$ 397,467
9. Net OPEB Obligation, June 30, 2009	19,092,533	19,087,000	0	0	0	27,870	0	0	(22,337)	0
10. Net OPEB Obligation, June 30, 2010 (8.+9.)	\$ 29,391,327	\$ 28,969,487	\$ 13,608	\$ 8,190	\$ 6,241	\$ 59,135	\$ 5,948	\$ 3,036	\$ (71,785)	\$ 397,467

* The Beginning of Year Net OPEB Obligation for Santa Barbara County was supplied by the County.



**Santa Barbara County Employees' Retirement System
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Exhibit 9

Development of Annual Required Contribution for 2010-2011

Calculation of ARC for 2010-2011	<u>Total</u>	<u>Santa Barbara County</u>	<u>Carpinteria- Summerland FPD</u>	<u>Santa Maria Cemetery</u>	<u>Goleta Cemetery</u>	<u>SBCAG</u>	<u>Summerland Sanitary</u>	<u>Carpinteria Cemetery</u>	<u>APCD</u>	<u>Courts</u>
1. End of Year Normal Cost	\$ 5,559,268	\$ 5,052,357	\$ 53,806	\$ 11,640	\$ 6,634	\$22,525	\$ 5,121	\$ 1,752	\$ 67,552	\$ 337,881
2. Unfunded Actuarial Accrued Liability (UAAL)	185,066,777	172,068,607	2,558,975	329,536	137,599	458,841	83,111	64,270	1,547,207	7,818,631
3. Amortization Period in Years	varies	11.5	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
4. Amortization Factor (level % of pay)	varies	11.356	28.977	28.977	28.977	28.977	28.977	28.977	28.977	28.977
5. Amortization Payment (2. / 4.) * 1.040	\$ 16,224,859	\$ 15,758,354	\$ 91,842	\$ 11,827	\$ 4,938	\$ 16,468	\$ 2,983	\$ 2,307	\$ 55,529	\$ 280,611
6. Annual Required Contribution (1. + 5.)	\$ 21,784,127	\$ 20,810,711	\$ 145,648	\$ 23,467	\$ 11,572	\$ 38,993	\$ 8,104	\$ 4,059	\$ 123,081	\$ 618,492



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Exhibit 10

Development of Estimated Net OPEB Obligation for June 30, 2011

Development of Net OPEB Obligation	Total	Santa Barbara County	Carpinteria- Summerland FPD	Santa Maria Cemetery	Goleta Cemetery	SBCAG	Summerland Sanitary	Carpinteria Cemetery	APCD	Courts
1. End of Year Normal Cost	\$ 5,559,268	\$ 5,052,357	\$ 53,806	\$ 11,640	\$ 6,634	\$ 22,525	\$ 5,121	\$ 1,752	\$ 67,552	\$ 337,881
2. Amortization of UAAL	<u>16,224,859</u>	<u>15,758,354</u>	<u>91,842</u>	<u>11,827</u>	<u>4,938</u>	<u>16,468</u>	<u>2,983</u>	<u>2,307</u>	<u>55,529</u>	<u>280,611</u>
3. Annual Required Contribution (1.+2.)	\$ 21,784,127	\$ 20,810,711	\$ 145,648	\$ 23,467	\$ 11,572	\$ 38,993	\$ 8,104	\$ 4,059	\$ 123,081	\$ 618,492
4. Interest on Net OPEB Obligation (4.00% x 9.)	\$ 1,175,653	\$ 1,158,779	\$ 544	\$ 328	\$ 250	\$ 2,365	\$ 238	\$ 121	\$ (2,871)	\$ 15,899
5. Adjustment to ARC (9./amortization factor)	<u>2,565,595</u>	<u>2,551,037</u>	<u>470</u>	<u>283</u>	<u>215</u>	<u>2,041</u>	<u>205</u>	<u>105</u>	<u>(2,477)</u>	<u>13,716</u>
6. Annual OPEB Cost (3.+4.-5.)	\$ 20,394,185	\$ 19,418,453	\$ 145,722	\$ 23,512	\$ 11,607	\$ 39,317	\$ 8,137	\$ 4,075	\$ 122,687	\$ 620,675
7. Estimated Employer Contributions*	8,971,181	8,401,205	131,607	11,280	4,742	8,000	1,532	903	186,134	225,778
8. Change in Net OPEB Obligation (6.-7.)	\$ 11,423,004	\$ 11,017,248	\$ 14,115	\$ 12,232	\$ 6,865	\$ 31,317	\$ 6,605	\$ 3,172	\$ (63,447)	\$ 394,897
9. Net OPEB Obligation, June 30, 2010	29,391,327	28,969,487	13,608	8,190	6,241	59,135	5,948	3,036	(71,785)	397,467
10. Estimated Net OPEB Obligation, June 30, 2011 (8.+9.)	\$ 40,814,331	\$ 39,986,735	\$ 27,723	\$ 20,422	\$ 13,106	\$ 90,452	\$ 12,553	\$ 6,208	\$ (135,232)	\$ 792,364

* Estimated Employer Contributions for Santa Barbara County based upon 3% of payroll. For APCD, it is based upon the prior year's contribution. For others, it is the estimated benefit payments for the year. Estimated amounts will be replaced by actual amounts at year end.

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Exhibit 11

Schedule of Funding Progress

	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b - a) / c)
Total	\$ 2,152,735	\$ 187,219,512	\$ 185,066,777	1.1%	\$ 306,356,560	60.4%
Santa Barbara County	1,874,929	173,943,536	172,068,607	1.1%	280,040,166	61.4%
Carpinteria-Summerland FPD	0	2,558,975	2,558,975	0.0%	3,504,328	73.0%
Santa Maria Cemetery	2046	331,582	329,536	0.6%	442,695	74.4%
Goleta Cemetery	77	137,676	137,599	0.1%	240,537	57.2%
SBCAG	0	458,841	458,841	0.0%	1,830,804	25.1%
Summerland Sanitary	0	83,111	83,111	0.0%	348,290	23.9%
Carpinteria Cemetery	0	64,270	64,270	0.0%	114,715	56.0%
APCD	275,096	1,822,303	1,547,207	15.1%	3,715,198	41.6%
Courts	587	7,819,218	7,818,631	0.0%	16,119,827	48.5%



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**Santa Barbara County Employees' Retirement System
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Appendix A: Actuarial Procedures and Assumptions



The actuarial procedures and assumptions used in this valuation are described in this section. Most of the demographic assumptions were reviewed and updated June 30, 2010 as a result of the 2010 Investigation of Experience Study.

The investment return assumption (discount rate) is the estimated long-term investment yield on the investments in the 401(h) account that are expected to be used to finance the payment of benefits. This assumption was changed effective June 30, 2010.

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

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

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

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

Table A-5 and A-6 present the expected annual percentage increase in salaries.

Tables A-7 to A-12 were developed from the experience as measured by the 2010 Investigation of Experience Study. The rates are the probabilities a member will leave the system for various reasons.

We have highlighted assumptions that are not shared by the pension valuation.

Actuarial Cost Method

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

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

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of SBCERS.

Amortization Period for UAAL

For Santa Barbara County, a closed amortization period of 15 years was established as of January 1, 2007. As of June 30, 2010, this period is 11.5 years. For other employers, an open/rolling period of 30 years is used.

Valuation of Subsidy

When the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. As of the valuation date, there are retirees who are receiving a subsidy that is less than the maximum monthly subsidy implied by \$15 times years of service.

When considering all retirees, the total subsidy as of the valuation date was approximately 99.5% of the maximum possible based upon \$15 times years of service. As health costs continue to increase, this percentage should increase with time.

We assume that the monthly subsidy will be equal to the maximum subsidy of \$15 per year of service.

Implicit Rate Subsidy

Retirees and actives are covered by separate plans (excluding dental and vision). Milliman has not performed an analysis of the premiums for the retiree plans, however, SBCERS staff indicates that premiums for retiree health plans are anticipated to be sufficient to cover claims costs.

For dental and vision benefits, the retirees are pooled with the active employees for setting premium amounts. Because these benefits are relatively small and the claims costs between retirees and actives are not expected to differ as much as they would for other health benefits, any implicit subsidies for dental and vision benefits are deemed immaterial. Only the direct subsidies are valued in this report.

Records and Data

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

Replacement of Terminated Members

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

Growth in Membership

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

Valuation of Assets

We assume that the 401(h) account will be used to pay for the retiree health benefits.

Investment Earnings, Discount Rate, and Expenses

The future investment earnings of the assets in the 401(h) account are assumed to accrue at an annual rate of 4.00% compounded annually, net of both investment and administrative expenses. This rate was adopted effective June 30, 2010.

Postretirement Benefit Increases

We assume that no future increases will be granted in any of the following:

- Monthly Health Premium Subsidy of \$15 per year of service.
- Monthly Cash Benefit of \$4 per year of service for those electing to forego the health subsidy.
- Monthly Subsidy of \$187 for members receiving disability retirement benefits.

There have been multiple increases in these benefit levels in the past. No increases have occurred since 2002 and none are expected as of the valuation date. If a new increase to the benefit levels should occur, the assumption that there will be no future increases granted may need to be revised.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5 and A-6. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.75% per annum rate of increase in the general wage level of the membership. These rates were adopted effective June 30, 2010.

Note that future salary increases do not have an impact on OPEB benefit levels. However, this assumption is still required for the actuarial cost method chosen: individual entry age normal (level percentage of pay).

Retirement

After members attain age 50 (55 for General Pension Plan 2 members) and have 10 years of service, they may retire with a benefit commencing immediately. All members except General Plan 2 members may also retire regardless of age after 20 years of service for safety members and after 30 years of service for general members. The retirement rates vary by age and are shown by plan in Tables A-7 through A-12.

All general members who attain or who have attained age 75 in active service and all Safety members who have attained age 65 in active service are assumed to retire immediately.

All deferred vested members are assumed to retire at the later of current age or age 58 for General Plan 5 members, age 54 for Safety Plan 4 members, and age 50 for Safety Plan 6 members. General Plan 2 members are assumed to retire at 65.

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

These rates were adopted effective June 30, 2010.

Health Plan Participation

Sixty-five percent (65%) of future retirees are assumed to receive the monthly health subsidy of \$15 per year of service.

Thirty-five percent (35%) are assumed to receive the monthly cash benefit of \$4 per year of service.

These rates were adopted June 30, 2010.

Actual selection is used for current retirees.

Disability

The rates of disability used in the valuation are also illustrated in Tables A-7 through A-12. These rates were adopted effective June 30, 2010.

Mortality – Other Than Disabled Members

The same postretirement mortality rates are used in the valuation for active members, members retired for service, and beneficiaries. These rates are illustrated in Table A-2. Beneficiary mortality is assumed to be the same assumption as healthy members. Beneficiaries are assumed to be of the opposite sex, and have the same mortality as general members. These rates were adopted June 30, 2010.

Males General members: RP-2000 Combined Healthy Mortality Table for Males projected to 2010 using scale AA, with ages set back two years.
Safety members: RP-2000 Combined Healthy Mortality Table for Males projected to 2010 using scale AA, with ages set back two years.

Females General members: RP-2000 Combined Healthy Mortality Table for Females projected to 2010 using scale AA, with ages set back four years.
Safety members: RP-2000 Combined Healthy Mortality Table for Females projected to 2010 using scale AA, with ages set back four years.

Mortality – Disabled Members

For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. These rates were adopted June 30, 2010.

Males General members: RP-2000 Combined Healthy Mortality Table for Males projected to 2010 using scale AA, with no age adjustment.
Safety members: RP-2000 Combined Healthy Mortality Table for Males projected to 2010 using scale AA, with no age adjustment.

Females General members: RP-2000 Combined Healthy Mortality Table for Females projected to 2010 using scale AA, with no age adjustment.
Safety members: RP-2000 Combined Healthy Mortality Table for Females projected to 2010 using scale AA, with no age adjustment.

Other Employment Terminations

Tables A-7 to A-12 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability or retirement. These rates do not apply to members eligible for service retirement. These rates were adopted effective June 30, 2010.

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

All terminating members are assumed to not be rehired. Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability the remaining members will elect a deferred vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These rates were adopted effective June 30, 2010.

Probability of Eligible Survivors

For members not currently in pay status, 80% of all males and 55% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be three years younger than male members and three years older than female members. Survivors are assumed to be of the opposite sex as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur. These rates were adopted effective June 30, 2010.

**Santa Barbara County Employees' Retirement System
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Table A-1: Summary of Proposed Valuation Assumptions as of June 30, 2010

I.	Economic assumptions											
A.	General wage increases	3.75%										
B.	Investment earnings	4.00%										
C.	Growth in membership	0.00%										
D.	Future benefit increases	0.00%										
II.	Demographic assumptions											
A.	Salary increases due to service (only used for actuarial cost method)	Tables A-5 to A-6										
B.	Retirement	Tables A-7 to A-12										
C.	Disability	Tables A-7 to A-12										
D.	Mortality for active members after termination and service retired members.	Table A-2										
	Basis – RP-2000 Combined Healthy Mortality Table for respective sexes for general members projected to 2010 using scale AA, as adjusted:											
	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Class of Members</u></th> <th style="text-align: center;"><u>Age Adjustment</u></th> </tr> </thead> <tbody> <tr> <td>General – males</td> <td style="text-align: center;">-2 years</td> </tr> <tr> <td>General – females</td> <td style="text-align: center;">-4 years</td> </tr> <tr> <td>Safety – males</td> <td style="text-align: center;">-2 years</td> </tr> <tr> <td>Safety – females</td> <td style="text-align: center;">-4 years</td> </tr> </tbody> </table>	<u>Class of Members</u>	<u>Age Adjustment</u>	General – males	-2 years	General – females	-4 years	Safety – males	-2 years	Safety – females	-4 years	
<u>Class of Members</u>	<u>Age Adjustment</u>											
General – males	-2 years											
General – females	-4 years											
Safety – males	-2 years											
Safety – females	-4 years											
E.	Mortality among disabled members	Table A-3										
	Basis – RP-2000 Combined Healthy Mortality Table projected to 2010 using scale AA, as adjusted:											
	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Class of Members</u></th> <th style="text-align: center;"><u>Age Adjustment</u></th> </tr> </thead> <tbody> <tr> <td>General - males</td> <td style="text-align: center;">0 years</td> </tr> <tr> <td>General - females</td> <td style="text-align: center;">0 years</td> </tr> <tr> <td>Safety - males</td> <td style="text-align: center;">0 years</td> </tr> <tr> <td>Safety - females</td> <td style="text-align: center;">0 years</td> </tr> </tbody> </table>	<u>Class of Members</u>	<u>Age Adjustment</u>	General - males	0 years	General - females	0 years	Safety - males	0 years	Safety - females	0 years	
<u>Class of Members</u>	<u>Age Adjustment</u>											
General - males	0 years											
General - females	0 years											
Safety - males	0 years											
Safety - females	0 years											
F.	Mortality for beneficiaries	Table A-2										
	Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite sex who has taken a service retirement.											
G.	Other terminations of employment	Tables A-7 to A-12										
H.	Refund of contributions on vested termination	Table A-4										
I.	Future Retirees Electing Health Plan Subsidy	65%										

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Table A-2: Mortality for Members Retired for Service

<u>Age</u>	<u>Safety Male</u>	<u>Safety Female</u>	<u>General Male</u>	<u>General Female</u>
20	0.026%	0.015%	0.026%	0.015%
25	0.032%	0.016%	0.032%	0.016%
30	0.037%	0.019%	0.037%	0.019%
35	0.060%	0.028%	0.060%	0.028%
40	0.091%	0.046%	0.091%	0.046%
45	0.116%	0.067%	0.116%	0.067%
50	0.158%	0.103%	0.158%	0.103%
55	0.238%	0.158%	0.238%	0.158%
60	0.449%	0.291%	0.449%	0.291%
65	0.870%	0.553%	0.870%	0.553%
70	1.552%	1.042%	1.552%	1.042%
75	2.612%	1.749%	2.612%	1.749%
80	4.620%	2.858%	4.620%	2.858%
85	8.279%	4.734%	8.279%	4.734%
90	14.323%	8.215%	14.323%	8.215%

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Table A-3: Mortality for Members Retired for Disability

<u>Age</u>	<u>Safety Male</u>	<u>Safety Female</u>	<u>General Male</u>	<u>General Female</u>
20	0.028%	0.016%	0.028%	0.016%
25	0.034%	0.018%	0.034%	0.018%
30	0.042%	0.024%	0.042%	0.024%
35	0.074%	0.043%	0.074%	0.043%
40	0.100%	0.061%	0.100%	0.061%
45	0.132%	0.096%	0.132%	0.096%
50	0.178%	0.141%	0.178%	0.141%
55	0.299%	0.251%	0.299%	0.251%
60	0.574%	0.481%	0.574%	0.481%
65	1.106%	0.923%	1.106%	0.923%
70	1.909%	1.592%	1.909%	1.592%
75	3.286%	2.594%	3.286%	2.594%
80	5.821%	4.277%	5.821%	4.277%
85	10.324%	7.292%	10.324%	7.292%
90	17.620%	12.778%	17.620%	12.778%

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Table A-4: Immediate Refund of Contributions Upon Termination of Employment

Years of Service	General Male	General Female	Safety
0	100%	100%	100%
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	40%	40%	25%
6	40%	40%	25%
7	40%	40%	25%
8	40%	40%	25%
9	40%	40%	25%
10	25%	25%	0%
11	25%	25%	0%
12	25%	25%	0%
13	25%	25%	0%
14	25%	25%	0%
15	10%	10%	0%
16	10%	10%	0%
17	10%	10%	0%
18	10%	10%	0%
19	10%	10%	0%
20	10%	10%	0%
21	10%	10%	0%
22	10%	10%	0%
23	10%	10%	0%
24	10%	10%	0%
25	0%	10%	0%
26	0%	10%	0%
27	0%	10%	0%
28	0%	10%	0%
29	0%	10%	0%
30 & Up	0%	0%	0%

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**Table A-5: Annual Increase in Salary* - General Plans
(Only used for Actuarial Cost Method)**

<u>Years of Service</u>	<u>Due to Promotion and Longevity</u>	<u>Total Annual Increase*</u>
<1	4.75%	8.68%
1	4.00%	7.90%
2	3.25%	7.12%
3	2.50%	6.34%
4	2.00%	5.83%
5	1.50%	5.31%
6	1.25%	5.05%
7	1.00%	4.79%
8	0.90%	4.68%
9	0.80%	4.58%
10	0.78%	4.55%
11	0.75%	4.53%
12	0.70%	4.48%
13	0.65%	4.42%
14	0.60%	4.37%
15	0.55%	4.32%
16	0.50%	4.27%
17	0.48%	4.25%
18	0.46%	4.23%
19	0.44%	4.21%
20	0.42%	4.19%
21	0.40%	4.16%
22	0.38%	4.14%
23	0.36%	4.12%
24	0.34%	4.10%
25	0.32%	4.08%
26	0.30%	4.06%
27	0.28%	4.04%
28	0.26%	4.02%
29	0.25%	4.01%
30 or More	0.25%	4.01%

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

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**Table A-6: Annual Increase in Salary* - Safety Plans
(Only used for Actuarial Cost Method)**

<u>Years of Service</u>	<u>Due to Promotion and Longevity</u>	<u>Total Annual Increase*</u>
<1	6.00%	9.98%
1	5.00%	8.94%
2	4.00%	7.90%
3	3.25%	7.12%
4	2.50%	6.34%
5	2.00%	5.83%
6	1.60%	5.41%
7	1.30%	5.10%
8	1.20%	4.99%
9	1.10%	4.89%
10	1.00%	4.79%
11	0.95%	4.74%
12	0.92%	4.70%
13	0.89%	4.68%
14	0.87%	4.65%
15	0.85%	4.63%
16	0.82%	4.60%
17	0.80%	4.57%
18	0.77%	4.55%
19	0.74%	4.52%
20	0.72%	4.50%
21	0.69%	4.47%
22	0.67%	4.45%
23	0.64%	4.42%
24	0.62%	4.39%
25	0.59%	4.37%
26	0.57%	4.34%
27	0.54%	4.32%
28	0.52%	4.29%
29	0.50%	4.27%
30 or More	0.50%	4.27%

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

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Tables A-7 to A-12: Rates of Separation From Active Service

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

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

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

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

Table A-7:	General Plan Males
A-8:	General Plan Females
A-9:	Safety Plan Males
A-10:	Safety Plan Females
A-11:	Safety Plan Males
A-12:	Safety Plan Females

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**Table A-7: Rate of Separation From Active Service For General Members
All Plans - Male**

<u>Age</u>	<u>Service Retirement</u>	<u>Service Disability</u>	<u>Ordinary Disability</u>	<u>Death</u>	<u>Years of Service</u>	<u>Other Terminations</u>
18	0.0000	0.00003	0.00005	0.00023	0	0.1300
19	0.0000	0.00003	0.00005	0.00025	1	0.1200
20	0.0000	0.00003	0.00005	0.00026	2	0.0950
21	0.0000	0.00003	0.00005	0.00027	3	0.0700
22	0.0000	0.00003	0.00005	0.00028	4	0.0600
23	0.0000	0.00003	0.00005	0.00030	5	0.0550
24	0.0000	0.00003	0.00005	0.00031	6	0.0500
25	0.0000	0.00003	0.00005	0.00032	7	0.0450
26	0.0000	0.00003	0.00005	0.00033	8	0.0430
27	0.0000	0.00003	0.00005	0.00034	9	0.0410
28	0.0000	0.00003	0.00005	0.00036	10	0.0390
29	0.0000	0.00003	0.00005	0.00036	11	0.0370
30	0.0000	0.00003	0.00005	0.00037	12	0.0350
31	0.0000	0.00003	0.00005	0.00039	13	0.0330
32	0.0000	0.00003	0.00005	0.00042	14	0.0310
33	0.0000	0.00003	0.00005	0.00047	15	0.0290
34	0.0000	0.00003	0.00005	0.00053	16	0.0270
35	0.0000	0.00003	0.00005	0.00060	17	0.0250
36	0.0000	0.00003	0.00005	0.00067	18	0.0240
37	0.0000	0.00003	0.00005	0.00074	19	0.0230
38	0.0000	0.00003	0.00005	0.00080	20	0.0220
39	0.0000	0.00003	0.00005	0.00086	21	0.0210
40	0.0300	0.00006	0.00009	0.00091	22	0.0200
41	0.0300	0.00015	0.00022	0.00095	23	0.0160
42	0.0300	0.00023	0.00035	0.00100	24	0.0120
43	0.0300	0.00032	0.00048	0.00104	25	0.0080
44	0.0300	0.00041	0.00061	0.00110	26	0.0040
45	0.0300	0.00050	0.00074	0.00116	27	0.0000
46	0.0300	0.00058	0.00087	0.00124	28	0.0000
47	0.0300	0.00067	0.00100	0.00132	29	0.0000
48	0.0300	0.00076	0.00113	0.00140	30 & Above	0.0000
49	0.0300	0.00084	0.00126	0.00149		
50	0.0300	0.00093	0.00140	0.00158		
51	0.0400	0.00102	0.00153	0.00168		
52	0.0400	0.00110	0.00166	0.00178		
53	0.0400	0.00119	0.00179	0.00202		
54	0.0400	0.00128	0.00192	0.00218		
55	0.0400	0.00137	0.00205	0.00238		
56	0.0600	0.00145	0.00218	0.00261		
57	0.0600	0.00154	0.00231	0.00299		
58	0.0600	0.00163	0.00244	0.00350		
59	0.1200	0.00171	0.00257	0.00395		
60	0.1500	0.00180	0.00270	0.00449		
61	0.2500	0.00180	0.00270	0.00506		
62	0.2500	0.00180	0.00270	0.00574		
63	0.2500	0.00180	0.00270	0.00660		
64	0.2500	0.00180	0.00270	0.00753		
65	0.2500	0.00180	0.00270	0.00870		
66	0.2500	0.00180	0.00270	0.00980		
67	0.2500	0.00180	0.00270	0.01106		
68	0.2500	0.00180	0.00270	0.01264		
69	0.2500	0.00180	0.00270	0.01410		
70	0.2500	0.00180	0.00270	0.01552		
71	0.2500	0.00180	0.00270	0.01720		
72	0.2500	0.00180	0.00270	0.01909		
73	0.2500	0.00180	0.00270	0.02112		
74	0.2500	0.00180	0.00270	0.02345		
75	1.0000	0.00000	0.00000	0.00000		

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**Table A-8: Rate of Separation From Active Service For General Members
All Plans - Female**

<u>Age</u>	<u>Service Retirement</u>	<u>Service Disability</u>	<u>Ordinary Disability</u>	<u>Death</u>	<u>Years of Service</u>	<u>Other Terminations</u>
18	0.0000	0.00003	0.00005	0.00014	0	0.1300
19	0.0000	0.00003	0.00005	0.00014	1	0.1300
20	0.0000	0.00003	0.00005	0.00015	2	0.1000
21	0.0000	0.00003	0.00005	0.00016	3	0.0800
22	0.0000	0.00003	0.00005	0.00016	4	0.0600
23	0.0000	0.00003	0.00005	0.00016	5	0.0550
24	0.0000	0.00003	0.00005	0.00016	6	0.0483
25	0.0000	0.00003	0.00005	0.00016	7	0.0450
26	0.0000	0.00003	0.00005	0.00016	8	0.0420
27	0.0000	0.00003	0.00005	0.00017	9	0.0390
28	0.0000	0.00003	0.00005	0.00017	10	0.0360
29	0.0000	0.00003	0.00005	0.00018	11	0.0330
30	0.0000	0.00003	0.00005	0.00019	12	0.0300
31	0.0000	0.00003	0.00005	0.00020	13	0.0280
32	0.0000	0.00003	0.00005	0.00021	14	0.0260
33	0.0000	0.00003	0.00005	0.00022	15	0.0240
34	0.0000	0.00003	0.00005	0.00024	16	0.0220
35	0.0000	0.00003	0.00005	0.00028	17	0.0200
36	0.0000	0.00003	0.00005	0.00032	18	0.0190
37	0.0000	0.00003	0.00005	0.00036	19	0.0180
38	0.0000	0.00003	0.00005	0.00039	20	0.0170
39	0.0000	0.00003	0.00005	0.00043	21	0.0160
40	0.0700	0.00006	0.00009	0.00046	22	0.0150
41	0.0700	0.00015	0.00022	0.00049	23	0.0140
42	0.0700	0.00023	0.00035	0.00052	24	0.0130
43	0.0700	0.00032	0.00048	0.00056	25	0.0120
44	0.0700	0.00041	0.00061	0.00061	26	0.0110
45	0.0700	0.00050	0.00074	0.00067	27	0.0100
46	0.0700	0.00058	0.00087	0.00073	28	0.0067
47	0.0700	0.00067	0.00100	0.00081	29	0.0033
48	0.0700	0.00076	0.00113	0.00088	30 & Above	0.0000
49	0.0700	0.00084	0.00126	0.00096		
50	0.0700	0.00093	0.00140	0.00103		
51	0.0300	0.00102	0.00153	0.00111		
52	0.0300	0.00110	0.00166	0.00120		
53	0.0300	0.00119	0.00179	0.00129		
54	0.0900	0.00128	0.00192	0.00141		
55	0.0900	0.00137	0.00205	0.00158		
56	0.0900	0.00145	0.00218	0.00175		
57	0.0900	0.00154	0.00231	0.00196		
58	0.0900	0.00163	0.00244	0.00219		
59	0.1200	0.00171	0.00257	0.00251		
60	0.1500	0.00180	0.00270	0.00291		
61	0.1800	0.00180	0.00270	0.00331		
62	0.2500	0.00180	0.00270	0.00373		
63	0.2500	0.00180	0.00270	0.00422		
64	0.2500	0.00180	0.00270	0.00481		
65	0.2500	0.00180	0.00270	0.00553		
66	0.2500	0.00180	0.00270	0.00633		
67	0.2500	0.00180	0.00270	0.00727		
68	0.2500	0.00180	0.00270	0.00820		
69	0.2500	0.00180	0.00270	0.00923		
70	0.2500	0.00180	0.00270	0.01042		
71	0.2500	0.00180	0.00270	0.01157		
72	0.2500	0.00180	0.00270	0.01279		
73	0.2500	0.00180	0.00270	0.01413		
74	0.2500	0.00180	0.00270	0.01592		
75	1.0000	0.00000	0.00000	0.00000		



This work product was prepared solely for SBCERS. It may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. **A-15**

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**Table A-9: Rate of Separation From Active Service For Safety Members
Plan 4 – Males**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.00090	0.00010	0.00010	0.00023	0	0.0800
19	0.0000	0.00090	0.00010	0.00010	0.00025	1	0.0800
20	0.0000	0.00090	0.00010	0.00010	0.00026	2	0.0300
21	0.0000	0.00090	0.00010	0.00010	0.00027	3	0.0300
22	0.0000	0.00090	0.00010	0.00010	0.00028	4	0.0300
23	0.0000	0.00090	0.00010	0.00010	0.00030	5	0.0300
24	0.0000	0.00090	0.00010	0.00010	0.00031	6	0.0300
25	0.0000	0.00090	0.00010	0.00010	0.00032	7	0.0300
26	0.0000	0.00090	0.00010	0.00010	0.00033	8	0.0270
27	0.0000	0.00090	0.00010	0.00010	0.00034	9	0.0240
28	0.0000	0.00090	0.00010	0.00010	0.00036	10	0.0210
29	0.0000	0.00090	0.00010	0.00010	0.00036	11	0.0180
30	0.0200	0.00135	0.00015	0.00010	0.00037	12	0.0150
31	0.0200	0.00135	0.00015	0.00010	0.00039	13	0.0140
32	0.0200	0.00135	0.00015	0.00010	0.00042	14	0.0130
33	0.0200	0.00135	0.00015	0.00010	0.00047	15	0.0120
34	0.0200	0.00135	0.00015	0.00010	0.00053	16	0.0110
35	0.0200	0.00180	0.00020	0.00010	0.00060	17	0.0100
36	0.0200	0.00180	0.00020	0.00010	0.00067	18	0.0080
37	0.0200	0.00180	0.00020	0.00010	0.00074	19	0.0060
38	0.0200	0.00180	0.00020	0.00010	0.00080	20 & Above	0.0000
39	0.0200	0.00180	0.00020	0.00010	0.00086		
40	0.0200	0.00225	0.00025	0.00010	0.00091		
41	0.0200	0.00225	0.00025	0.00010	0.00095		
42	0.0200	0.00225	0.00025	0.00010	0.00100		
43	0.0200	0.00225	0.00025	0.00010	0.00104		
44	0.0200	0.00225	0.00025	0.00010	0.00110		
45	0.0200	0.00270	0.00030	0.00010	0.00116		
46	0.0200	0.00315	0.00035	0.00010	0.00124		
47	0.0200	0.00360	0.00040	0.00010	0.00132		
48	0.0200	0.00405	0.00045	0.00010	0.00140		
49	0.0200	0.00450	0.00050	0.00010	0.00149		
50	0.0800	0.00495	0.00055	0.00010	0.00158		
51	0.0400	0.00540	0.00060	0.00010	0.00168		
52	0.0400	0.00585	0.00065	0.00010	0.00178		
53	0.0400	0.00630	0.00070	0.00010	0.00202		
54	0.2000	0.00675	0.00075	0.00010	0.00218		
55	0.3300	0.00720	0.00080	0.00010	0.00238		
56	0.2500	0.00720	0.00080	0.00010	0.00261		
57	0.2500	0.00720	0.00080	0.00010	0.00299		
58	0.2500	0.00720	0.00080	0.00010	0.00350		
59	0.2500	0.00720	0.00080	0.00010	0.00395		
60	0.2500	0.00720	0.00080	0.00010	0.00449		
61	0.2500	0.00720	0.00080	0.00010	0.00506		
62	0.3500	0.00720	0.00080	0.00010	0.00574		
63	0.3500	0.00720	0.00080	0.00010	0.00660		
64	0.3500	0.00720	0.00080	0.00010	0.00753		
65	1.0000	0.00000	0.00000	0.00000	0.00000		

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**Table A-10: Rate of Separation From Active Service For Safety Members
Plan 4 – Females**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.00090	0.00010	0.00010	0.00014	0	0.0800
19	0.0000	0.00090	0.00010	0.00010	0.00014	1	0.0800
20	0.0000	0.00090	0.00010	0.00010	0.00015	2	0.0300
21	0.0000	0.00090	0.00010	0.00010	0.00016	3	0.0300
22	0.0000	0.00090	0.00010	0.00010	0.00016	4	0.0300
23	0.0000	0.00090	0.00010	0.00010	0.00016	5	0.0300
24	0.0000	0.00090	0.00010	0.00010	0.00016	6	0.0300
25	0.0000	0.00090	0.00010	0.00010	0.00016	7	0.0300
26	0.0000	0.00090	0.00010	0.00010	0.00016	8	0.0270
27	0.0000	0.00090	0.00010	0.00010	0.00017	9	0.0240
28	0.0000	0.00090	0.00010	0.00010	0.00017	10	0.0210
29	0.0000	0.00090	0.00010	0.00010	0.00018	11	0.0180
30	0.0200	0.00135	0.00015	0.00010	0.00019	12	0.0150
31	0.0200	0.00135	0.00015	0.00010	0.00020	13	0.0140
32	0.0200	0.00135	0.00015	0.00010	0.00021	14	0.0130
33	0.0200	0.00135	0.00015	0.00010	0.00022	15	0.0120
34	0.0200	0.00135	0.00015	0.00010	0.00024	16	0.0110
35	0.0200	0.00180	0.00020	0.00010	0.00028	17	0.0100
36	0.0200	0.00180	0.00020	0.00010	0.00032	18	0.0080
37	0.0200	0.00180	0.00020	0.00010	0.00036	19	0.0060
38	0.0200	0.00180	0.00020	0.00010	0.00039	20 & Above	0.0000
39	0.0200	0.00180	0.00020	0.00010	0.00043		
40	0.0200	0.00225	0.00025	0.00010	0.00046		
41	0.0200	0.00225	0.00025	0.00010	0.00049		
42	0.0200	0.00225	0.00025	0.00010	0.00052		
43	0.0200	0.00225	0.00025	0.00010	0.00056		
44	0.0200	0.00225	0.00025	0.00010	0.00061		
45	0.0200	0.00270	0.00030	0.00010	0.00067		
46	0.0200	0.00315	0.00035	0.00010	0.00073		
47	0.0200	0.00360	0.00040	0.00010	0.00081		
48	0.0200	0.00405	0.00045	0.00010	0.00088		
49	0.0200	0.00450	0.00050	0.00010	0.00096		
50	0.0800	0.00495	0.00055	0.00010	0.00103		
51	0.0400	0.00540	0.00060	0.00010	0.00111		
52	0.0400	0.00585	0.00065	0.00010	0.00120		
53	0.0400	0.00630	0.00070	0.00010	0.00129		
54	0.2000	0.00675	0.00075	0.00010	0.00141		
55	0.3300	0.00720	0.00080	0.00010	0.00158		
56	0.2500	0.00720	0.00080	0.00010	0.00175		
57	0.2500	0.00720	0.00080	0.00010	0.00196		
58	0.2500	0.00720	0.00080	0.00010	0.00219		
59	0.2500	0.00720	0.00080	0.00010	0.00251		
60	0.2500	0.00720	0.00080	0.00010	0.00291		
61	0.2500	0.00720	0.00080	0.00010	0.00331		
62	0.3500	0.00720	0.00080	0.00010	0.00373		
63	0.3500	0.00720	0.00080	0.00010	0.00422		
64	0.3500	0.00720	0.00080	0.00010	0.00481		
65	1.0000	0.00000	0.00000	0.00000	0.00000		

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**Table A-11: Rate of Separation From Active Service For Safety Members
Plan 6 - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.00090	0.00010	0.00010	0.00023	0	0.0800
19	0.0000	0.00090	0.00010	0.00010	0.00025	1	0.0800
20	0.0000	0.00090	0.00010	0.00010	0.00026	2	0.0300
21	0.0000	0.00090	0.00010	0.00010	0.00027	3	0.0300
22	0.0000	0.00090	0.00010	0.00010	0.00028	4	0.0300
23	0.0000	0.00090	0.00010	0.00010	0.00030	5	0.0300
24	0.0000	0.00090	0.00010	0.00010	0.00031	6	0.0300
25	0.0000	0.00090	0.00010	0.00010	0.00032	7	0.0300
26	0.0000	0.00090	0.00010	0.00010	0.00033	8	0.0270
27	0.0000	0.00090	0.00010	0.00010	0.00034	9	0.0240
28	0.0000	0.00090	0.00010	0.00010	0.00036	10	0.0210
29	0.0000	0.00090	0.00010	0.00010	0.00036	11	0.0180
30	0.0200	0.00135	0.00015	0.00010	0.00037	12	0.0150
31	0.0200	0.00135	0.00015	0.00010	0.00039	13	0.0140
32	0.0200	0.00135	0.00015	0.00010	0.00042	14	0.0130
33	0.0200	0.00135	0.00015	0.00010	0.00047	15	0.0120
34	0.0200	0.00135	0.00015	0.00010	0.00053	16	0.0110
35	0.0200	0.00180	0.00020	0.00010	0.00060	17	0.0100
36	0.0200	0.00180	0.00020	0.00010	0.00067	18	0.0080
37	0.0200	0.00180	0.00020	0.00010	0.00074	19	0.0060
38	0.0200	0.00180	0.00020	0.00010	0.00080	20 & Above	0.0000
39	0.0200	0.00180	0.00020	0.00010	0.00086		
40	0.0200	0.00225	0.00025	0.00010	0.00091		
41	0.0200	0.00225	0.00025	0.00010	0.00095		
42	0.0200	0.00225	0.00025	0.00010	0.00100		
43	0.0200	0.00225	0.00025	0.00010	0.00104		
44	0.0200	0.00225	0.00025	0.00010	0.00110		
45	0.0200	0.00270	0.00030	0.00010	0.00116		
46	0.0200	0.00315	0.00035	0.00010	0.00124		
47	0.0700	0.00360	0.00040	0.00010	0.00132		
48	0.0700	0.00405	0.00045	0.00010	0.00140		
49	0.1000	0.00450	0.00050	0.00010	0.00149		
50	0.2000	0.00495	0.00055	0.00010	0.00158		
51	0.1000	0.00540	0.00060	0.00010	0.00168		
52	0.1000	0.00585	0.00065	0.00010	0.00178		
53	0.1000	0.00630	0.00070	0.00010	0.00202		
54	0.3000	0.00675	0.00075	0.00010	0.00218		
55	0.3300	0.00720	0.00080	0.00010	0.00238		
56	0.2500	0.00720	0.00080	0.00010	0.00261		
57	0.2500	0.00720	0.00080	0.00010	0.00299		
58	0.2500	0.00720	0.00080	0.00010	0.00350		
59	0.2500	0.00720	0.00080	0.00010	0.00395		
60	0.2500	0.00720	0.00080	0.00010	0.00449		
61	0.2500	0.00720	0.00080	0.00010	0.00506		
62	0.3500	0.00720	0.00080	0.00010	0.00574		
63	0.3500	0.00720	0.00080	0.00010	0.00660		
64	0.3500	0.00720	0.00080	0.00010	0.00753		
65	1.0000	0.00000	0.00000	0.00000	0.00000		

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**Table A-12: Rate of Separation From Active Service For Safety Members
Plan 6 - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.00090	0.00010	0.00010	0.00014	0	0.0800
19	0.0000	0.00090	0.00010	0.00010	0.00014	1	0.0800
20	0.0000	0.00090	0.00010	0.00010	0.00015	2	0.0300
21	0.0000	0.00090	0.00010	0.00010	0.00016	3	0.0300
22	0.0000	0.00090	0.00010	0.00010	0.00016	4	0.0300
23	0.0000	0.00090	0.00010	0.00010	0.00016	5	0.0300
24	0.0000	0.00090	0.00010	0.00010	0.00016	6	0.0300
25	0.0000	0.00090	0.00010	0.00010	0.00016	7	0.0300
26	0.0000	0.00090	0.00010	0.00010	0.00016	8	0.0270
27	0.0000	0.00090	0.00010	0.00010	0.00017	9	0.0240
28	0.0000	0.00090	0.00010	0.00010	0.00017	10	0.0210
29	0.0000	0.00090	0.00010	0.00010	0.00018	11	0.0180
30	0.0200	0.00135	0.00015	0.00010	0.00019	12	0.0150
31	0.0200	0.00135	0.00015	0.00010	0.00020	13	0.0140
32	0.0200	0.00135	0.00015	0.00010	0.00021	14	0.0130
33	0.0200	0.00135	0.00015	0.00010	0.00022	15	0.0120
34	0.0200	0.00135	0.00015	0.00010	0.00024	16	0.0110
35	0.0200	0.00180	0.00020	0.00010	0.00028	17	0.0100
36	0.0200	0.00180	0.00020	0.00010	0.00032	18	0.0080
37	0.0200	0.00180	0.00020	0.00010	0.00036	19	0.0060
38	0.0200	0.00180	0.00020	0.00010	0.00039	20 & Above	0.0000
39	0.0200	0.00180	0.00020	0.00010	0.00043		
40	0.0200	0.00225	0.00025	0.00010	0.00046		
41	0.0200	0.00225	0.00025	0.00010	0.00049		
42	0.0200	0.00225	0.00025	0.00010	0.00052		
43	0.0200	0.00225	0.00025	0.00010	0.00056		
44	0.0200	0.00225	0.00025	0.00010	0.00061		
45	0.0200	0.00270	0.00030	0.00010	0.00067		
46	0.0200	0.00315	0.00035	0.00010	0.00073		
47	0.0700	0.00360	0.00040	0.00010	0.00081		
48	0.0700	0.00405	0.00045	0.00010	0.00088		
49	0.1000	0.00450	0.00050	0.00010	0.00096		
50	0.2000	0.00495	0.00055	0.00010	0.00103		
51	0.1000	0.00540	0.00060	0.00010	0.00111		
52	0.1000	0.00585	0.00065	0.00010	0.00120		
53	0.1000	0.00630	0.00070	0.00010	0.00129		
54	0.3000	0.00675	0.00075	0.00010	0.00141		
55	0.3300	0.00720	0.00080	0.00010	0.00158		
56	0.2500	0.00720	0.00080	0.00010	0.00175		
57	0.2500	0.00720	0.00080	0.00010	0.00196		
58	0.2500	0.00720	0.00080	0.00010	0.00219		
59	0.2500	0.00720	0.00080	0.00010	0.00251		
60	0.2500	0.00720	0.00080	0.00010	0.00291		
61	0.2500	0.00720	0.00080	0.00010	0.00331		
62	0.3500	0.00720	0.00080	0.00010	0.00373		
63	0.3500	0.00720	0.00080	0.00010	0.00422		
64	0.3500	0.00720	0.00080	0.00010	0.00481		
65	1.0000	0.00000	0.00000	0.00000	0.00000		

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Appendix B: Summary of Plan Provisions



Eligibility

Based upon eligibility for pension benefits from SBCERS.

Benefit Levels

Members can choose a monthly subsidy for County health plan benefits of \$15 per year of service. If the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. The health plans can include coverage for eligible spouses and dependents.

If a member does not elect a County health plan, the member receives a monthly cash benefit equal to \$4 per year of service.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 per month or a \$15 per year of service, whichever is greater.

Survivor's Benefits

After the member's death, a surviving spouse is eligible to continue health plan coverage. The monthly subsidy benefit will be equal to \$15 per year of service times the survivor continuation percentage applicable for pension benefits. For example, if the survivor continuation is 60%, the subsidy for the surviving spouse will be equal to \$9 (equals 60% of \$15) per year of service.

Similarly, the cash benefit will be based upon the survivor continuation percentage applicable for pension benefits.

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Appendix C: Valuation Data



Please see Appendix C in the June 30, 2010 Actuarial Valuation of the Santa Barbara County Employees' Retirement System for a detailed description and schedules of our valuation data. The valuation data used for the OPEB is fundamentally the same as that used for the pension valuation.

We used the active data from the pension valuation for our OPEB valuation.

There were some discrepancies between the pension valuation data and the data provided by the System for OPEB for retirees, but these appeared to be minor.

Statistics for the retirees and surviving spouses receiving Post Employment Benefits Other than Pension are included in the table below.

Note that the average service is significantly higher for those electing health plan coverage.

Statistics for Inactive Participants
As of July 1, 2010

	\$15 Subsidy	\$4 Cash
Retirees	1,682	1,143
Average Age	68.51	66.24
Average Service	22.00	12.10
Total Service	37,005	13,830
Surviving Spouses	157	232
Average Age	76.76	72.42
Average Service	19.51	12.99
Total Service	3,064	3,014

Note that the count for retirees and surviving spouses is lower for this valuation than it is for the pension valuation. Retirees who are married to other SBCERS retirees often pool their service credit for a better insurance subsidy. In those cases, there are two pension allowances, but only one retiree medical subsidy. Also, the pension valuation includes those receiving pension benefits pursuant to a Qualified Domestic Relations Order (QDRO), but not receiving retiree medical benefits.

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The following census was used in the actuarial valuation. SBCERS provided the data used. We have summarized these statistics by employer in the table below.

<u>June 30, 2010</u>	Total	Santa Barbara County	Carpinteria- Summerland FPD	Santa Maria Cemetery	Goleta Cemetery	Oak Hill Cemetery	SBCAG	Summer- land Sanitary	Carpinteria Cemetery	APCD	SB County Vector Control District	Courts
Total Members												
Active employees	4,228	3,835	33	9	4	3	19	4	2	46	7	266
Vested Terminated Employees	902	851	6	0	0	0	8	0	1	14	2	20
Retirees and Surviving Spouses	<u>3,214</u>	<u>3,052</u>	<u>31</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>9</u>	<u>2</u>	<u>1</u>	<u>30</u>	<u>0</u>	<u>84</u>
Total	8,344	7,738	70	12	6	3	36	6	4	90	9	370

