

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

Summary of Key Valuation Results

	June 30, 2016		June 30, 2015	
Employer Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	56.56%	\$116,870,000	51.43%	\$106,269,000
General Tier 2	53.52%	5,137,000	47.74%	4,582,000
General Tier 3	53.06%	18,403,000	47.35%	16,422,000
General Tier 4	43.95%	6,156,000	38.73%	5,425,000
General Tier 5	42.45%	30,096,000	36.96%	26,204,000
Safety Tier 1	81.63%	37,706,000	75.93%	35,074,000
Safety Tier 2	81.80%	3,670,000	75.11%	3,370,000
Safety Tier 4	66.15%	2,526,000	60.38%	2,306,000
Safety Tier 5	63.99%	7,821,000	57.99%	7,088,000
All categories combined	56.74%	228,385,000	51.36%	206,740,000
Average Member Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	9.99%	\$20,642,000	9.75%	\$20,146,000
General Tier 2	7.26%	697,000	6.91%	663,000
General Tier 3	8.00%	2,775,000	7.75%	2,688,000
General Tier 4	7.11%	996,000	6.89%	965,000
General Tier 5	7.26%	5,147,000	6.89%	4,885,000
Safety Tier 1	13.21%	6,102,000	12.68%	5,857,000
Safety Tier 2	11.59%	520,000	11.08%	497,000
Safety Tier 4	10.06%	384,000	9.86%	377,000
Safety Tier 5	12.03%	1,470,000	12.03%	1,470,000
All categories combined	9.62%	38,733,000	9.33%	37,548,000
Funded Status:				
Actuarial accrued liability ⁽²⁾	\$5,472,149,000		\$5,074,333,000	
Valuation value of assets (VVA) ⁽³⁾	4,278,001,000		4,092,647,000	
Market value of assets (MVA) ⁽³⁾	4,009,337,000		4,031,390,000	
Funded percentage on a VVA basis	78.2%		80.7%	
Funded percentage on a MVA basis	73.3%		79.4%	
Unfunded actuarial accrued liability on a VVA basis	\$1,194,148,000		\$981,686,000	
Unfunded actuarial accrued liability on a MVA basis	1,462,812,000		1,042,943,000	
Key Economic Assumptions:				
Interest rate	7.00%		7.25%	
Inflation rate	3.00%		3.25%	
Across-the-board salary increase	0.50%		0.50%	

⁽¹⁾ Based on June 30, 2016 projected annual compensation.

⁽²⁾ Excludes liabilities for non-vested supplemental benefits.

⁽³⁾ Excludes non-valuation reserves: contingency reserve, supplemental COLA and retiree health benefit reserve (BOR).

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Summary of Key Valuation Demographic and Financial Data

	June 30, 2016	June 30, 2015	Percentage Change
Active Members:			
Number of members	7,297	7,001	4.2%
Average age	43.2	43.5	N/A
Average service	10.5	10.9	N/A
Projected total compensation	\$402,534,551	\$383,774,893	4.9%
Average projected compensation	55,164	54,817	0.6%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	5,781	5,663	2.1%
Disability retired	368	344	7.0%
Beneficiaries	883	832	6.1%
Total	7,032	6,839	2.8%
Average age	69.2	68.9	N/A
Average monthly benefit ⁽¹⁾	\$2,855	\$2,823	1.1%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	3,289	3,163	4.0%
Average age	45.4	46.0	N/A
Summary of Financial Data:			
Market value of assets ⁽³⁾	\$4,009,495,932	\$4,032,119,349	-0.6%
Return on market value of assets	-0.11%	-0.10%	N/A
Actuarial value of assets ⁽³⁾	\$4,278,160,681	\$4,093,376,893	4.5%
Return on actuarial value of assets	4.97%	7.29%	N/A
Valuation value of assets	\$4,278,001,313	\$4,092,647,359	4.5%
Return on valuation value of assets	4.97%	7.31%	N/A

(1) Benefits include regular and settlement benefits but exclude non-vested supplemental benefits.

(2) Includes members who left their contributions on deposit with less than five years of service.

(3) Includes non-valuation reserves: supplemental COLA and retiree health benefit reserve (BOR).