

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

Summary of Key Valuation Results

	June 30, 2017		June 30, 2016	
Employer Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	56.32%	\$110,772,000	56.56%	\$111,244,000
General Tier 2	53.52%	4,919,000	53.52%	4,919,000
General Tier 3	53.11%	17,498,000	53.06%	17,482,000
General Tier 4	44.03%	6,068,000	43.95%	6,057,000
General Tier 5	42.42%	39,113,000	42.45%	39,141,000
Safety Tier 1	81.75%	36,544,000	81.63%	36,490,000
Safety Tier 2	81.86%	3,787,000	81.80%	3,784,000
Safety Tier 4	66.59%	2,696,000	66.15%	2,679,000
Safety Tier 5	64.23%	10,003,000	63.99%	9,966,000
All categories combined	55.93%	231,400,000	56.01%	231,762,000
Average Member Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	9.93%	\$19,531,000	9.99%	\$19,649,000
General Tier 2	7.22%	664,000	7.26%	667,000
General Tier 3	7.99%	2,632,000	8.00%	2,636,000
General Tier 4	7.06%	973,000	7.11%	980,000
General Tier 5	7.23%	6,666,000	7.26%	6,694,000
Safety Tier 1	13.18%	5,892,000	13.21%	5,905,000
Safety Tier 2	11.61%	537,000	11.59%	536,000
Safety Tier 4	10.09%	409,000	10.06%	407,000
Safety Tier 5	12.07%	1,880,000	12.03%	1,874,000
All categories combined	9.47%	39,184,000	9.51%	39,348,000
Funded Status:				
Actuarial accrued liability ⁽²⁾	\$5,643,444,000		\$5,472,149,000	
Valuation value of assets (VVA) ⁽³⁾	4,529,508,000		4,278,001,000	
Market value of assets (MVA) ⁽³⁾	4,407,222,000		4,009,337,000	
Funded percentage on a VVA basis	80.3%		78.2%	
Funded percentage on a MVA basis	78.1%		73.3%	
Unfunded actuarial accrued liability on a VVA basis	\$1,113,936,000		\$1,194,148,000	
Unfunded actuarial accrued liability on a MVA basis	1,236,222,000		1,462,812,000	
Key Economic Assumptions:				
Interest rate	7.00%		7.00%	
Inflation rate	3.00%		3.00%	
Across-the-board salary increase	0.50%		0.50%	

⁽¹⁾ Based on June 30, 2017 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), if any.

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Summary of Key Valuation Demographic and Financial Data

	June 30, 2017	June 30, 2016	Change From Prior Year
Active Members:			
Number of members	7,353	7,297	0.8%
Average age	43.0	43.2	-0.2
Average service	10.4	10.5	-0.1
Projected total compensation	\$413,760,698	\$402,534,551	2.8%
Average projected compensation	56,271	55,164	2.0%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	5,902	5,781	2.1%
Disability retired	377	368	2.4%
Beneficiaries	921	883	4.3%
Total	7,200	7,032	2.4%
Average age	69.4	69.2	0.2
Average monthly benefit ⁽¹⁾	\$2,919	\$2,855	2.2%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	3,411	3,289	3.7%
Average age	45.1	45.4	-0.3
Summary of Financial Data:			
Market value of assets ⁽³⁾	\$4,407,221,766	\$4,009,495,932	9.9%
Return on market value of assets	10.44%	-0.11%	N/A
Actuarial value of assets ⁽³⁾	\$4,529,508,479	\$4,278,160,681	5.9%
Return on actuarial value of assets	6.35%	4.97%	N/A
Valuation value of assets	\$4,529,508,479	\$4,278,001,313	5.9%
Return on valuation value of assets	6.36%	4.97%	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: contingency reserve, supplemental COLA and retiree health benefit reserve (BOR), if any.