

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

Summary of Key Valuation Results

	June 30, 2018		June 30, 2017	
Employer Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	56.69%	\$106,670,000	56.32%	\$105,973,000
General Tier 2	53.91%	4,785,000	53.52%	4,750,000
General Tier 3	53.87%	17,383,000	53.11%	17,137,000
General Tier 4	44.92%	6,355,000	44.03%	6,229,000
General Tier 5	43.05%	50,235,000	42.42%	49,500,000
Safety Tier 1	83.37%	35,184,000	81.75%	34,501,000
Safety Tier 2	83.81%	3,893,000	81.86%	3,803,000
Safety Tier 4	68.75%	2,952,000	66.59%	2,858,000
Safety Tier 5	66.02%	13,465,000	64.23%	13,100,000
All categories combined	55.81%	240,922,000	55.10%	237,851,000
Average Member Contribution Rates:		Estimated		Estimated
	Total Rate	Annual Amount ⁽¹⁾	Total Rate	Annual Amount ⁽¹⁾
General Tier 1	9.88%	\$18,590,000	9.93%	\$18,684,000
General Tier 2	7.10%	630,000	7.22%	641,000
General Tier 3	8.00%	2,581,000	7.99%	2,578,000
General Tier 4	7.08%	1,002,000	7.06%	999,000
General Tier 5	7.17%	8,367,000	7.23%	8,437,000
Safety Tier 1	13.31%	5,617,000	13.18%	5,562,000
Safety Tier 2	11.64%	541,000	11.61%	539,000
Safety Tier 4	10.08%	433,000	10.09%	433,000
Safety Tier 5	11.92%	2,431,000	12.07%	2,462,000
All categories combined	9.31%	40,192,000	9.34%	40,335,000
Funded Status:				
Actuarial accrued liability ⁽²⁾	\$5,893,909,000		\$5,643,444,000	
Valuation value of assets (VVA) ⁽³⁾	4,802,958,000		4,529,508,000	
Market value of assets (MVA) ⁽³⁾	4,699,871,000		4,407,222,000	
Funded percentage on a VVA basis	81.5%		80.3%	
Funded percentage on a MVA basis	79.7%		78.1%	
Unfunded actuarial accrued liability on a VVA basis	\$1,090,951,000		\$1,113,936,000	
Unfunded actuarial accrued liability on a MVA basis	1,194,038,000		1,236,222,000	
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, 2018 projected annual compensation.

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

⁽³⁾ Excludes non-valuation reserve: contingency reserve, if any.

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Summary of Key Valuation Demographic and Financial Data

	June 30, 2018	June 30, 2017	Change From Prior Year
Active Members:			
Number of members	7,458	7,353	1.4%
Average age	42.6	43.0	-0.4
Average service	10.2	10.4	-0.2
Projected total compensation	\$431,678,317	\$413,760,698	4.3%
Average projected compensation	57,881	56,271	2.9%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	6,074	5,902	2.9%
Disability retired	401	377	6.4%
Beneficiaries	970	921	5.3%
Total	7,445	7,200	3.4%
Average age	69.6	69.4	0.2
Average monthly benefit ⁽¹⁾	\$3,023	\$2,919	3.6%
Vested Terminated Members:			
Number of vested terminated members ⁽²⁾	3,627	3,411	6.3%
Average age	44.9	45.1	-0.2
Summary of Financial Data:			
Market value of assets ⁽³⁾	\$4,699,871,406	\$4,407,221,766	6.6%
Return on market value of assets	7.11%	10.44%	N/A
Actuarial value of assets ⁽³⁾	\$4,802,958,346	\$4,529,508,479	6.0%
Return on actuarial value of assets	6.49%	6.35%	N/A
Valuation value of assets	\$4,802,958,346	\$4,529,508,479	6.0%
Return on valuation value of assets	6.49%	6.36%	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 reserve: contingency reserve, if any.