

Imperial County Employees' Retirement System

Actuarial Valuation and Review
as of June 30, 2013



This report has been prepared at the request of the Board of Retirement to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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December 9, 2013

*Board of Retirement
Imperial County Employees' Retirement System
1221 West State Street
El Centro, CA 92243*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2013. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2014-2015 and analyzes the preceding year's experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the System. The census information and financial information on which our calculations were based was prepared by ICERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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 the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. 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. To the best of our knowledge, the information supplied in the 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 System.

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

Segal Consulting, a Member of The Segal Group, Inc.

Sincerely,

By:

*Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Associate Actuary*

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

JB/hy

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SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

Purpose

This report has been prepared by Segal Consulting to present a valuation of the Imperial County Employees' Retirement System as of June 30, 2013. 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 System, as administered by the Board of Retirement.
- The characteristics of covered active members, inactive vested members, retired members and beneficiaries as of June 30, 2013, provided by the Retirement System;
- The assets of the Plan as of June 30, 2013, provided by the Retirement System;
- 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 System's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the System's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both normal cost and a payment or credit to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on March 21, 2012 which continues to amortize the System's remaining outstanding balance of the June 30, 2012 unfunded actuarial accrued liability (UAAL) over a closed period of 19 years (with 18 years remaining as of June 30, 2013). Furthermore, effective with the June 30, 2013 valuation, any changes in UAAL that emerge after June 30, 2012 will be amortized over the periods specified in the Board's new funding policy as described in Section 4, Exhibit IV. In particular, any change in UAAL as a result of actuarial gains or losses is amortized over a 15-year closed period.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2014 through June 30, 2015.

SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

Please note that the Actuarial Standards Board has adopted a revised Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines that actuaries have to follow when selecting actuarial assumptions. For a plan such as that offered by the Retirement System that may utilize unallocated earnings on an ad-hoc basis to provide contribution rate relief and additional non-statutory benefits, we are required to indicate in the valuation report that the possible impact of any such application of future excess earnings on the future financial condition of the plan has not been explicitly measured in the valuation.

Significant Issues in Valuation Year

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

- Reference: Page 41
- The results of this valuation reflect changes in the funding policy adopted by the Board on March 21, 2012 for the June 30, 2013 valuation. There was a change to the amortization periods used for various future changes in liability. In particular, actuarial experience gains and losses (including gains and losses in 2012/2013) identified in the annual valuation will be amortized over a 15-year closed period.
- Reference: Page 32
- As of June 30, 2013, the System has a zero balance in the Member and Retiree Non-valuation Reserves, Employee Benefit Enhancement Reserve, Employee COLA Contribution Relief Reserve and Unallocated Earnings Reserve. In order to credit interest to the valuation reserves at the assumed earnings rate, the balance of the Contingency Reserve decreased from negative \$23.1 million as of June 30, 2012 to negative \$33.3 million as of June 30, 2013. According to the Interest Crediting and Undistributed Earnings Policy updated by the Board in 2011, the Contingency Reserve has to be restored to 1% of the assets in the future before the System will accumulate unallocated earnings that could be used to provide contribution rate relief and/or non-statutory benefits.
- Reference: Pages 40 and 33
- In this June 30, 2013 valuation, the ratio of the valuation value of assets to the actuarial accrued liabilities has decreased from 89.8% to 89.4%. On a market value basis, this funded ratio has increased from 84.7% to 88.1%. In this valuation, the System's UAAL has increased from \$65.6 million to \$72.3 million. A reconciliation of the change in UAAL is provided in Section 3, Exhibit H.
- Reference: Page 16
- The aggregate employer rate⁽¹⁾ calculated in this valuation has increased from 17.68% of payroll to 18.27% of payroll. The employer rates include the funding of the Regular benefit plus an amount required to fund the outstanding balance of one-third of the UAAL for the Safety members' Supplemental benefit as determined in the June 30, 2006 valuation. The reasons for this year's change in the rate are: (i) lower than expected return on investments (after smoothing), (ii) salary increases different from expected, (iii) an increase in the UAAL rate resulting from a less than expected increase in total

⁽¹⁾ *The calculated employer rates include an employer pick-up of members' contributions equal to 3% of payroll for General and Safety members in the Legacy Tiers.*

SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

payroll, (iv) refinements to the breakdown between regular and supplemental benefits for retirees, and (v) demographics and other actuarial gains and losses. A reconciliation of the System's aggregate employer rate is provided in Section 2, Subsection D, Chart 14.

Reference: Page 17

- The average member rate⁽¹⁾ calculated in this valuation has increased from 10.92% of payroll to 11.03% of payroll. The reasons for this change are: (i) lower than expected return on investments (after smoothing), (ii) salary increases different from expected, (iii) an increase in the UAAL rate resulting from a less than expected increase in total payroll, (iv) refinements to breakdown between regular and supplemental benefits for retirees, and (v) changes in membership demographics and other actuarial gains and losses. A reconciliation of the System's aggregate member rate is provided in Section 2, Subsection D, Chart 15.

As approved by the Board, we have used the discretion made recently available by AB1380 to no longer round the Tier 3 members' contribution rates to the nearest ¼% as previously required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA). This should allow for exactly one-half of the Normal Cost to be paid by each of the employee and employer covered under CalPEPRA plans.

Reference: Page 5

- As indicated in Section 2, Subsection B (see Chart 7) , the total unrecognized investment losses as of June 30, 2013 is \$13.4 million, which is significantly less than the \$36.8 million in unrecognized investment losses at the time of the last valuation as of June 30, 2012. These investment losses will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, and will offset any investment gains that may occur after June 30, 2013. This implies that if the System earns the assumed net rate of investment return of 7.75% per year on a **market value** basis, it will result in investment losses on the actuarial value of assets in the next few years.

The unrecognized investment losses represent 2.2% of the market value of assets as of June 30, 2013 (versus 6.8% as of June 30, 2012). Unless offset by future investment gains or other favorable experience, the recognition of the \$13.4 million market losses is expected to have an impact on the System's future funded ratio and the aggregate employer and employee contributions. This potential impact may be illustrated as follows:

- If the deferred losses were recognized immediately in the valuation value of assets (and assuming further that the Reserve for Capital Assets were to be used to offset some of those losses), the funded percentage would decrease from 89.4% to 88.1%.

⁽¹⁾ The average member rate is calculated by taking the member rates for a General Legacy member at entry age 33, a Safety Legacy member at entry age 28, a General Tier 3 member, and a Safety Tier 3 member, and weighting those rates by the projected compensations for members in the four tiers.

SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

- If the deferred losses were recognized immediately in the valuation value of assets (and assuming further that the Reserve for Capital Assets were to be used to offset some of those losses), the aggregate employer contribution rate would increase from 18.27% of payroll to 19.01% of payroll and the average employee contribution rate would increase from 10.88% of payroll to 10.96% of payroll.
- The actuarial valuation report as of June 30, 2013 is based on financial information as of that date. Changes in the value of assets subsequent to that date 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.
- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because these new Statements are not effective until the fiscal year ending June 30, 2014 for Plan reporting and the fiscal year ending June 30, 2015 for employer reporting, the financial reporting information in this report continues to be in accordance with Statements 25 and 27.

Impact of Future Experience on Contribution Rates

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

- 1) differences between actual experience and anticipated experience;
- 2) changes in actuarial assumptions or methods;
- 3) changes in statutory provisions; and
- 4) difference between the contribution rates determined by the valuation and those adopted by the Board.

SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

Summary of Key Valuation Results

	June 30, 2013		June 30, 2012	
Employer Contribution Rates:				
	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate	Estimated Annual Amount ⁽¹⁾
General Legacy	17.20%	\$13,958,000	16.58%	\$13,454,000
General Tier 3	12.80%	234,000	11.62%	211,000
Safety Legacy	23.35%	4,471,000	22.97%	4,398,000
Safety Tier 3	17.09%	73,000	17.50%	75,000
All Categories Combined	18.27%	\$18,736,000	17.68%	18,138,000
Average Member Contribution Rates:				
	Total Rate	Estimated Annual Amount ⁽¹⁾	Total Rate	Estimated Annual Amount ⁽¹⁾
General Legacy (Average Entry Age: 33)	9.30%	\$7,547,000	9.29%	\$7,539,000
General Tier 3	8.92%	163,000	8.45%	154,000
Safety Legacy (Average Entry Age: 28)	18.50%	3,542,000	17.99%	3,445,000
Safety Tier 3	14.62%	63,000	14.84%	64,000
All Categories combined	11.03%	\$11,315,000	10.92%	\$11,202,000
Funded Status:				
Actuarial accrued liability	\$684,303,000		\$643,322,000	
Market value of assets (MVA)	\$602,552,000		\$544,661,000	
Valuation value of assets (VVA) ⁽²⁾	\$611,989,000		\$577,753,000	
Funded percentage on VVA basis (VVA/AAL)	89.4%		89.8%	
Funded percentage on MVA basis (MVA/AAL)	88.1%		84.7%	
Unfunded actuarial accrued liability on VVA basis	\$72,314,000		\$65,569,000	
Unfunded actuarial accrued liability on MVA basis	\$81,751,000		\$98,661,000	
Key Economic Assumptions:				
Interest rate	7.75%		7.75%	
Inflation rate	3.50%		3.50%	
Across-the-board salary increase	0.50%		0.50%	

(1) Based on June 30, 2013 projected annual compensation.

(2) Excludes non-valuation reserves.

SECTION 1: Valuation Summary for the Imperial County Employees' Retirement System

Summary of Key Valuation Demographic and Financial Data

	June 30, 2013	June 30, 2012	Percentage Change
Active Members:			
Number of members	1,919	1,921	-0.1%
Average age	42.4	42.3	N/A
Average service	10.1	9.9	N/A
Projected total compensation	\$102,548,000	\$100,356,000	2.2%
Average projected compensation	\$53,438	\$52,241	2.3%
Retired Member and Beneficiaries⁽¹⁾:			
Number of members:			
Service retired	702	700	0.3%
Disability retired	118	128	-7.8%
Beneficiaries	155	149	4.0%
Total	975	977	-0.2%
Average age	68.3	67.7	N/A
Average monthly benefit	\$2,533	\$2,306	9.8% ⁽¹⁾
Vested Terminated Members:			
Number of vested terminated members	354	332	6.6%
Average age	42.8	43.7	N/A
Summary of Financial Data:			
Market value of assets	\$602,551,959	\$544,660,981	10.6%
Return on market value of assets	11.24%	-0.31%	N/A
Actuarial value of assets	\$615,976,599	\$581,510,316	5.9%
Return on actuarial value of assets	6.49%	5.79%	N/A
Valuation value of assets	611,988,885	\$577,752,750	5.9%
Return on valuation value of assets	6.49%	5.72%	N/A

⁽¹⁾ Prior to the 2013 valuation, retired members and beneficiaries receiving both General and Safety benefits were reported as two separate records. Starting with the June 30, 2013 valuation, these members are only counted once based on their latest membership category. There are 66 such retired members and beneficiaries as of June 30, 2013. If these 66 retired members and beneficiaries had been counted separately, the average monthly benefit as of June 30, 2013 would have been \$2,372, which is a 2.9% increase over last year.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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.

CHART 1
Member Population: 2005 – 2013

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

Year Ended June 30	Active Members	Vested Terminated Members⁽¹⁾	Retired Members and Beneficiaries⁽²⁾	Ratio of Non-Actives to Actives
2005	1,674	235	699	0.56
2006	1,745	243	751	0.57
2007	1,795	238	792	0.57
2008	1,888	236	842	0.57
2009	1,935	244	857	0.57
2010	1,944	247	877	0.58
2011	1,947	247	924	0.60
2012	1,921	332	977	0.68
2013	1,919	354	975	0.69

⁽¹⁾ Starting with the June 30, 2012 valuation, includes terminated members due a refund of member contributions. For June 30, 2005 and 2006, members with both General and Safety service were counted twice. For June 30, 2007 and thereafter, these members are only counted once based on their latest membership category.

⁽²⁾ Prior to the 2013 valuation, retired members and beneficiaries receiving both General and Safety benefits were reported as two separate records. Starting with the June 30, 2013 valuation, these members are only counted once based on their latest membership category. There are 66 such retired members and beneficiaries as of June 30, 2013.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 1,919 active members with an average age of 42.4 years, average years of service of 10.1 and average compensation of \$53,438. The 1,921 active members in the prior valuation had an average age of 42.3 years, average service of 9.9 and average compensation of \$52,241.

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

Inactive Members

In this year's valuation, there were 354 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 332 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, 2013

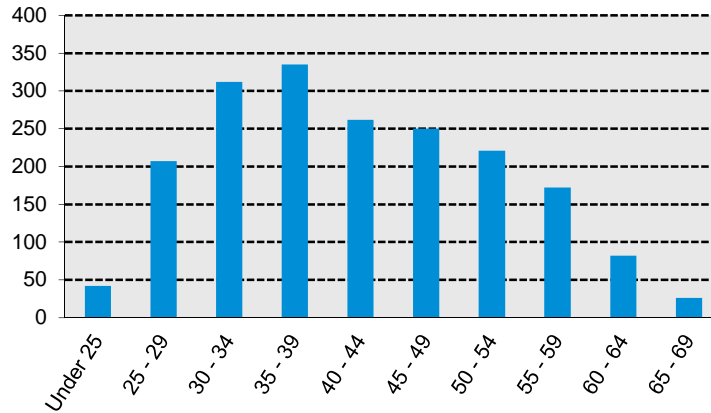
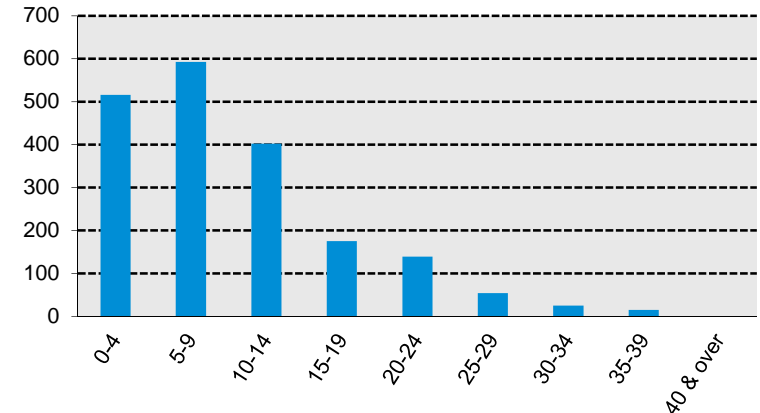


CHART 3
Distribution of Active Members by Years of Service as of June 30, 2013



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

Retired Members and Beneficiaries

As of June 30, 2013, 820 retired members and 155 beneficiaries were receiving total monthly benefits of \$2,470,000. For comparison, in the previous valuation, there were 828 retired members and 149 beneficiaries receiving monthly benefits of \$2,253,000.

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 (Excl. Beneficiaries) by Type and by Monthly Amount as of June 30, 2013

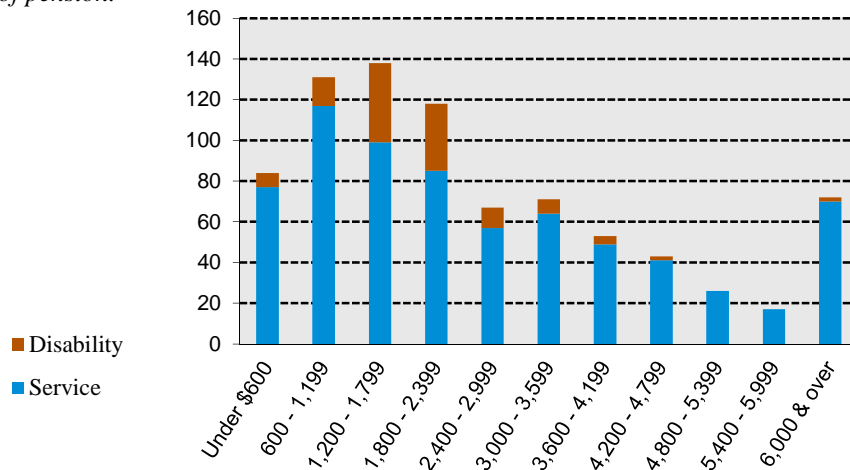
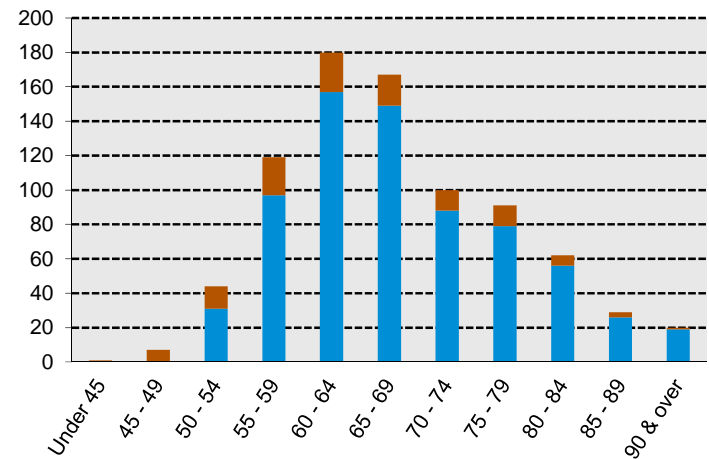


CHART 5
Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of June 30, 2013



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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.

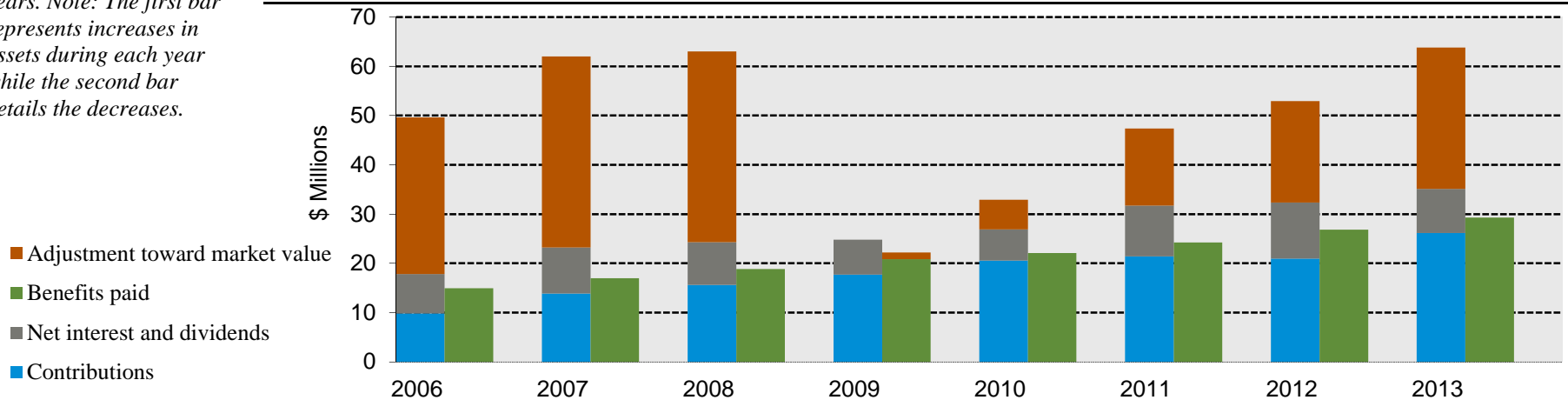
The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value of assets.

The determination of the Actuarial Value of Assets is provided on the following page.

The chart depicts the components of changes in the actuarial value of assets over the last eight 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, 2006 through 2013



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2013 (As Prepared by ICERS)

Six Month Period		Total Actual Market	Expected Market	Investment	Deferred	Deferred
From	To	Return (net)	Return (net)	Gain (Loss)	Factor	Return
01/01/2007	06/30/2011			\$(3,757,004) ⁽¹⁾	5/9	\$(2,087,224)
07/01/2011	12/31/2011	\$(32,849,206)	\$21,742,709	(54,591,915)	0.6	(32,755,149)
01/01/2012	06/30/2012	31,158,748	20,329,514	10,829,234	0.7	7,580,464
07/01/2012	12/31/2012	39,791,453	21,048,473	18,742,979	0.8	14,994,384
01/01/2013	06/30/2013	21,243,790	22,529,472	(1,285,682)	0.9	<u>(1,157,115)</u>
1.	Total Deferred Return ⁽²⁾					\$(13,424,640)
2.	Net Market Value					602,551,959
3.	a. Actuarial Value of Assets (Item 2 – Item 1)					615,976,599
	b. Ratio of Actuarial Value of Assets to Market Value of Assets (Item 3a ÷ Item 2)					102.2%
4.	Actuarial Value of Assets – Corridor Limits:					
	a. Lower Limit – 70% of Net Market Value					421,786,371
	b. Upper Limit – 130% of Net Market Value					783,317,547
5.	Actuarial Value of Assets (within corridor)					615,976,599
6.	Non-valuation reserves and designations:					
	a. Member and Retiree Non-Valuation Reserves					\$0
	b. Contingency Reserve, Limited to Not Less Than \$0					0
	c. Employee Benefit Enhancement					0
	d. Employee COLA Contribution Relief					0
	e. Unallocated Earnings					0
	f. Fixed Asset Reserve					0
	g. Retiree Health Insurance Premiums					0
	h. Miscellaneous					0
	i. Reserve for Capital Assets					3,987,714
	j. Subtotal					<u>3,987,714</u>
7.	Valuation Value of Assets (Item 5 – Item 6j)					<u>\$611,988,885</u>

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

Note: Results may not total exactly due to rounding.

⁽¹⁾ Net deferred unrecognized investment losses as of June 30, 2011 have been combined into a single layer to be recognized over the nine six-month interest crediting periods effective July 1, 2011. Also, the amount of the net deferred unrecognized investment losses as of June 30, 2011 of \$3,190,197 calculated based on prior years' unaudited financial statements has been "trued up" to match the amount maintained by ICERS using prior years' final financial statements.

⁽²⁾ The amounts of deferred return that will be recognized in each subsequent valuation are as follows:

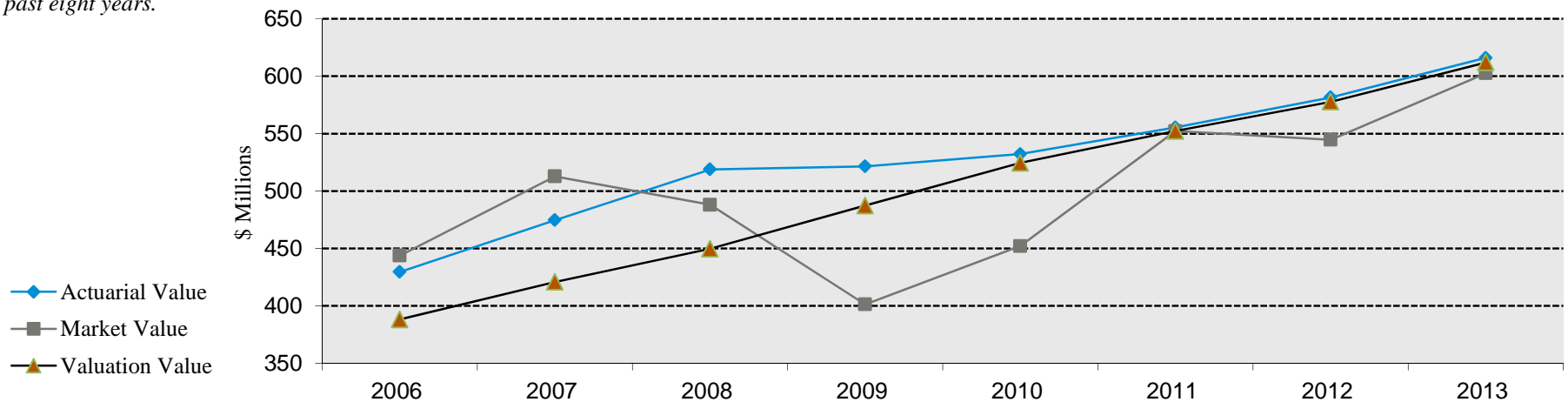
6/30/2014	(6,095,967)
6/30/2015	(6,095,967)
6/30/2016	(5,678,521)
6/30/2017	4,574,383
6/30/2018	(128,568)

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

The market value, actuarial value, and valuation value of assets are representations of the ICERS' 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 asset value is significant because ICERS' 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 eight years.

CHART 8
Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2006 – 2013



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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 \$6.3 million, a loss of \$7.3 million from investments (after smoothing), a gain of \$1.0 million from all other sources. The net experience variation from individual sources other than investments was 0.15% 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 9 Actuarial Experience for Year Ended June 30, 2013

1. Net loss from investments ⁽¹⁾	\$7,274,000
2. Net gain from other experience ⁽²⁾	<u>-1,018,000</u>
3. Net experience loss: (1) + (2)	\$6,256,000

⁽¹⁾ Details in Chart 10.

⁽²⁾ See Section 3, Items (2b) through (2c) in Exhibit H.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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 ICERS' investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets was 7.75% (based on the June 30, 2012 valuation). The actual rate of return on a valuation basis for the 2012/2013 plan year was 6.49%.

Since the actual return for the year was less than the assumed return, ICERS experienced an actuarial loss during the year ended June 30, 2013 with regard to its investments.

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

CHART 10

Investment Experience for Year Ended June 30, 2013 – Valuation Value of Assets

	Valuation Value
1. Actual return	\$37,380,401
2. Average value of assets	576,180,617
3. Actual rate of return: (1) ÷ (2)	6.49%
4. Assumed rate of return	7.75%
5. Expected return: (2) x (4)	44,653,998
6. Actuarial gain/(loss): (1) – (5)	-7,273,597

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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 eight years.

CHART 11

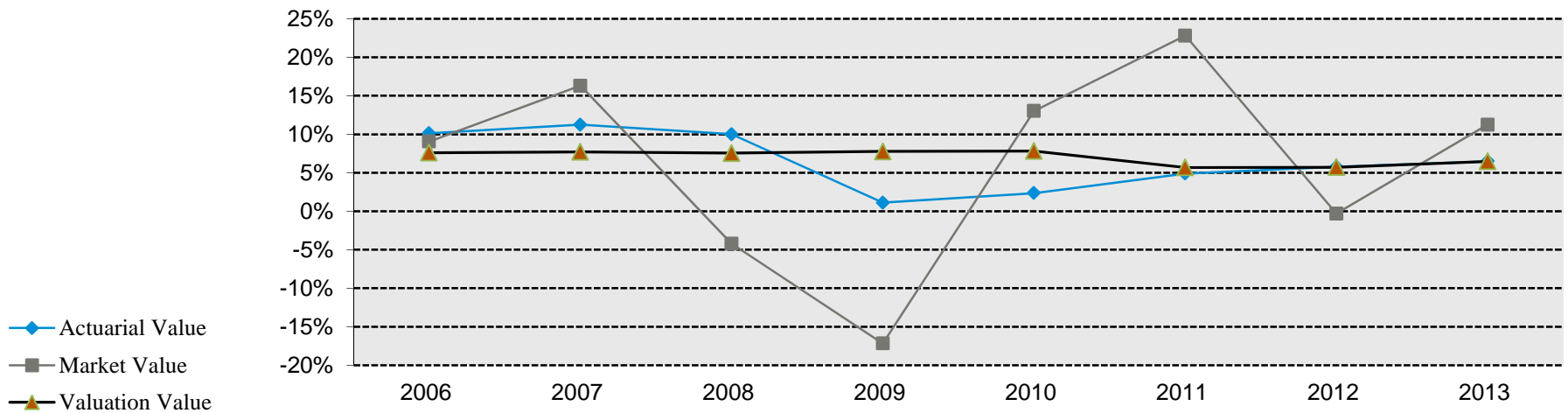
Investment Return – Market Value, Actuarial Value and Valuation Value: 2006 – 2013

Year Ended June 30	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2006	\$37,062,530	9.05%	\$39,770,549	10.13%	\$27,431,156	7.60%
2007	72,111,833	16.30%	48,151,460	11.25%	29,938,368	7.71%
2008	-21,498,776	-4.21%	47,404,737	10.02%	31,673,978	7.55%
2009	-83,535,781	-17.17%	5,767,623	1.12%	35,048,007	7.76%
2010	52,247,233	13.04%	12,321,475	2.37%	38,043,434	7.82%
2011	102,867,409	22.82%	25,933,294	4.89%	29,730,509	5.68%
2012	-1,690,458	-0.31%	31,968,680	5.79%	31,399,883	5.72%
2013	61,035,244	11.24%	37,610,549	6.49%	37,380,401	6.49%
Average Return		5.62%		6.45%		7.04%

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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.

CHART 12
Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2006 - 2013



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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:

- actual 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, 2013 amounted to \$1.0 million which is 0.15% of the actuarial accrued liability. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

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 UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) 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 annual wage inflation rate of 4.00% (i.e., 3.50% price inflation plus 0.50% real across-the-board salary increase). Effective with the June 30, 2013 valuation, the System's remaining outstanding balance of the June 30, 2012 UAAL associated with the Regular benefit is being amortized over a declining 19-year period (18 years as of June 30, 2013). The UAAL associated with the payment of one-third of the UAAL for the Supplemental benefit for Safety members established in the June 30, 2006 valuation is also being amortized over a declining 19-year period (18 years as of June 30, 2013). The change in UAAL that arises due to actuarial gains or losses at each valuation is amortized over a 15-year closed period. Any change in UAAL as a result of a change in actuarial assumptions or methods will be amortized over a 20-year closed period. Any change in UAAL that arises due to plan amendments will be amortized over a 15-year closed period and any change in UAAL due to temporary retirement incentive programs will be amortized over a 5-year closed period.

The recommended employer contributions are provided on Chart 13.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

Member Contributions

General Legacy & Safety Legacy

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 Legacy members and Safety Legacy members, respectively.

The basic contribution rate for the Regular benefit 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 and 1/100 of Final Average Salary for Safety. That age is 55 for all General and 50 for all Safety.

It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions for the Regular benefit, members pay one-half of the total normal cost necessary to fund their cost-of-living Regular benefit. Accumulation includes semi-annual crediting of interest at the assumed investment earning rate.

Members pay the additional Normal Cost attributable to the difference between the Total (i.e., Regular plus Supplemental) and Regular benefits. In addition, members also pay for the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits.

The member contribution rates are provided in Appendix A.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

General Tier 3 & Safety Tier 3

Pursuant to Section 7522.30(a) of the Government Code, General Tier 3 and Safety Tier 3 members are required to contribute at least 50% of the Normal Cost rate. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of “similarly situated employees”, if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the Normal Cost rates in this report, we have assumed that exactly 50% of the Normal Cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e). Also, as approved by the Board, we have used the discretion made recently available by AB1380 to no longer round the Tier 3 members' contribution rates to the nearest ¼% as previously required by CalPEPRA. This should allow for exactly one-half of the normal cost to be paid by each of the employee and employer covered under CalPEPRA plans.

Members also pay for the cost of any unfunded actuarial accrued liability for General Legacy and Safety Legacy Tiers attributable to the difference between the Total (i.e., Regular plus Supplemental) and the Regular benefits.

The member contribution rates are provided in Appendix B.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

CHART 13

Recommended Employer Contribution Rates (Dollar Amounts in Thousands)

	June 30, 2013			June 30, 2012		
	BASIC	COLA	TOTAL	TOTAL		
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Legacy Members						
Normal Cost	11.28%	\$9,153	1.60%	\$1,299	12.88%	\$10,452
UAAL	<u>1.26%</u>	<u>1,022</u>	<u>3.06%</u>	<u>2,484</u>	<u>4.32%</u>	<u>3,506</u>
Total Contribution	12.54%	\$10,175	4.66%	\$3,783	17.20%	\$13,958
General Tier 3						
Normal Cost	7.08%	\$129	1.40%	\$26	8.48%	\$155
UAAL	<u>1.26%</u>	<u>23</u>	<u>3.06%</u>	<u>56</u>	<u>4.32%</u>	<u>79</u>
Total Contribution	8.34%	\$152	4.46%	\$82	12.80%	\$234
Safety Legacy Members						
Normal Cost	15.06%	\$2,884	2.49%	\$476	17.55%	\$3,360
UAAL ⁽²⁾	<u>2.13%</u>	<u>408</u>	<u>3.67%</u>	<u>703</u>	<u>5.80%</u>	<u>1,111</u>
Total Contribution	17.19%	\$3,292	6.16%	\$1,179	23.35%	\$4,471
Safety Tier 3						
Normal Cost	9.09%	\$39	2.20%	\$9	11.29%	\$48
UAAL	<u>2.13%</u>	<u>\$9</u>	<u>3.67%</u>	<u>16</u>	<u>5.80%</u>	<u>25</u>
Total Contribution	11.22%	\$48	5.87%	\$25	17.09%	\$73
All Categories Combined						
Normal Cost	11.90%	\$12,205	1.77%	\$1,810	13.67%	\$14,015
UAAL	<u>1.43%</u>	<u>1,462</u>	<u>3.17%</u>	<u>3,259</u>	<u>4.60%</u>	<u>4,721</u>
Total Contribution	13.33%	\$13,667	4.94%	\$5,069	18.27%	\$18,736

⁽¹⁾ Amounts are in thousands and are based on June 30, 2013 projected annual compensation (also in thousands):

	Legacy	Tier 3	Total
General	\$81,148	\$1,823	\$82,971
Safety	<u>\$19,148</u>	<u>\$428</u>	<u>\$19,576</u>
Total	\$100,296	\$2,251	\$102,547

⁽²⁾ The UAAL Total Rate associated with the Supplemental UAAL Relief is 1.00% as of June 30, 2013 and 1.01% as of June 30, 2012.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

The employer contribution rates as of June 30, 2013 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 and actuarial gains and losses.

Reconciliation of Recommended Employer Contribution Rate

The chart below details the changes in the recommended employer contribution 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 14

Reconciliation of Recommended Employer Contribution from June 30, 2012 to June 30, 2013

	General Legacy Contribution Rate	General Tier 3	Safety Legacy Contribution Rate	Safety Tier 3	Total Contribution Rate
Recommended Contribution Rate as of June 30, 2012	16.58%	11.62%	22.97%	17.50%	17.68%
Effect of actuarial experience during 2012/2013:					
1. Effect of investment loss after smoothing	0.52%	0.52%	0.77%	0.77%	0.57%
2. Effect of salary increases less than expected	-0.40%	-0.40%	-0.34%	-0.34%	-0.39%
3. Effect of increase in UAAL rate from less/(greater) than expected increase in total payroll	0.09%	0.09%	-0.04%	-0.04%	0.07%
4. Effect of change in Normal Cost	0.00%	0.56%	0.08%	-0.71%	0.02%
5. Effect of refinements to breakdown between regular and supplemental benefits for retirees ⁽¹⁾	0.17%	0.17%	-0.02%	-0.02%	0.13%
6. Effect of one-year-delay in implementing contribution rates determined in the June 30, 2012 valuation	0.03%	0.03%	0.05%	0.05%	0.03%
7. Effect of other experience (gains)/losses	0.21%	0.21%	-0.12%	-0.12%	0.16%
Subtotal	0.62%	1.18%	0.38%	-0.41%	0.59%
Recommended Contribution Rate as of June 30, 2013	17.20%	12.80%	23.35%	17.09%	18.27%

⁽¹⁾ Actual breakdown provided by ICERS is used in lieu of estimates used in prior valuations.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

The member contribution rates as of June 30, 2013 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 and actuarial gains and losses.

Reconciliation of Recommended Member Contribution Rate

The chart below details the changes in the recommended 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 15

Reconciliation of Recommended Member Contribution from June 30, 2012 to June 30, 2013

	General Legacy Contribution Rate	General Tier 3	Safety Legacy Contribution Rate	Safety Tier 3	Total Contribution Rate
Recommended Contribution Rate as of June 30, 2012	9.29%	8.45%	17.99%	14.84%	10.92%
Effect of actuarial experience during 2012/2013:					
1. Effect of investment loss after smoothing	0.04%	0.04%	0.11%	0.11%	0.05%
2. Effect of salary increases less than expected	-0.03%	-0.03%	-0.07%	-0.07%	-0.04%
3. Effect of increase in UAAL rate from less/(greater) than expected increase in total payroll	0.01%	0.01%	-0.02%	-0.02%	0.00%
4. Effect of change in Normal Cost	0.02%	0.48%	0.02%	-0.71%	0.03%
5. Effect of refinements to breakdown between regular and supplemental benefits for retirees ⁽¹⁾	-0.17%	-0.17%	0.02%	0.02%	-0.13%
6. Effect of earlier than assumed retirements	0.12%	0.12%	0.18%	0.18%	0.13%
7. Effect of one-year-delay in implementing contribution rates determined in the June 30, 2012 valuation	0.01%	0.01%	-0.01%	-0.01%	0.00%
8. Effect of other experience (gains)/losses	0.01%	0.01%	0.28%	0.28%	0.07%
Subtotal	0.01%	0.47%	0.51%	-0.22%	0.11%
Recommended Contribution Rate as of June 30, 2013	9.30%	8.92%	18.50%	14.62%	11.03%

⁽¹⁾ Actual breakdown provided by ICERS is used in lieu of estimates used in prior valuations.

SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

E. INFORMATION REQUIRED BY 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 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 actuarial value of assets to the actuarial accrued liabilities of the plan as calculated under GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. 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 16
Required Versus Actual Contributions

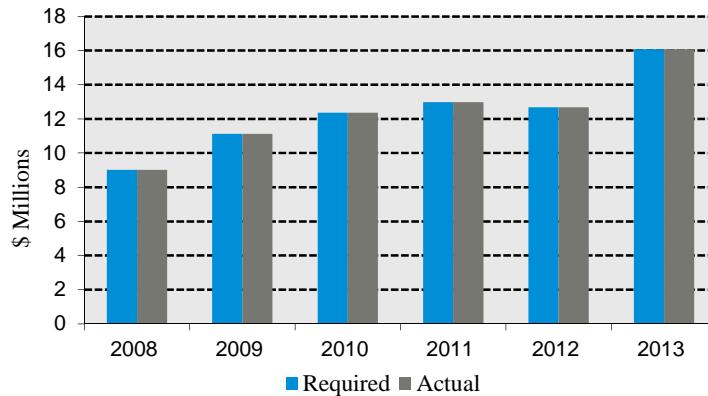
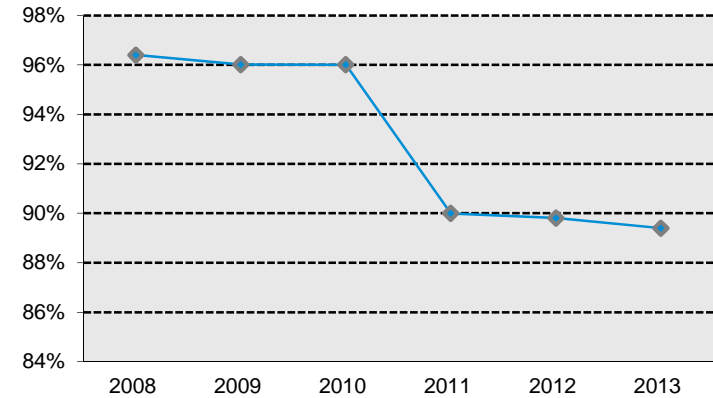


CHART 17
Funded Ratio



SECTION 2: Valuation Results for the Imperial County Employees' Retirement System

F. VOLATILITY RATIOS

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of retirement assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For ICERS, the current AVR is about 5.9. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 5.9% of one-year's payroll. Since ICERS amortizes actuarial gains and losses over a period of 15 years, there would be a 0.5% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions.

For ICERS, the current LVR is about 6.7. This is about 13.6% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long-term.

This chart shows how the asset and liability volatility ratios have varied over time.

CHART 18
Volatility Ratios for Years Ended June 30, 2008 – 2013

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2008	5.7	5.4
2009	4.3	5.4
2010	4.6	5.6
2011	5.4	6.0
2012	5.4	6.4
2013	5.9	6.7

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT A

Table of Plan Coverage

i. General Legacy

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation			
Number	1,561	1,611	-3.1%
Average age	43.5	43.0	N/A
Average service	10.4	9.9	N/A
Projected total compensation	\$81,147,577	\$81,694,729	-0.7%
Projected average compensation	\$51,984	\$50,711	2.5%
Member account balances	\$56,559,780	\$52,818,428	7.1%
Vested terminated members			
Number	299	285	4.9%
Average age	43.9	44.6	N/A
Retired members			
Number in pay status	572*	574	-0.3%
Average age	69.4	68.9	N/A
Average monthly benefit	\$2,514	\$2,332	7.8%
Disabled members			
Number in pay status	64*	75	-14.7%
Average age	67.2	65.3	N/A
Average monthly benefit	\$1,500	\$1,302	15.2%
Beneficiaries			
Number in pay status	128	123	4.1%
Average age	74.2	74.1	N/A
Average monthly benefit	\$1,286	\$1,217	5.7%

* Includes 4 retired and 2 disabled members with benefits from both the General and Safety Legacy Tiers.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT A

Table of Plan Coverage

ii. General Tier 3

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation			
Number	40	N/A	N/A
Average age	35.4	N/A	N/A
Average service	0.4	N/A	N/A
Projected total compensation	\$1,822,913	N/A	N/A
Projected average compensation	\$45,573	N/A	N/A
Member account balances	\$66,938	N/A	N/A
Vested terminated members			
Number	0	N/A	N/A
Average age	N/A	N/A	N/A
Retired members			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A
Disabled members			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A
Beneficiaries			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT A

Table of Plan Coverage

iii. Safety Legacy

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation			
Number	307	310	-1.0%
Average age	38.4	38.2	N/A
Average service	10.0	9.9	N/A
Projected total compensation	\$19,148,469	\$18,660,684	2.6%
Projected average compensation	\$62,373	\$60,196	3.6%
Member account balances	\$24,225,362	\$22,548,561	7.4%
Vested terminated members			
Number	55	47	17.0%
Average age	36.6	38.1	N/A
Retired members			
Number in pay status	130*	126	3.2%
Average age	62.5	62.2	N/A
Average monthly benefit	\$4,415	\$3,888	13.6%
Disabled members			
Number in pay status	54*	53	1.9%
Average age	59.6	58.7	N/A
Average monthly benefit	\$2,555	\$2,367	7.9%
Beneficiaries			
Number in pay status	27*	26	3.8%
Average age	65.0	63.1	N/A
Average monthly benefit	\$2,200	\$1,990	10.6%

* Includes 41 retired and 12 disabled members, and 7 beneficiaries with benefits from both the General and Safety Legacy Tiers.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT A

Table of Plan Coverage

iv. Safety Tier 3

Category	Year Ended June 30		Change From Prior Year
	2013	2012	
Active members in valuation			
Number	11	N/A	N/A
Average age	27.2	N/A	N/A
Average service	0.2	N/A	N/A
Projected total compensation	\$428,178	N/A	N/A
Projected average compensation	\$38,925	N/A	N/A
Member account balances	\$8,817	N/A	N/A
Vested terminated members			
Number	0	N/A	N/A
Average age	N/A	N/A	N/A
Retired members			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A
Disabled members			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A
Beneficiaries			
Number in pay status	0	N/A	N/A
Average age	N/A	N/A	N/A
Average monthly benefit	N/A	N/A	N/A

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT B

**Members in Active Service as of June 30, 2013
By Age, Years of Service, and Average Compensation**

i. General Legacy

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	21	20	1	--	--	--	--	--	--	--
	\$32,929	\$33,048	\$30,539	--	--	--	--	--	--	--
25 - 29	138	105	32	1	--	--	--	--	--	--
	36,262	35,355	39,139	\$39,459	--	--	--	--	--	--
30 - 34	243	89	125	29	--	--	--	--	--	--
	44,613	42,695	44,907	49,234	--	--	--	--	--	--
35 - 39	266	62	124	75	5	--	--	--	--	--
	50,246	41,447	50,689	56,593	\$53,140	--	--	--	--	--
40 - 44	211	39	60	66	36	10	--	--	--	--
	53,221	42,200	45,759	57,493	68,908	\$56,312	--	--	--	--
45 - 49	218	30	53	58	34	34	8	1	--	--
	55,978	48,781	51,702	52,977	64,235	66,849	\$49,682	\$72,635	--	--
50 - 54	193	21	42	41	29	37	17	5	1	--
	57,801	40,871	50,386	54,379	61,060	68,213	79,016	53,172	\$47,822	--
55 - 59	158	18	33	32	20	20	8	14	13	--
	56,775	48,244	50,947	53,415	60,027	71,461	61,546	60,341	57,278	--
60 - 64	80	2	25	18	13	12	8	2	--	--
	67,395	58,185	51,176	62,170	66,209	97,581	76,969	114,662	--	--
65 - 69	24	3	5	4	4	--	3	3	1	1
	66,210	104,913	63,430	47,628	46,741	--	66,441	68,269	50,041	\$125,503
70 & over	9	--	1	2	2	3	1	--	--	--
	78,415	--	41,018	67,300	55,121	127,518	37,317	--	--	--
Total	1,561	389	501	326	143	116	45	25	15	1
	\$51,984	\$41,157	\$48,109	\$55,098	\$63,354	\$71,919	\$68,566	\$64,696	\$56,165	\$125,503

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT B

**Members in Active Service as of June 30, 2013
By Age, Years of Service, and Average Compensation**

ii. General Tier 3

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	5	5	--	--	--	--	--	--	--	--
	\$30,856	\$30,856	--	--	--	--	--	--	--	--
25 - 29	12	12	--	--	--	--	--	--	--	--
	38,006	38,006	--	--	--	--	--	--	--	--
30 - 34	9	9	--	--	--	--	--	--	--	--
	44,688	44,688	--	--	--	--	--	--	--	--
35 - 39	4	4	--	--	--	--	--	--	--	--
	43,442	43,442	--	--	--	--	--	--	--	--
40 - 44	3	3	--	--	--	--	--	--	--	--
	54,777	54,777	--	--	--	--	--	--	--	--
45 - 49	2	2	--	--	--	--	--	--	--	--
	44,662	44,662	--	--	--	--	--	--	--	--
50 - 54	1	1	--	--	--	--	--	--	--	--
	90,903	90,903	--	--	--	--	--	--	--	--
55 - 59	2	2	--	--	--	--	--	--	--	--
	59,406	59,406	--	--	--	--	--	--	--	--
60 - 64	1	1	--	--	--	--	--	--	--	--
	136,440	136,440	--	--	--	--	--	--	--	--
65 - 69	1	1	--	--	--	--	--	--	--	--
	36,791	36,791	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	40	40	--	--	--	--	--	--	--	--
	\$45,573	\$45,573	--	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT B

**Members in Active Service as of June 30, 2013
By Age, Years of Service, and Average Compensation**

iii. Safety Legacy

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	12	11	1	--	--	--	--	--	--	--
	\$46,971	\$46,862	\$48,170	--	--	--	--	--	--	--
25 - 29	51	25	26	--	--	--	--	--	--	--
	52,783	49,748	55,702	--	--	--	--	--	--	--
30 - 34	60	19	32	9	--	--	--	--	--	--
	58,359	49,481	60,665	\$68,903	--	--	--	--	--	--
35 - 39	64	12	18	30	4	--	--	--	--	--
	63,521	55,728	59,044	66,664	\$83,480	--	--	--	--	--
40 - 44	48	2	8	22	13	3	--	--	--	--
	63,787	53,614	58,780	62,264	67,663	\$78,291	--	--	--	--
45 - 49	30	2	--	7	9	10	2	--	--	--
	68,558	77,688	--	61,112	63,858	76,726	\$65,807	--	--	--
50 - 54	27	2	1	7	5	7	5	--	--	--
	72,248	60,842	46,907	71,271	64,823	78,007	82,611	--	--	--
55 - 59	12	3	3	1	1	2	2	--	--	--
	80,951	89,472	80,574	55,934	84,376	81,853	78,625	--	--	--
60 - 64	1	--	1	--	--	--	--	--	--	--
	160,915	--	160,915	--	--	--	--	--	--	--
65 - 69	1	--	1	--	--	--	--	--	--	--
	51,755	--	51,755	--	--	--	--	--	--	--
70 & over	1	--	--	--	--	1	--	--	--	--
	72,643	--	--	--	--	72,643	--	--	--	--
Total	307	76	91	76	32	23	9	--	--	--
	\$62,373	\$52,904	\$60,132	\$65,428	\$68,648	\$77,588	\$77,991	--	--	--

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT B

**Members in Active Service as of June 30, 2013
By Age, Years of Service, and Average Compensation**

iv. Safety Tier 3

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	4	4	--	--	--	--	--	--	--	--
	\$39,494	\$39,494	--	--	--	--	--	--	--	--
25 - 29	6	6	--	--	--	--	--	--	--	--
	39,093	39,093	--	--	--	--	--	--	--	--
30 - 34	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
35 - 39	1	1	--	--	--	--	--	--	--	--
	35,643	35,643	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
45 - 49	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
50 - 54	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
55 - 59	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	11	11	--	--	--	--	--	--	--	--
	\$38,925	\$38,925	--	--	--	--	--	--	--	--

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT C

Reconciliation of Member Data – June 30, 2012 to June 30, 2013

	Active Members	Vested Terminated Members	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2012	1,921	332	700	128	149	3,230
New members	142	0	0	0	0	142
Terminations – with vested rights	-43	43	0	0	0	0
Contributions Refunds	-51	-9	0	0	0	-60
Retirements	-48	-15	63	0	0	0
New disabilities	-4	0	0	4	0	0
Return to work	4	-2	-2	0	0	0
Died with or without beneficiary	-2	0	-17	-1	11 ⁽¹⁾	-9
Data adjustments	0	5	-42 ⁽²⁾	-13 ⁽²⁾	-5 ⁽²⁾	-55
Number as of June 30, 2013	1,919	354	702	118	155	3,248

⁽¹⁾ This is the net increase in the number of beneficiaries after subtracting the number of beneficiaries who died during the year.

⁽²⁾ Prior to the 2013 valuation, retired members and beneficiaries receiving both General and Safety benefits were reported as two separate records. Starting with the June 30, 2013 valuation, these members are only counted once based on their latest membership category.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30,	
	2013	2012
Contribution income:		
Employer contributions	\$16,082,961	\$12,673,237
Employee contributions	<u>10,093,363</u>	<u>8,297,628</u>
Contribution income	\$26,176,324	\$20,970,865
Investment income:		
Interest, dividends and other income	\$13,318,024	\$15,335,438
Adjustment toward market value	28,707,324	20,574,981
Less investment and administrative fees	<u>-4,414,799</u>	<u>-3,941,739</u>
Net investment income	<u>\$37,610,549</u>	<u>\$31,968,680</u>
Total income available for benefits	\$63,786,873	\$52,939,545
Less benefit payments:		
Service retirement	-\$27,825,672	-\$25,998,698
Death payments	-609,597	-95,000
Members refunds	<u>-885,221</u>	<u>-732,918</u>
Benefit payments	-\$29,320,590	-\$26,826,616
Change in reserve for future benefits	\$34,466,283	\$26,112,929

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT E

Summary Statement of Assets

	Year Ended June 30,	
	2013	2012
Cash equivalents	\$4,942,881	\$5,811,525
Accounts receivable:		
Contributions	\$1,306,112	\$1,016,154
Interest and dividends	603,653	1,793,122
Forward currency contract	193,846	0
Receivables	976,335	3,317,003
Others	<u>7,716</u>	<u>11,203</u>
Total accounts receivable	\$3,087,662	\$6,137,482
Capital Assets	\$3,987,714	\$3,757,566
Investments:		
Short term	\$15,273,361	\$10,722,506
Fixed income	172,916,550	160,409,696
Equities	321,709,517	288,984,748
Alternative	42,114,093	42,217,104
Real estate	<u>41,626,557</u>	<u>30,913,134</u>
Total investments at market value	<u>\$593,640,078</u>	<u>\$533,247,188</u>
Total assets	\$605,658,335	\$548,953,761
Less accounts payable:		
Investment payables	-\$2,456,043	-\$3,387,926
Account payable	-650,333	-753,006
Forward currency contract	0	-144,101
Others	<u>0</u>	<u>-7,747</u>
Total accounts payable	-\$3,106,376	-\$4,292,780
Net assets at market value	<u>\$602,551,959</u>	<u>\$544,660,981</u>
Net assets at actuarial value	<u>\$615,976,599</u>	<u>\$581,510,316</u>
Net assets at valuation value	<u>\$611,988,885</u>	<u>\$577,752,750</u>

Note: Results may not total properly due to rounding.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

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.

Assets	<u>Regular & Tier 3 (\$000)</u>	<u>Supplemental (\$000)</u>	<u>Total (\$000)</u>
1. Total valuation assets	\$562,208	\$49,781	\$611,989
2. Present value of future contributions by members			
a. entry age normal cost	\$84,881	\$19,739	\$104,620
b. unfunded actuarial accrued liability	\$0	\$11,603	\$11,603
3. Present value of future employer contributions for:			
a. entry age normal cost	\$86,446	\$0	\$86,446
b. unfunded actuarial accrued liability	\$58,149	\$2,562	\$60,711
4. Total current and future assets	<u>\$791,684</u>	<u>\$83,685</u>	<u>\$875,369</u>
Liabilities			
5. Present value of benefits already granted	\$310,366	\$28,442	\$338,808
6. Present value of benefits to be granted	\$481,318	\$55,243	\$536,561
7. Total liabilities	<u>\$791,684</u>	<u>\$83,685</u>	<u>\$875,369</u>

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT G

Summary of Reported Asset Information as of June 30, 2013

	Regular & Tier 3 Reserves	Supplemental Reserves	Total Reserves
Included in Valuation Value of Assets			
Members' deposit reserves	\$74,195,052	\$14,273,378	\$88,468,430
Members' interest reserves	17,029,733	1,436,157	18,465,890
Employer's advance reserves	215,453,069	13,988,989	229,442,058
Service pension reserves (members' contributions)	70,582,239	1,478,570	72,060,809
Service pension reserves (employer's contributions)	183,667,744	20,682,583	204,350,327
Disability pension reserves (members' contributions)	3,744,199	216,912	3,961,111
Disability pension reserves (employer's contributions)	20,815,700	366,587	21,182,287
Survivors' death benefit reserve	5,002,263	51,161	5,053,424
Death benefit reserve	2,277,270	0	2,277,270
Total before transfer	\$592,767,269	\$52,494,337	\$645,261,606
Excluded from Valuation Value of Assets			
Member and retiree non-valuation reserves			\$0
Contingency reserve*			(33,272,721)
Employee benefit enhancement			0
Employee COLA contribution relief			0
Unallocated earnings			0
Fixed asset reserve			0
Retiree health insurance premiums			0
Market stabilization reserve			(13,424,640)
Reserve for Capital Assets			3,987,714
Miscellaneous			0
Total			(\$42,709,647)
Grand Total			\$602,551,959

* *Note: If Contingency Reserve is negative, it is applied as an offset that reduces value of the reserves that are included in the Valuation Value of Assets used in the valuation.*

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability as of June 30, 2013

		(Dollar amounts in Thousands)
1	Expected unfunded actuarial liability:	
	a. Unfunded actuarial accrued liability at beginning of year	\$65,569
	b. Gross Normal Cost payable at middle of year	21,756
	c. Actual employer and member contributions	-26,177
	d. Interest	<u>4,910</u>
	e. Expected unfunded actuarial accrued liability at end of year* (1a) + (1b) + (1c) + (1d)	\$66,058
2	Actuarial experience (gain)/loss:	
	a. Loss from investment return	\$7,274
	b. Gain from lower than expected salary increase	-5,035
	c. Other experience (gain)/loss	<u>4,017**</u>
	d. Total actuarial experience (gain)/loss (2a) + (2b) + (2c)	<u>\$6,256</u>
3	Actual unfunded actuarial accrued liability at end of year (1e) + (2d)	\$72,314

* Includes contribution loss of \$0.4 million during the year from actual contributions less than expected.

** Of this amount, about \$1.6 million is due to earlier than assumed retirements.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

EXHIBIT I

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 indexed for inflation. That limit is \$205,000 for 2013 and \$210,000 for 2014. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must generally be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

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.

Contributions 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 Imperial County Employees' Retirement System

EXHIBIT J

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 net, in this case, of investment and administrative expenses.
- (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; and
- (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 level 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.

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. There are many approaches to paying off the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

SECTION 3: Supplemental Information for the Imperial County Employees' Retirement System

**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 capital gains and losses to avoid significant swings in the value of assets from one year to the next.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1. Retired members as of the valuation date (including 155 beneficiaries in pay status)	975
2. Members inactive during year ended June 30, 2013 with vested rights*	354
3. Members active during the year ended June 30, 2013	1,919

The actuarial factors as of the valuation date are as follows (amounts in thousands):

1. Normal cost		\$24,157
2. Present value of future benefits		875,369
3. Present value of future normal costs		191,066
4. Actuarial accrued liability		684,303
Retired members and beneficiaries	\$338,808	
Inactive members with vested rights*	23,377	
Active members	322,118	
5. Valuation value of assets		\$611,989
6. Unfunded actuarial accrued liability		\$72,314

* Includes terminated members due a refund of member contributions.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT I (continued)

Summary of Actuarial Valuation Results (Dollar Amounts in Thousands)

The determination of the required contribution is as follows:	Dollar Amount*	% of Payroll
1. Total normal cost	\$24,157	23.56%
2. Expected employee normal cost contributions	<u>10,142</u>	<u>9.89%**</u>
3. Employer normal cost: (1) - (2)	\$14,015	13.67%
4. Amortization of total unfunded actuarial accrued liability	\$5,736	5.59%
5. Amortization of unfunded actuarial accrued liability paid by employee	<u>1,015</u>	<u>0.99%**</u>
6. Amortization of unfunded actuarial accrued liability paid by employer: (4) - (5)	\$4,721	4.60%
7. Total required employer contribution: (3) + (6)	\$18,736	18.27%

* Based on June 30, 2013 projected annual compensation.

** This is the aggregate member contribution rate based on summing the contributions for each member

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT II

Supplementary Information Required by GASB – Schedule of Employer Contributions (Dollar Amounts in Millions)

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2008	\$9	\$9	100.0%
2009	11	11	100.0%
2010	12	12	100.0%
2011	13	13	100.0%
2012	13	13	100.0%
2013	16	16	100.0%

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT III

Supplementary Information Required by GASB – Schedule of Funding Progress (Dollar Amounts in Thousands)

Actuarial Valuation Date	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (%) (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) [(b) - (a)] / (c)
6/30/2008	\$449,745	\$466,427	\$16,682	96.4	\$85,966	19.4
6/30/2009	487,411	507,631	20,220	96.0	93,493	21.6
6/30/2010	524,522	546,342	21,820	96.0	98,085	22.2
6/30/2011	552,209	613,584	61,375	90.0	101,610	60.4
6/30/2012	577,753	643,322	65,569	89.8	100,356	65.3
6/30/2013	611,989	684,303	72,314	89.4	102,548	70.5

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT IV

Supplementary Information Required by GASB

Valuation date	June 30, 2013
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent of payroll for total unfunded actuarial accrued liability
Remaining amortization period	18 years (declining) as of June 30, 2013 for the outstanding balance of the June 30, 2012 UAAL. Effective with the June 30, 2013 valuation, any change in UAAL that arises due to actuarial gains or losses will be amortized over a 15-year closed period. Any change in UAAL as a result of a change in actuarial assumptions or methods will be amortized over a 20-year closed period. Any change in UAAL that arises due to plan amendments will be amortized over a 15-year closed period and any change in UAAL due to temporary retirement incentive programs will be amortized over a 5-year closed period. If ICERS becomes overfunded, such surplus and any subsequent surpluses will be amortized over an open amortization period of 30 years.
Asset valuation method	The Actuarial Value of Assets is determined by recognizing any difference between the actual and the expected market return over 5 years or 10 six-month interest crediting periods. The Actuarial Value of Assets is further adjusted, if necessary, to be within 30% of the Market Value of Assets. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over the next nine six-month interest crediting periods from that date. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.
Actuarial assumptions:	
Investment rate of return	7.75%
Inflation rate	3.50%
Real across-the-board salary increase	0.50%
Projected salary increases*	General: 4.75% to 8.00% and Safety: 4.75% to 11.50%
Cost of living adjustments	2.00% of retirement income
Plan membership:	
Retired members and beneficiaries receiving benefits	975
Terminated members entitled to, but not yet receiving benefits	354
Active members	<u>1,919</u>
Total	<u>3,248</u>

* Includes inflation at 3.50% plus real across-the-board salary increase of 0.50% plus merit and longevity increases. See Exhibit IV for these increases.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT V

Actuarial Assumptions and Actuarial Cost Method

Post-Retirement Mortality Rates:

Healthy:

For General Male Members and all Male Beneficiaries: RP-2000 Combined Healthy Annuitant Mortality Table for males with adjustment for white collar workers.

For General Female Members and all Female Beneficiaries: RP-2000 Combined Healthy Annuitant Mortality Table for females with adjustment for white collar workers, set back one year.

For Safety Members: RP-2000 Combined Healthy Annuitant Mortality Table with adjustment for blue collar workers, set back two years.

Disabled:

For General and Safety Members: RP-2000 Disabled Annuitant Mortality Table, set back two years.

The tables shown above were determined to contain sufficient provision appropriate to reasonably reflect future mortality, based on a review of mortality experience as of the measurement date.

Employee Contribution Rates:

For General Legacy Members: Blended table where 30% is based on the RP-2000 Combined Healthy Annuitant Mortality Table with adjustment for white collar workers for males and 70% is based on the RP-2000 Combined Healthy Annuitant Mortality Table with adjustment for white collar workers for females set back one year.

For Safety Legacy Members: RP-2000 Combined Healthy Annuitant Mortality Table with adjustment for blue collar workers set back two years weighted 80% male and 20% female.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Termination Rates Before Retirement:

Age	Rate (%)			
	Mortality			
	General ⁽¹⁾		Safety ⁽²⁾	
	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.06	0.04	0.09	0.04
40	0.09	0.06	0.13	0.07
45	0.13	0.09	0.16	0.12
50	0.20	0.15	0.21	0.17
55	0.33	0.23	0.33	0.24
60	0.56	0.42	0.64	0.38
65	1.11	0.77	1.23	0.80

⁽¹⁾ All pre-retirement deaths are assumed to be non-service connected.

⁽²⁾ 50% of pre-retirement deaths are assumed to be non-service connected and the remaining 50% are assumed to be service connected.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Termination Rates Before Retirement (Continued):

Age	Rate (%)		
	Disability		
	General ⁽¹⁾		Safety ⁽²⁾
	Male	Female	Male and Female
20	0.000	0.000	0.008
25	0.006	0.000	0.038
30	0.028	0.036	0.230
35	0.064	0.117	0.500
40	0.182	0.171	0.780
45	0.340	0.234	1.110
50	0.550	0.315	2.000
55	0.920	0.405	0.000
60	1.220	0.468	0.000

⁽¹⁾ 50% of General disabilities are assumed to be service-connected disabilities. The remaining 50% are assumed to be non-service connected disabilities.

⁽²⁾ 100% of Safety disabilities are assumed to be service-connected disabilities.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Termination Rates Before Retirement (Continued):

Rate (%)			Rate (%)		
Termination (< 5 Years of Service)			Termination (5+ Years of Service)*		
Years of Service	General	Safety	Age	General	Safety
0	20.00	13.00	20	7.00	8.00
1	11.00	12.00	25	7.00	7.40
2	8.00	11.00	30	6.40	6.40
3	7.00	9.00	35	6.00	5.40
4	7.00	8.00	40	5.40	3.80
			45	4.40	2.40
			50	3.40	0.00
			55	3.00	0.00
			60	0.00	0.00

Proportion of Total Termination Assumed to Receive Refunds and Deferred Vested Benefit (%)		
Years of Service	Refunds	Deferred Vested Benefits
0-4	100.00	0.00
5-9	40.00	60.00
10-14	30.00	70.00
15-19	20.00	80.00
20 or more	10.00	90.00

* No termination is assumed after a member is eligible for retirement.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Retirement Rates:

Age	Rate (%)			
	General Legacy	General Tier 3	Safety Legacy	Safety Tier 3
46	0.00	0.00	2.00	0.00
47	0.00	0.00	2.00	0.00
48	0.00	0.00	2.00	0.00
49	0.00	0.00	4.00	0.00
50	2.00	0.00	8.00	8.00
51	2.00	0.00	10.00	7.00
52	3.00	3.00	15.00	11.00
53	3.00	2.00	15.00	12.00
54	4.00	3.00	15.00	13.00
55	6.00	4.00	15.00	14.00
56	8.00	5.50	15.00	14.00
57	11.00	8.00	15.00	14.00
58	11.00	8.00	10.00	10.00
59	13.00	9.50	10.00	10.00
60	15.00	11.00	75.00	75.00
61	15.00	11.00	75.00	75.00
62	20.00	15.00	75.00	75.00
63	25.00	20.00	75.00	75.00
64	25.00	21.00	75.00	75.00
65	30.00	26.00	100.00	100.00
66	30.00	28.00	100.00	100.00
67	30.00	30.00	100.00	100.00
68	40.00	40.00	100.00	100.00
69	50.00	50.00	100.00	100.00
70	100.00	100.00	100.00	100.00

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

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

For current and future deferred vested members, retirement age assumptions are as follows:

General: Age 58
Safety: Age 55

For current deferred non-reciprocal members who terminated with less than five years of service and left their contributions on deposit, we assume that they will retire at age 70 for General and at age 60 for Safety. We assume that 65% of future General and 75% of future Safety deferred vested members will continue to work for a reciprocal employer. For reciprocal members, projected salary is calculated based on the salary increase assumption.

Future Benefit Accruals:

1.0 year of service per year of employment.

Terminal Pay Conversions:

Legacy

The following assumptions for terminal pay due to conversion of unused vacation and holiday compensation time as a percentage of final average pay are used:

General: 7.7%
Safety: 10.0%

Tier 3

None

Sick Leave Conversion:

Conversion of 24 hours for General (36 hours for Safety) for each year of service.

Unknown Data for Members:

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

**Inclusion of Deferred Vested
Members:**

All deferred vested members are included in the valuation.

Percent Married:

80% of male members; 60% of female members.

Age of Spouse:

Wives are 4 years younger than their husbands.

Net Investment Return:

7.75%, net of administration and investment expenses.

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

**Employer Contribution
Crediting Rate:**

3.50%

Consumer Price Index:

Increase of 3.50% per year, retiree COLA increases due to CPI subject to a 2% maximum change per year for all General and Safety.

Salary Increases:

Annual Rate of Compensation Increase		
Inflation: 3.50% per year, plus “across the board” salary increases of 0.50%, plus the following merit and promotion.		
Years of Service	General	Safety
Less than 1	4.00%	7.50%
1	3.50%	6.25%
2	3.50%	6.25%
3	3.00%	6.25%
4	2.75%	2.75%
5	2.75%	2.75%
6	2.75%	2.75%
7	2.75%	2.75%
8	2.75%	2.75%
9	2.75%	2.75%
10	2.65%	2.75%
11	2.55%	2.75%
12	2.45%	1.00%
13	2.25%	1.00%
14	2.15%	1.00%
15 or more	0.75%	0.75%

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Actuarial Value of Assets:	The Actuarial Value of Assets is determined by phasing in any difference between actual and expected market return over 5 years or 10 six-month interest crediting periods. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over the next nine six-month interest crediting periods from that date. The Actuarial Value of Assets is further adjusted, if necessary, to be within 30% of the Market Value of Assets.
Valuation Value of Assets:	The Actuarial Value of Assets reduced by the value of the non-valuation reserves.
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age equals attained age less years of service. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation.
Changes in Assumptions and Methods:	None

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

EXHIBIT VI

Summary of Plan Provisions

This exhibit summarizes the major provisions of the ICERS 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:

	Membership with ICERS usually begins with the first day of the pay period following the date of appointment to a full-time position of at least 30 hours per week.
<i>General</i>	All General members terminated before July 1, 2005 will receive the General Regular Benefit. All General members terminated on or after July 1, 2005 with membership dates prior to January 1, 2013 will receive the Regular plus Supplemental Benefit. All other General members will receive the CalPEPRA Benefit (Tier 3).
<i>Safety</i>	All Safety members with membership dates prior to January 1, 2013 will receive the Regular plus Supplemental Benefit. All other Safety members will receive the CalPEPRA Benefit (Tier 3).

Final Compensation for Benefit Determination:

<i>General Legacy & Safety Legacy</i>	Highest consecutive 12 months of compensation earnable (§31462.1) (FAS1).
<i>Tier 3</i>	Highest consecutive 36 months of pensionable compensation (§7522.32) (FAS3).
Service:	Years of service (Yrs).

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Service Retirement Eligibility:

<i>General Legacy</i>	Age 50 with 10 years of service, or after 30 years, regardless of age or age 70 regardless of service (§31672).
<i>General Tier 3</i>	Age 52 with 5 years of service (§7522.20(a))
<i>Safety Legacy</i>	Age 50 with 10 years of service, or after 20 years, regardless of age or age 60 regardless of service (§31663.25).
<i>Safety Tier 3</i>	Age 50 with 5 years of service (§7522.25(d))

Benefit Formula:

	Retirement Age	Benefit Formula
<i>General Regular (§31676.11)</i>	50	1.24% x FAS1 x Years of Service
	55	1.67% x FAS1 x Years of Service
	60	2.18% x FAS1 x Years of Service
	65 or later	2.61% x FAS1 x Years of Service
<i>General Regular Plus Supplemental (§31676.14)</i>	Retirement Age	Benefit Formula
	50	1.48% x FAS1 x Years of Service
	55	1.95% x FAS1 x Years of Service
	60	2.44% x FAS1 x Years of Service
<i>General Tier 3 (§7522.20(a))</i>	65 or later	2.61% x FAS1 x Years of Service
	Retirement Age	Benefit Formula
	52	1.00% x FAS3 x Years of Service
	55	1.30% x FAS3 x Years of Service
	60	1.80% x FAS3 x Years of Service
	62	2.00% x FAS3 x Years of Service
65	2.30% x FAS3 x Years of Service	
67 or later	2.50% x FAS3 x Years of Service	

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

	Retirement Age	Benefit Formula
<i>Safety Regular (§31664)</i>	50	2.00% x FAS1 x Years of Service
	55 or later	2.62% x FAS1 x Years of Service
<i>Safety Regular Plus Supplemental (§31664.1)</i>	50	3.00% x FAS1 x Years of Service
	55 or later	3.00% x FAS1 x Years of Service
<i>Safety Tier 3 (§7522.25(d))</i>	50	2.00% x FAS3 x Years of Service
	55	2.50% x FAS3 x Years of Service
	57 or later	2.70% x FAS3 x Years of Service

Maximum Benefit:

<i>General Legacy & Safety Legacy</i>	100% of Highest Average Compensation (§31676.11, §31676.14, §31664 and §31664.1).
<i>Tier 3</i>	None

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Non-Service Connected Disability:

All Members

Eligibility

Five years of service (§31720).

Benefit Formula

20% of Final Compensation for the first five years of service plus 2% for each year of additional service for a maximum of 40% of Final Compensation (§31727.7).

The service retirement benefit is paid, if greater.

Service-Connected Disability:

All Members

Eligibility

No age or service requirements (§31720).

Benefit Formula

50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Pre-Retirement Death:

All Members

Eligibility

None.

Basic lump sum benefit

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

Death in line of duty

50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

OR

Vested Members

Eligibility

Five years of service.

Basic benefit

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

Death in line of duty

50% of Final compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Safety Members

Eligibility None.
Violent Death Lump sum of twelve months compensation.

Death After Retirement:

All Members

*Service or Non-Service
Connected Disability Retirement* 60% of member's unmodified allowance continued to eligible spouse (§31760.1) and \$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 one year prior to the date of retirement (§31760.1) or at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31786.1).
Line-of-Duty Disability 100% of member's allowance continued to eligible spouse (§31786).

Withdrawal Benefits:

Less than Five Years of Service Refund of accumulated employee contributions with interest, or earned benefit at age 70 (§31628). Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund (§31629.5).
Five or More Years of Service If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement

Cost-of-Living Benefits:

General and Safety Future changes based on Consumer Price Index to a maximum of 2% per year; excess "banked" (§31870).

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Compensation Earnable

(General and Safety Legacy):

Includes base pay plus uniform allowance, shift differential, on-call pay, bilingual pay, training officer stipend, bomb stipend, EMT/paramedic stipend, firefighters in lieu of holiday pay, resident duty pay, educational allowance, annual buyback vacation (Dept. heads only), staff stipend, in lieu of mileage, and sick leave buyback.

Certain vacation, holiday compensation time, and administrative leave which are earned but not used may also be added to compensation earnable.

Pensionable Salary

(General and Safety Tier 3):

Includes base pay plus shift differential, on-call pay, bilingual pay, training officer stipend, bomb stipend, EMT/paramedic stipend, firefighters in lieu of holiday pay, hazardous stipend, educational allowance, and staff stipend.

County Contributions

(Regular Legacy & Tier 3 Benefits):

The Unfunded Actuarial Accrued Liability associated with the Regular Legacy Benefit as of June 30, 2012 is amortized over a declining 19-year period (with 18 years remaining as of June 30, 2013). Any new UAAL emerging after June 30, 2012 is amortized over the periods as described in Section 4, Exhibit IV.

County Contributions

(Safety Supplemental Benefit):

The Unfunded Actuarial Accrued Liability associated with the Supplemental UAAL relief for Safety members is amortized over a declining 19-year period (with 18 years remaining as of June 30, 2013).

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Member Contributions:	Please refer to Appendix A for specific rates.
<i>General Legacy</i>	
<i>Basic Regular Benefit</i>	Provide for an average annuity at age 55 equal to 1/120 of FAS1 (§31621.1).
<i>Cost-of-Living Regular Benefit</i>	Provide for one-half of future Cost-of-Living costs.
<i>Supplemental</i>	Members pay the additional Normal Cost attributable to the difference between the Total (i.e., Regular and Supplemental benefits) and Regular benefits. In addition, members also pay for the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits.
<i>Employer Pickup</i>	3% of pay.
<i>General Tier 3</i>	50% of the total Normal Cost.
<i>Supplemental UAAL</i>	Members also pay, as the same level percentage salary as all other General members, the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits for General Legacy members.
<i>Employer Pickup</i>	None
<i>Safety Legacy</i>	
<i>Basic Regular Benefit</i>	Provide for an average annuity at age 50 equal to 1/100 of FAS1 (§31639.25).
<i>Cost-of-Living Regular Benefit</i>	Provide for one-half of future Cost-of-Living costs.
<i>Supplemental</i>	Members pay the additional Normal Cost attributable to the difference between the Total (i.e., Regular and Supplemental benefits) and Regular benefits. In addition, members also pay for the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits.
<i>Employer Pickup</i>	3% of pay.
<i>Safety Tier 3</i>	50% of the total Normal Cost
<i>Supplemental UAAL</i>	Members also pay, as the same level percentage salary as all other Safety members, the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits for Safety Legacy members.
<i>Employer Pickup</i>	None

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Other Information: Safety Legacy members with 30 or more years of service are exempt from paying member contributions. The same applies for General Legacy members hired on or before March 7, 1973.

Plan Amendment: All members with membership dates on or after January 1, 2013 entered either General or Safety Tier 3.

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

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Appendix A

Member Contribution Rates for Legacy Members

Comparison of Total Member Rate from June 30, 2013 (New) and June 30, 2012 (Current) Valuations

General Legacy Members – Current

Entry Age	Basic	COLA	Supplemental*	Pickup	Total
25	6.91%	1.57%	2.47%	(3.00%)	7.95%
35	8.32%	1.90%	2.47%	(3.00%)	9.69%
45	9.43%	2.15%	2.47%	(3.00%)	11.05%

General Legacy Members – New

Entry Age	Basic	COLA	Supplemental*	Pickup	Total
25	6.91%	1.57%	2.48%	(3.00%)	7.96%
35	8.32%	1.90%	2.48%	(3.00%)	9.70%
45	9.43%	2.15%	2.48%	(3.00%)	11.06%

Safety Legacy Members – Current

Entry Age	Basic	COLA	Supplemental*	Pickup	Total
25	9.46%	2.71%	8.13%	(3.00%)	17.30%
35	11.48%	3.29%	8.13%	(3.00%)	19.90%
45	12.77%	3.65%	8.13%	(3.00%)	21.56%

Safety Legacy Members – New

Entry Age	Basic	COLA	Supplemental*	Pickup	Total
25	9.46%	2.70%	8.64%	(3.00%)	17.80%
35	11.48%	3.28%	8.64%	(3.00%)	20.40%
45	12.77%	3.65%	8.64%	(3.00%)	22.06%

*The breakdown of the Supplemental Benefit into NC and UAAL rates is as follows:

	General Legacy Members – Current	General Legacy Members – New	Safety Legacy Members – Current	Safety Legacy Members – New
NC	2.02%	2.04%	5.29%	5.31%
UAAL	0.45%	0.44%	2.84%	3.33%

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Appendix A

Member Contribution Rates for Legacy Members (Continued)

**General Legacy Members' Contribution Rates based on the June 30, 2013
Actuarial Valuation as a percentage of payroll**

Age	Basic	COLA	Supplemental	Pickup	Total
15	5.89%	1.34%	2.48%	-3.00%	6.71%
16	5.89%	1.34%	2.48%	-3.00%	6.71%
17	5.99%	1.37%	2.48%	-3.00%	6.84%
18	6.10%	1.39%	2.48%	-3.00%	6.97%
19	6.21%	1.42%	2.48%	-3.00%	7.11%
20	6.32%	1.44%	2.48%	-3.00%	7.24%
21	6.43%	1.47%	2.48%	-3.00%	7.38%
22	6.55%	1.49%	2.48%	-3.00%	7.52%
23	6.67%	1.52%	2.48%	-3.00%	7.67%
24	6.79%	1.55%	2.48%	-3.00%	7.82%
25	6.91%	1.57%	2.48%	-3.00%	7.96%
26	7.03%	1.60%	2.48%	-3.00%	8.11%
27	7.16%	1.63%	2.48%	-3.00%	8.27%
28	7.29%	1.66%	2.48%	-3.00%	8.43%
29	7.43%	1.69%	2.48%	-3.00%	8.60%
30	7.56%	1.72%	2.48%	-3.00%	8.76%
31	7.71%	1.76%	2.48%	-3.00%	8.95%
32	7.85%	1.79%	2.48%	-3.00%	9.12%
33	8.00%	1.82%	2.48%	-3.00%	9.30%
34	8.16%	1.86%	2.48%	-3.00%	9.50%
35	8.32%	1.90%	2.48%	-3.00%	9.70%
36	8.49%	1.93%	2.48%	-3.00%	9.90%

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Age	Basic	COLA	Supplemental	Pickup	Total
37	8.66%	1.97%	2.48%	-3.00%	10.11%
38	8.85%	2.02%	2.48%	-3.00%	10.35%
39	9.04%	2.06%	2.48%	-3.00%	10.58%
40	9.13%	2.08%	2.48%	-3.00%	10.69%
41	9.21%	2.10%	2.48%	-3.00%	10.79%
42	9.27%	2.11%	2.48%	-3.00%	10.86%
43	9.33%	2.13%	2.48%	-3.00%	10.94%
44	9.38%	2.14%	2.48%	-3.00%	11.00%
45	9.43%	2.15%	2.48%	-3.00%	11.06%
46	9.47%	2.16%	2.48%	-3.00%	11.11%
47	9.51%	2.17%	2.48%	-3.00%	11.16%
48	9.55%	2.18%	2.48%	-3.00%	11.21%
49	9.59%	2.19%	2.48%	-3.00%	11.26%
50	9.63%	2.19%	2.48%	-3.00%	11.30%
51	9.64%	2.20%	2.48%	-3.00%	11.32%
52	9.60%	2.19%	2.48%	-3.00%	11.27%
53	9.50%	2.17%	2.48%	-3.00%	11.15%
54	9.15%	2.09%	2.48%	-3.00%	10.72%

Interest: 7.75% per annum
 COLA: 2.00%
 Mortality: RP-2000 Combined Healthy Annuitant Mortality, with adjustment for white collar workers weighted 30% male and 70% female, set back one year for females
 Salary Increase: Inflation (3.50%) + Across-the-Board Increase (0.50%) + Merit (See Exhibit IV)
 COLA Loading Factor: 22.79% for Regular Benefits

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Appendix A

Member Contribution Rates for Legacy Members (Continued)

**Safety Legacy Members' Contribution Rates based on the June 30, 2013
Actuarial Valuation as a percentage of payroll**

Age	Basic	COLA	Supplemental	Pickup	Total
15	8.06%	2.30%	8.64%	-3.00%	16.00%
16	8.06%	2.30%	8.64%	-3.00%	16.00%
17	8.21%	2.34%	8.64%	-3.00%	16.19%
18	8.35%	2.38%	8.64%	-3.00%	16.37%
19	8.50%	2.43%	8.64%	-3.00%	16.57%
20	8.65%	2.47%	8.64%	-3.00%	16.76%
21	8.81%	2.52%	8.64%	-3.00%	16.97%
22	8.97%	2.56%	8.64%	-3.00%	17.17%
23	9.13%	2.61%	8.64%	-3.00%	17.38%
24	9.29%	2.65%	8.64%	-3.00%	17.58%
25	9.46%	2.70%	8.64%	-3.00%	17.80%
26	9.64%	2.75%	8.64%	-3.00%	18.03%
27	9.82%	2.80%	8.64%	-3.00%	18.26%
28	10.00%	2.86%	8.64%	-3.00%	18.50%
29	10.19%	2.91%	8.64%	-3.00%	18.74%
30	10.39%	2.97%	8.64%	-3.00%	19.00%
31	10.59%	3.02%	8.64%	-3.00%	19.25%
32	10.81%	3.09%	8.64%	-3.00%	19.54%
33	11.03%	3.15%	8.64%	-3.00%	19.82%
34	11.26%	3.22%	8.64%	-3.00%	20.12%
35	11.48%	3.28%	8.64%	-3.00%	20.40%
36	11.72%	3.35%	8.64%	-3.00%	20.71%

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Age	Basic	COLA	Supplemental	Pickup	Total
37	11.97%	3.42%	8.64%	-3.00%	21.03%
38	12.04%	3.44%	8.64%	-3.00%	21.12%
39	12.12%	3.46%	8.64%	-3.00%	21.22%
40	12.20%	3.48%	8.64%	-3.00%	21.32%
41	12.29%	3.51%	8.64%	-3.00%	21.44%
42	12.39%	3.54%	8.64%	-3.00%	21.57%
43	12.49%	3.57%	8.64%	-3.00%	21.70%
44	12.62%	3.60%	8.64%	-3.00%	21.86%
45	12.77%	3.65%	8.64%	-3.00%	22.06%
46	12.58%	3.59%	8.64%	-3.00%	21.81%
47	12.35%	3.53%	8.64%	-3.00%	21.52%
48	12.04%	3.44%	8.64%	-3.00%	21.12%
49	11.31%	3.23%	8.64%	-3.00%	20.18%

Interest: 7.75% per annum
 COLA: 2.00%
 Mortality: RP-2000 Combined Healthy Annuitant Mortality, with adjustment for blue collar workers set back two years weighted 80% male and 20% female
 Salary Increase: Inflation (3.50%) + Across-the-Board Increase (0.50%) + Merit (See Exhibit IV)
 COLA Loading Factor: 28.56% for Regular Benefits

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Appendix B

Member Contribution Rates for Tier 3 Members

General and Safety Tier 3 Members – Current				
	Basic	COLA	Legacy Supplemental UAAL	Total
General Tier 3	6.66%	1.34%	0.45%	8.45%
Safety Tier 3	9.73%	2.27%	2.84%	14.84%

General and Safety Tier 3 Members – New				
	Basic	COLA	Legacy Supplemental UAAL	Total
General Tier 3	7.08%	1.40%	0.44%	8.92%
Safety Tier 3	9.09%	2.20%	3.33%	14.62%

The General Tier 3 member contribution rate is 50% of the Normal Cost (Basic + COLA) plus, as the same level percentage salary as all other General members, the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits for General Legacy members.

The Safety Tier 3 member contribution rate is 50% of the Normal Cost (Basic + COLA) plus, as the same level percentage salary as all other Safety members, the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits for Safety Legacy members.

Note: It is our understanding that in the determination of pension benefits under the PEPRA tier formulas, the compensation that can be taken into account for 2013 is equal to the Social Security Taxable Wage Base or \$113,700. (For an employer that is not enrolled in Social Security, the maximum amount is \$136,440 or 120% of the Social Security Taxable Wage Base) (reference Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2013 (reference Section 7522.10(d)).

SECTION 4: Reporting Information for the Imperial County Employees' Retirement System

Appendix C

UAAL Amortization Schedule as of June 30, 2013 (Dollar Amounts in Thousands)

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Amortization Payment
General Legacy Regular Plus General Tier 3	June 30, 2012	Restart Amortization	\$40,847	\$40,886	18	\$3,136
	June 30, 2013	Actuarial Loss	5,116	<u>5,116</u>	15	<u>449</u>
				\$46,002		\$3,585
General Legacy Supplemental	June 30, 2012	Restart Amortization	\$4,449	\$4,453	18	\$341
	June 30, 2013	Actuarial Gain	-213	<u>-213</u>	15	<u>-19</u>
				\$4,240		\$322
Safety Legacy Regular Plus Safety Tier 3	June 30, 2012	Restart Amortization	\$11,321	\$11,332	18	\$869
	June 30, 2013	Actuarial Loss	815	<u>815</u>	15	<u>71</u>
				\$12,147		\$940
Safety Legacy Supplemental	June 30, 2012	Restart Amortization	\$8,952	\$8,960	18	\$687
	June 30, 2013	Actuarial Loss	965	<u>965</u>	15	<u>85</u>
				\$9,925		\$772
Grand Total				<u>\$72,314</u>		<u>\$5,619</u>

Note: Results may not total exactly due to rounding.

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