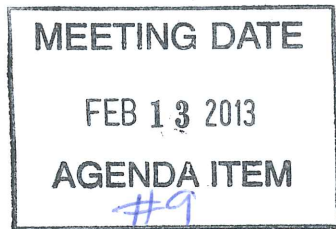


# **MEMO**

**Date:** February 13, 2013  
**To:** CCCERA Board of Retirement  
**From:** Kurt Schneider, Deputy Chief Executive Officer  
**Subject:** Employer Contribution Rates for General Tier 1 Enhanced County Members with Membership Dates on or after January 1, 2011



If a member is hired by a District that places new members into Tier 1, and that member later transfers to County employment (without terminating employment), the member retains Tier 1 status. This is in accordance with Govt. Code §31755.1(b)(1) which states that Tier 3 only applies to employees who “become members or return to membership”. The County does not move current Tier 1 members to Tier 3 when they transfer to County employment.

In the December 31, 2011 Actuarial Valuation, there is no employer contribution rate for County employees in Tier 1 with membership dates on or after January 1, 2011, however, there is currently at least one such employee. The Board of Supervisors and the Board of Retirement have not adopted an employer rate that corresponds to these members for the fiscal year July 1, 2013 through June 30, 2014.

## **Employer Contribution Rate**

All of the attached contribution rates were calculated as part of the December 31, 2011, Actuarial Valuation. The Normal Cost rate for this group is the same as for the other Tier 1 recent hire groups (p 43 of Valuation), and the UAAL rate for this group is the same as the County Tier 1 group for earlier hires (p 35 of Valuation).

## **Recommendation**

Adopt the employer rates as shown in the Segal letter.



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VIA E-MAIL AND USPS

December 31, 2012

Mr. Kurt Schneider  
Deputy Chief Executive Officer  
Contra Costa County Employees' Retirement Association  
1355 Willow Way, Suite 221  
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association  
Employer Contribution Rates for General Tier 1 Enhanced County Members with  
Membership Dates on or after January 1, 2011.**

Dear Kurt:

Enclosed please find the employer contribution rates for General Tier 1 Enhanced County Members with Membership Dates on or after January 1, 2011 for the period from July 1, 2013 through June 30, 2014 fiscal year.

We understand that these contribution rates are necessary for County employees who transferred from a District that are in General Tier 1 who have a membership date on or after January 1, 2011.

These calculations are based on the December 31, 2011 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary. The undersigned is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein.

Sincerely,

John Monroe

AW/kek  
Enclosure

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## EXHIBIT

	<b>Enhanced</b>			
	<b>Cost Group #1</b>			
	<b>County</b>			
	Normal Cost	+	UAAL	= Total
General Tier 1 (Aggregate)				
Basic	11.89%		10.72%	22.61%
50% Subvention	3.12%		0.00%	3.12%
Basic + 50% Subvention	15.01%		10.72%	25.73%
COL	3.54%		3.77%	7.31%
Total	18.55%		14.49%	33.04%
General Tier 1 (Under \$350)				
Basic	8.12%		7.26%	15.38%
50% Subvention	2.13%		0.00%	2.13%
Basic + 50% Subvention	10.25%		7.26%	17.51%
COL	2.42%		2.56%	4.98%
Total	12.67%		9.82%	22.49%
General Tier 1 (Over \$350)				
Basic	12.18%		10.89%	23.07%
50% Subvention	3.20%		0.00%	3.20%
Basic + 50% Subvention	15.38%		10.89%	26.27%
COL	3.62%		3.84%	7.46%
Total	19.00%		14.73%	33.73%