

Contra Costa County Employees'
Retirement Association

*Actuarial Valuation and Review
as of December 31, 2004*

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June 9, 2005

*Board of Retirement
Contra Costa County Employees' Retirement Association
1335 Willow Way, Suite 221
Concord, CA 94520*

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of December 31, 2004. The report summarizes the actuarial data used in the valuation, establishes the funding requirements for the fiscal year beginning July 1, 2006 and analyzes the preceding year's experience.

The census information on which our calculations were based was prepared by the CCCERA and the financial information was provided by the Association's staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this 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 Plan.

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

Sincerely,

THE SEGAL COMPANY

By:

Paul Angelo, FSA, MAAA, FCA
Vice President and Actuary

/hy

John Monroe, MAAA
Associate Actuary

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

PURPOSE AND SCOPE

This report has been prepared by The Segal Company to present a valuation of the Contra Costa County Employees' Retirement Association (CCCERA) as of December 31, 2004. The valuation was performed to determine contribution rates that, in combination with current assets, are sufficient to provide the prescribed benefits. The contribution rate requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board;
- The characteristics of covered active members, vested terminated members, and retired members and beneficiaries as of December 31, 2004, provided by the Association's staff;
- The assets of the Plan as of December 31, 2004, provided by the Association's staff;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Contra Costa County Employees' Retirement Association's basic financial goal 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.

The actuarial valuation required for the Contra Costa County Employees' Retirement Association has been prepared as of December 31, 2004 by The Segal Company. In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association'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 years' information.

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

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. The Association's unfunded actuarial accrued liability is being amortized over a decreasing 20-year period starting with the December 31, 2002 valuation. There are 18 years left in the amortization period as of December 31, 2004.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2006 through June 30, 2007.

SIGNIFICANT ISSUES IN VALUATION YEAR

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

- The ratio of the valuation value of assets to actuarial accrued liabilities decreased from 85.5% to 82.0%. The Association's unfunded actuarial accrued liability has increased from \$603 million to \$807 million. The increase is mainly due to the actuarial investment return being less than the 7.90% assumed in the December 31, 2004 valuation. A reconciliation of the Association's unfunded actuarial accrued liability is provided in Section 3, Exhibit I.
- The aggregate employer rate (before any employer subvention of member rates) calculated in this valuation has increased from 25.85% of payroll to 29.33% of payroll. The reasons for this change are primarily: (i) lower than expected return on investments, (ii) higher UAALs rate due to lower than expected 4.00% payroll increase, and (iii) the change in the actuarial salary increase assumption. A complete reconciliation of the Association's aggregate employer rate is provided in Section 2, Subsection D (see Chart 15).
- The aggregate member rate (before any employer subvention of these rates) calculated in this valuation has increased from 10.91% of payroll to 11.40% of payroll. The change in member rate is due mainly to the change in the actuarial salary increase assumption. A complete reconciliation of the Association's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).
- The results of this valuation reflect one change in economic actuarial assumptions as recommended by Segal for the December 31, 2004 valuation. The change in assumption was the introduction of a 0.25% "Across the Board" salary increase.

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

- The Summary of Key Valuation Results (page iv) and the employer and member rate reconciliations (Charts 15 and 16) no longer reflect any employer subvention of member rates. We have added a Summary of Contribution Rates with Employer Subvention (page v) as an illustration of what the rates would be if all employers (except for Safety District rates calculated in the current valuation) subvented 50% of the member basic rates. The detailed rate tables (Charts 13 and 14) still include the 50% subvention line (except for Safety District rates calculated in the current valuation).
- In the Summary of Key Valuation Results and the Summary of Contribution Rates with Employer Subvention, the prior year rates and estimated annual amounts are now based on the payroll as of the prior valuation date as opposed to using the payroll from the current valuation date. This results in prior year rates and estimated annual amounts that match those shown in the prior year valuation report. It is also the cause of the large rate shifts for General Tier 2 and General Tier 3 Non-enhanced as those tiers now only have District employers, which pay larger rates than the County.
- As indicated on page 5 of this valuation report, the total unrecognized investment gain as of December 31, 2004 is about \$32 million. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. We recommend that all current deferred gains and losses be combined and recognized as a single amount over the next four and a half years. This will lead to more stable employer contribution rates in the future. This change has no impact on the funded status or contribution rates in this report.
- This valuation reflects the impact of CNA members transferring from Tier 2 to Tier 3. Also, all CNA members with non-enhanced benefits will be eligible for enhanced benefits starting January 1, 2005.

Impact of Future Experience on Contribution Rates

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

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

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

Summary of Key Valuation Results

	December 31, 2004		December 31, 2003	
Employer Contribution Rates (County and District combined)*:		Estimated		Estimated
	Total Rate	Annual Amount	Total Rate	Annual Amount
General Tier 1 Non-enhanced	28.77%	\$1,930,495	24.97%	\$3,345,000
General Tier 1 Enhanced	26.90%	24,232,164	24.12%	22,072,000
General Tier 2	24.88%	259,110	16.76%	2,970,000
General Tier 3 Non-enhanced	26.76%	77,315	17.66%	3,088,000
General Tier 3 Enhanced	22.06%	82,517,745	19.29%	62,147,000
Safety Non-enhanced	36.28%	1,761,478	32.43%	1,458,000
Safety Enhanced	49.81%	70,814,427	45.04%	60,095,000
All Employers combined	29.33%	\$181,592,734	25.85%	\$155,175,000
Average Member Contribution Rates*:		Estimated		Estimated
	Total Rate	Annual Amount	Total Rate	Annual Amount
General Tier 1 Non-enhanced	11.34%	\$760,925	11.27%	\$1,510,000
General Tier 1 Enhanced	9.93%	8,944,995	9.55%	8,739,000
General Tier 2	4.45%	46,344	4.59%	813,000
General Tier 3 Non-enhanced	10.52%	30,394	10.39%	1,817,000
General Tier 3 Enhanced	9.96%	37,248,338	9.62%	30,999,000
Safety Non-enhanced	14.32%	695,269	14.53%	653,000
Safety Enhanced	16.09%	22,876,233	15.69%	20,935,000
All Categories Combined	11.40%	\$70,602,498	10.91%	\$65,466,000
Refundability Factors	Enhanced	Non-enhanced	Enhanced	Non-enhanced
General Tier 1	.9985	.9956	.9974	.9962
General Tier 2	N/A	.9964	N/A	.9879
General Tier 3	.9962	1.0000	.9956	.9999
Safety	.9980	.9974	.9952	.9974
Funded Status:				
Actuarial accrued liability	\$4,481,242,899		\$4,141,389,738	
Valuation value of assets	\$3,673,858,074		\$3,538,721,957	
Funded percentage	82.0%		85.5%	
UAAL	\$807,384,825		\$602,667,781	
Key Assumptions:				
Interest rate	7.90%		7.90%	
Inflation rate	4.00%		4.00%	

* Based on projected payroll as of each valuation date shown. These rates do not include any employer subvention of member contributions.

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

Summary of Contribution Rates with Employer Subvention

	December 31, 2004		December 31, 2003	
Employer Contribution Rates (County and District combined)*:	Estimated		Estimated	
	Total Rate	Annual Amount	Total Rate	Annual Amount
General Tier 1 Non-enhanced	32.56%	\$2,184,807	28.59%	\$3,830,000
General Tier 1 Enhanced	30.01%	27,033,668	27.09%	24,790,000
General Tier 2	26.37%	274,628	18.22%	3,228,000
General Tier 3 Non-enhanced	30.53%	88,208	21.42%	3,746,000
General Tier 3 Enhanced	25.39%	94,971,255	22.51%	72,523,000
Safety Non-enhanced	36.28%	1,761,478	37.10%	1,668,000
Safety Enhanced	52.65%	74,849,920	49.57%	66,140,000
All Employers combined	32.49%	\$201,163,964	29.31%	\$175,925,000
Average Member Contribution Rates*:	Estimated		Estimated	
	Total Rate	Annual Amount	Total Rate	Annual Amount
General Tier 1 Non-enhanced	7.54%	\$505,941	7.64%	\$1,024,000
General Tier 1 Enhanced	6.82%	6,143,491	6.57%	6,012,000
General Tier 2	2.96%	30,827	3.12%	553,000
General Tier 3 Non-enhanced	6.76%	19,531	6.60%	1,154,000
General Tier 3 Enhanced	6.62%	24,757,430	6.38%	20,559,000
Safety Non-enhanced	14.32%	695,269	9.87%	444,000
Safety Enhanced	13.25%	18,838,415	11.15%	14,877,000
All Categories Combined	8.24%	\$50,990,904	7.43%	\$44,623,000

* Based on projected payroll as of each valuation date shown. These rates include a 50% employer subvention of members' basic contributions for all employers except Safety District rates in the current valuation.

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

Summary of Key Valuation Demographic and Financial Data

	December 31, 2004	December 31, 2003	Percentage Change
Active Members:			
Number of members	9,358	9,476	-1.3%
Average age	45.5	45.1	N/A
Average service	10.0	9.6	N/A
Projected total compensation	\$619,132,218	\$600,273,908	3.1%
Average projected compensation	\$66,161	\$63,347	4.4%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,144	3,998	3.7%
Disability retired	905	896	1.0%
Beneficiaries	1,069	1,042	2.6%
Total	6,118	5,936	3.1%
Average age	68.9	68.7	N/A
Average Monthly Benefit	\$2,500	\$2,453	1.9%
Vested Terminated Members:			
Number of terminated vested members ⁽¹⁾	1,517	1,248	21.6%
Average age	45.6	45.8	N/A
Summary of Financial Data:			
Market value of assets	\$3,718,615,896	\$3,313,494,947	12.3%
Return on market value of assets	12.27%	23.44%	N/A
Actuarial value of assets	\$3,686,168,674	\$3,550,800,728	3.8%
Return on actuarial value of assets	3.85%	2.52%	N/A
Valuation value of assets	\$3,673,858,074	\$3,538,721,957	3.8%
Return on valuation value of assets	3.84%	7.41%	N/A

(1) Includes terminated members due a refund of member contributions.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographics 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, C and D.

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

CHART 1
Member Population: 2000 – 2004

Year Ended December 31	Active Members	Vested Terminated Members⁽¹⁾	Retired Members and Beneficiaries⁽²⁾	Ratio of Non-Actives to Actives
2000	8,884	877	5,245	0.69
2001	9,229	955	5,487	0.70
2002	9,611	1,067	5,619	0.70
2003	9,476	1,248	5,936	0.76
2004	9,358	1,517	6,118	0.82

(1) Includes terminated members due a refund of member contributions.

(2) The December 31, 2001 and December 31, 2000 numbers have been adjusted to reflect a single record for members receiving benefit payments from multiple tiers.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there are 9,358 active members with an average age of 45.5, average years of service of 10.0 years and average compensation of \$66,161. The 9,476 active members in the prior valuation had an average age of 45.1, average service of 9.6 years and average compensation of \$63,347.

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

Inactive Members

In this year's valuation, there were 1,517 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their employee contributions versus 1,248 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 December 31, 2004

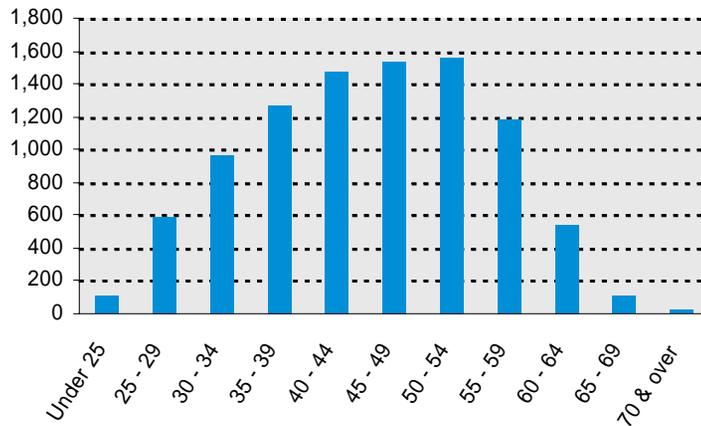
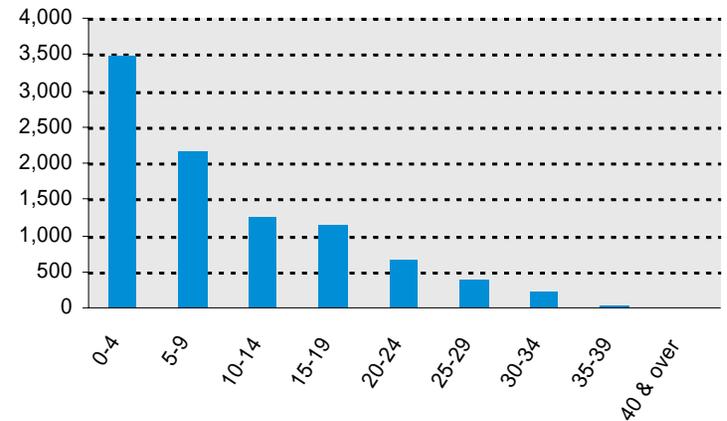


CHART 3

Distribution of Active Members by Years of Service as of December 31, 2004



SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

Retired Members and Beneficiaries

As of December 31, 2004, 5,049 retired members and 1,069 beneficiaries were receiving total monthly benefits of \$15,291,126. For comparison, in the previous valuation, there were 4,894 retired members and 1,042 beneficiaries receiving monthly benefits of \$14,561,418.

These graphs show a distribution of the current retired members and beneficiaries based on their monthly amount and age, by type of pension.

CHART 4
Distribution of Retired Members and Beneficiaries by Type and by Monthly Amount as of December 31, 2004

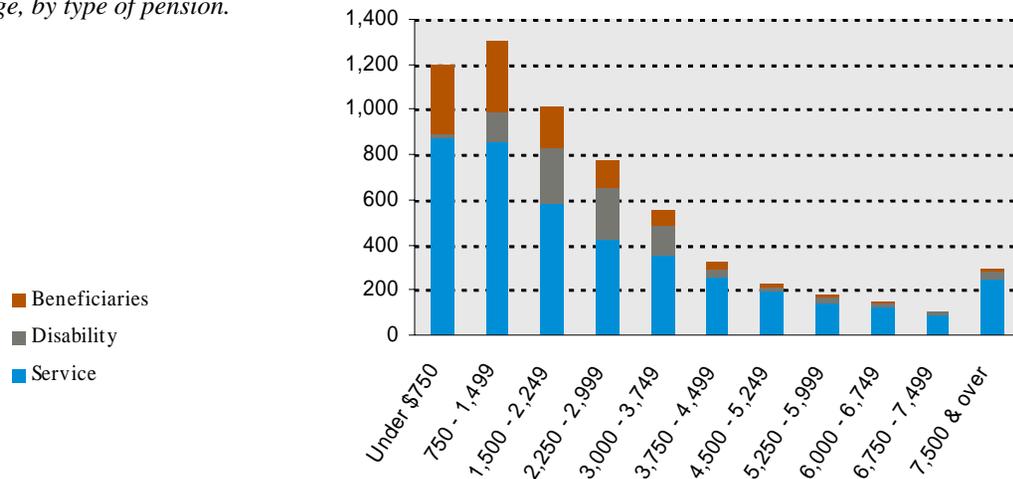
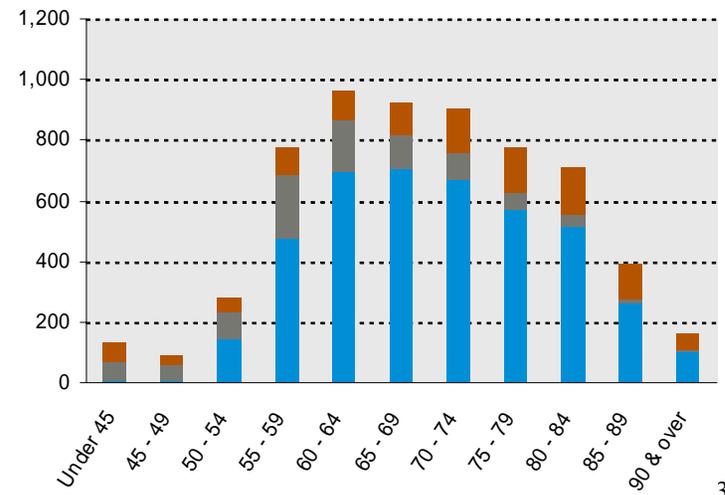


CHART 5
Distribution of Retired Members and Beneficiaries by Type and by Age as of December 31, 2004



SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment and administrative fees) will be needed to cover benefit payments.

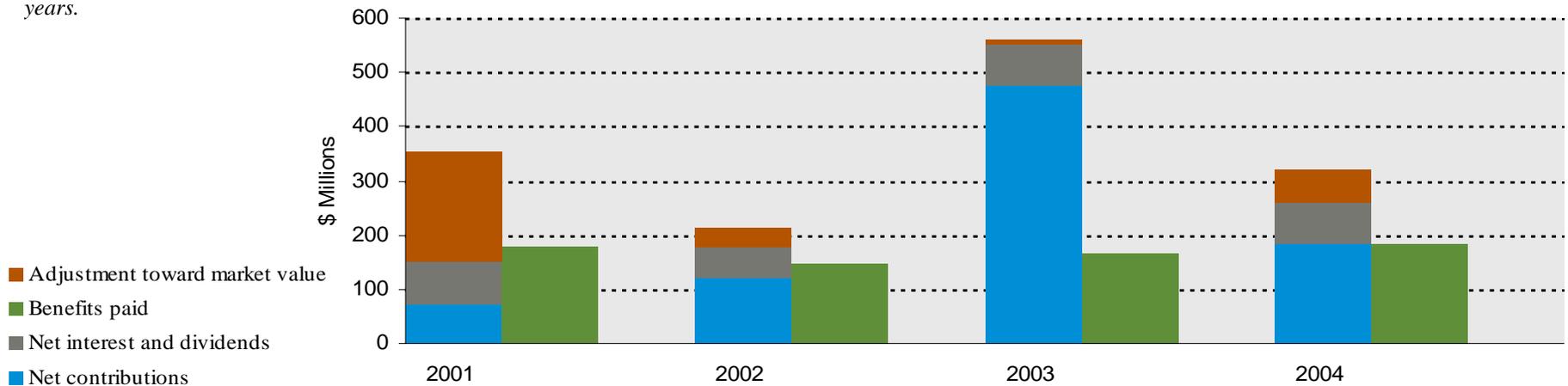
Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investment implicitly included in the Actuarial Value of Assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits E and F.

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 fluctuation 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.

The chart depicts the components of changes in the actuarial value of assets over the last four years.

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31



SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 7

Determination of Actuarial Value of Assets for Year Ended December 31, 2004

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

Six Month Period		Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
From	To					
7/2000	12/2000	\$(20,384,847)	\$122,840,407	\$(143,225,254)	0.1	\$(14,322,525)
1/2001	6/2001	(88,016,4921)	120,375,241	(208,391,732)	0.2	(41,678,346)
7/2001	12/2001	(68,835,640)	118,433,855	(187,269,495)	0.3	(56,180,849)
1/2002	6/2002	(118,079,827)	114,304,079	(232,383,906)	0.4	(92,953,562)
7/2002	12/2002	(161,138,970)	107,923,673	(269,062,644)	0.5	(134,531,322)
1/2003	6/2003	232,701,151	105,496,508	127,204,643	0.6	76,322,786
7/2003	12/2003	366,693,598	123,112,205	243,581,393	0.7	170,506,975
1/2004	6/2004	81,082,517	138,259,604	(57,177,087)	0.8	(45,741,670)
7/2004	12/2004	325,616,709	135,588,114	190,028,594	0.9	<u>171,025,735</u>
1. Total deferred return						\$ 32,447,222
2. Market Value of Assets						3,718,615,896
3. Actuarial Value of Assets (Item 2 – Item 1)						3,686,168,674
4. Non-valuation reserves and designations:						
a. Post Retirement Death Benefit						12,310,600
b. Statutory Contingency						0
c. Additional One Percent Contingency						0
d. Unrestricted Designation						<u>0</u>
e. Total						\$ 12,310,600
5. Valuation Value of Assets (Item 3 – Item 4e)						<u>\$3,673,858,074</u>

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

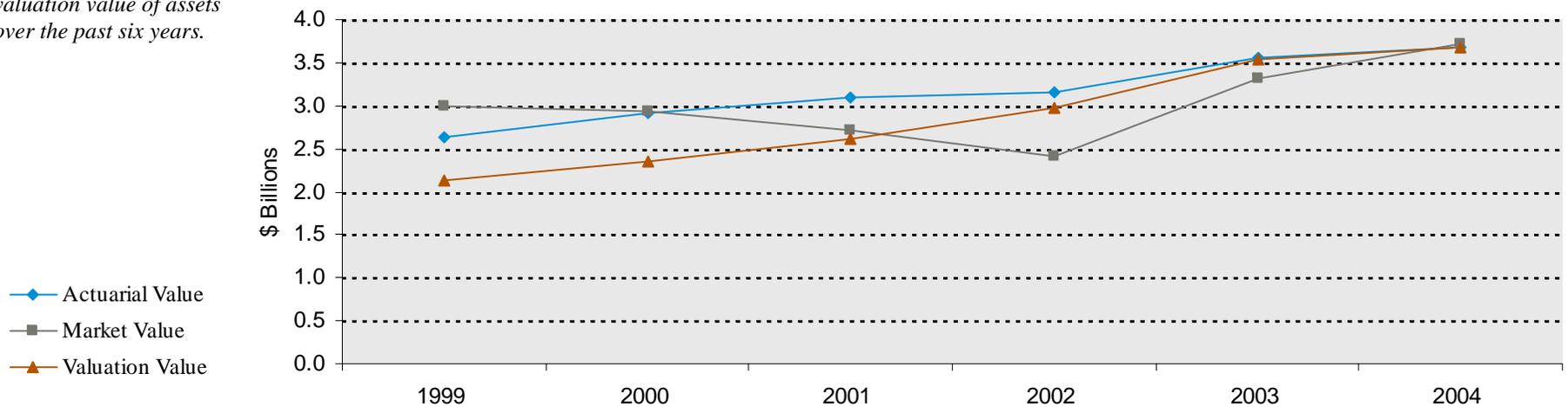
The market value, actuarial value and valuation value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves.

We recommend that in future valuations, the total deferred gain of \$32,447,222 be recognized in equal amounts over the next four and a half years. This will produce more stable employer contribution rates, but will neither increase nor decrease the total period of time over which this gain is recognized.

The valuation value of assets is significant because the Plan's liabilities are compared to this measure of its assets to determine what portion, if any, remains unfunded. Amortization of the unfunded liability is an important element in determining the contribution requirement.

This chart shows the change in the relative values of market value, actuarial value and valuation value of assets over the past six years.

CHART 8
Relative Values of Market Value, Actuarial Value and Valuation Value of Assets for Years Ended December 31, 1999 – 2004



SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

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 loss is \$135.9 million, \$143.8 million loss from investments and \$7.9 million gain from all other sources. The net experience variation from individual sources other than investments was 0.2% of the beginning of year 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 December 31, 2004

1. Net gain/(loss) from investments*	\$(143,793,721)
2. Net gain/(loss) from other experience**	<u>\$7,900,678</u>
3. Net experience gain/(loss): (1) + (2)	\$(135,893,043)

* Details in Chart 10

** Does not include the effect of assumption changes.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

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 the Plan's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets during 2004 is 7.90%. The rate of return on Actuarial Value for the 2004 Plan Year was 3.84%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss on Actuarial Value during the year ended December 31, 2004. Non-valuation reserves from prior years were not available to make up the loss in developing the Valuation Value of Assets.

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

CHART 10

Investment Experience for Year Ended December 31, 2004 – Valuation Value and Actuarial Value of Assets

	Valuation Value	Actuarial Value
1. Return	\$ 135,741,405	\$ 136,674,234
2. Average value of assets	3,538,419,313	3,550,147,584
3. Rate of return: (1) ÷ (2)	3.84%	3.85%
4. Assumed rate of return	7.90%	7.90%
5. Expected return: (2) x (4)	279,535,126	280,461,659
6. Gain/(loss): (1) – (5)	<u>\$(143,793,721)</u>	<u>\$(143,787,425)</u>

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

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 rates of return on an actuarial, valuation and market value basis for the last four years.

Based upon this experience, future expectations and discussions with the Board, we have maintained the assumed rate of return of 7.90%.

CHART 11

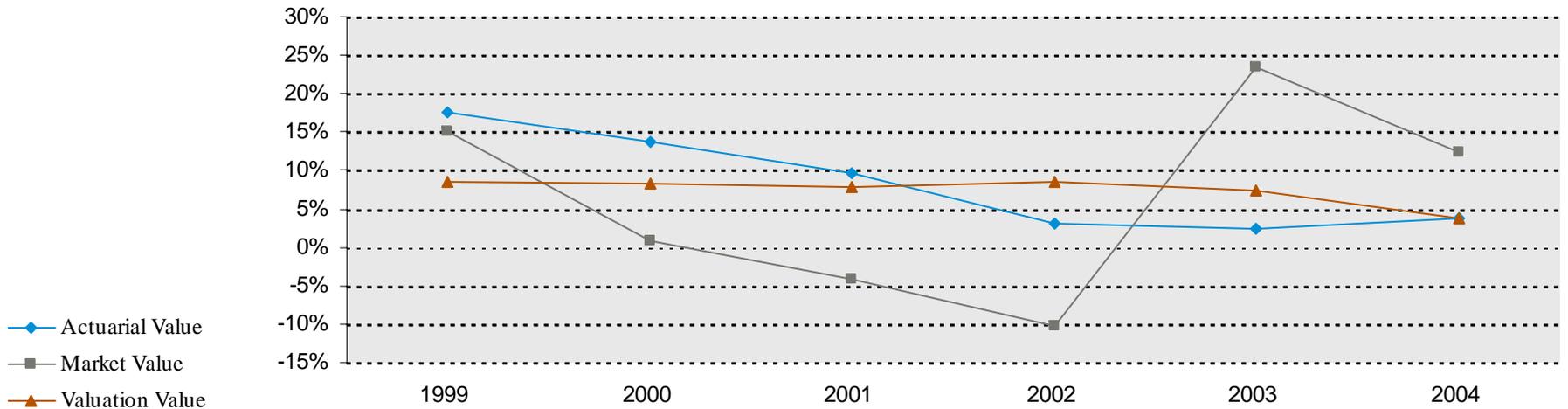
Investment Return – Actuarial Value, Valuation Value and Market Value: 2001 – 2004

Year Ended December 31	Actuarial Value Investment Return		Valuation Value Investment Return		Market Value Investment Return	
	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets
2001	\$278,746,528	9.73%	\$186,188,249	7.92%	\$(121,804,662)	(4.23%)
2002	\$93,144,770	3.05%	\$227,080,187	8.53%	\$(274,820,794)	(10.28%)
2003	\$83,420,012	2.52%	\$244,215,190	7.41%	\$599,528,120	23.44%
2004	\$136,674,234	3.85%	\$135,741,405	3.84%	\$406,427,237	12.27%
Total	\$591,985,544		\$793,225,031		\$609,329,901	

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

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 Value Rates of Return for Years Ended December 31, 1999 - 2004



SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

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:

- the extent of 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.

Please see Exhibit I in Section 3 for a detailed reconciliation of changes in the Unfunded Actuarial Accrued Liability.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

D. RECOMMENDED CONTRIBUTION

Employer contributions consist of two components:

Normal Cost

The annual contribution rate which, 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)

That annual contribution rate which, 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 association) 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 combined annual inflation and "across the board" salary increase rate of 4.25% along with expected payroll. The current UAAL is being recognized over a 18-year declining period effective January 1, 2005.

The recommended employer contributions are provided on Charts 13 and 14.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

Member Contributions

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 and Safety members, respectively. The basic contribution rate is determined as that percentage of compensation which if paid annually from a member's first year of membership through the prescribed retirement age would accumulate to the amount necessary to fund a prescribed annuity. The annuity is equal to 1/120 of one year Final Average Salary per year of service at age 55 for General Tier 1 and Tier 3 Non-enhanced members; 40% of the Tier 1 Non-enhanced member's contribution rate (using three-year Final Average Salary) for General Tier 2 members; and Safety Non-enhanced members pay for an annuity at age 50 equal to 1/100 of one year Final Average Salary per year of service. The annuity is equal to 1/120 of one year Final Average Salary per year of service at age 60 for General Tier 1 and Tier 3 Enhanced members; and Safety Enhanced members pay for an annuity at age 50 equal to 1/100 of one year Final Average salary per year of service. Member contributions are accumulated at an annual interest rate adopted annually by the Board. The County is now paying 50% of the members' basic contributions on a nonrefundable basis. For illustration purposes only, the rates shown in Charts 13 and 14 include the 50% employer subvention of members' basic contributions for all employers (except for Safety District rates calculated in the current valuation). Districts pay varying portions, up to 100%, of the members' basic contributions on a nonrefundable basis. Members also pay 50% of the cost-of-living benefit. The age specific contribution rates are provided in Appendix A.

Please note that the terminal pay assumptions are only used in establishing cost-of-living member contributions. They are not used in establishing the basic member contributions.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13
Components of Recommended Employer Contribution Rates
Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
 (19 Year Amortization Period as of December 31, 2003)

	Non - Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 1 (Aggregate)								
Basic	11.14%		2.88%	14.02%	11.14%		7.12%	18.26%
50% Subvention	3.62%		0.00%	3.62%	3.62%		0.00%	3.62%
Basic + 50% Subvention	14.76%		2.88%	17.64%	14.76%		7.12%	21.88%
COL	2.89%		1.58%	4.47%	2.89%		4.86%	7.75%
Total	17.65%		4.46%	22.11%	17.65%		11.98%	29.63%
General Tier 1 (Under \$350)								
Basic	7.60%		1.95%	9.55%	7.60%		4.86%	12.46%
50% Subvention	2.47%		0.00%	2.47%	2.47%		0.00%	2.47%
Basic + 50% Subvention	10.07%		1.95%	12.02%	10.07%		4.86%	14.93%
COL	1.96%		1.07%	3.03%	1.96%		3.32%	5.28%
Total	12.03%		3.02%	15.05%	12.03%		8.18%	20.21%
General Tier 1 (Over \$350)								
Basic	11.40%		2.93%	14.33%	11.40%		7.29%	18.69%
50% Subvention	3.70%		0.00%	3.70%	3.70%		0.00%	3.70%
Basic + 50% Subvention	15.10%		2.93%	18.03%	15.10%		7.29%	22.39%
COL	2.95%		1.60%	4.55%	2.95%		4.98%	7.93%
Total	18.05%		4.53%	22.58%	18.05%		12.27%	30.32%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(19 Year Amortization Period as of December 31, 2003)

	Non-Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 2								
Basic	8.92%		2.88%	11.80%	8.92%		7.12%	16.04%
50% Subvention	1.46%		0.00%	1.46%	1.46%		0.00%	1.46%
Basic + 50% Subvention	10.38%		2.88%	13.26%	10.38%		7.12%	17.50%
COL	2.95%		1.58%	4.53%	2.95%		4.86%	7.81%
Total	13.33%		4.46%	17.79%	13.33%		11.98%	25.31%
Safety								
Basic					15.36%		5.55%	20.91%
50% Subvention					4.67%		0.00%	4.67%
Basic + 50% Subvention					20.03%		5.55%	25.58%
COL					3.92%		7.60%	11.52%
Total					23.95%		13.15%	37.10%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(19 Year Amortization Period as of December 31, 2003)

	Non-Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 3 (Aggregate)								
Basic	10.08%		2.95%	= 13.03%	10.08%		7.66%	= 17.74%
50% Subvention	3.77%		0.00%	= 3.77%	3.77%		0.00%	= 3.77%
Basic + 50% Subvention	13.85%		2.95%	= 16.80%	13.85%		7.66%	= 21.51%
COL	2.88%		1.59%	= 4.47%	2.88%		4.96%	= 7.84%
Total	16.73%		4.54%	= 21.27%	16.73%		12.62%	= 29.35%
General Tier 3 (Under \$350)								
Basic	6.83%		2.00%	= 8.83%	6.83%		5.19%	= 12.02%
50% Subvention	2.56%		0.00%	= 2.56%	2.56%		0.00%	= 2.56%
Basic + 50% Subvention	9.39%		2.00%	= 11.39%	9.39%		5.19%	= 14.58%
COL	1.95%		1.08%	= 3.03%	1.95%		3.36%	= 5.31%
Total	11.34%		3.08%	= 14.42%	11.34%		8.55%	= 19.89%
General Tier 3 (Over \$350)								
Basic	10.25%		3.00%	= 13.25%	10.25%		7.79%	= 18.04%
50% Subvention	3.83%		0.00%	= 3.83%	3.83%		0.00%	= 3.83%
Basic + 50% Subvention	14.08%		3.00%	= 17.08%	14.08%		7.79%	= 21.87%
COL	2.93%		1.62%	= 4.55%	2.93%		5.04%	= 7.97%
Total	17.01%		4.62%	= 21.63%	17.01%		12.83%	= 29.84%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(19 Year Amortization Period as of December 31, 2003)

	Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 1 (Aggregate)								
Basic	13.34%		2.77%	= 16.11%	13.34%		7.01%	= 20.35%
50% Subvention	2.97%		0.00%	= 2.97%	2.97%		0.00%	= 2.97%
Basic + 50% Subvention	16.31%		2.77%	= 19.08%	16.31%		7.01%	= 23.32%
COL	3.95%		1.65%	= 5.60%	3.95%		4.93%	= 8.88%
Total	20.26%		4.42%	= 24.68%	20.26%		11.94%	= 32.20%
General Tier 1 (Under \$350)								
Basic	9.09%		1.89%	= 10.98%	9.09%		4.77%	= 13.86%
50% Subvention	2.03%		0.00%	= 2.03%	2.03%		0.00%	= 2.03%
Basic + 50% Subvention	11.12%		1.89%	= 13.01%	11.12%		4.77%	= 15.89%
COL	2.69%		1.12%	= 3.81%	2.69%		3.35%	= 6.04%
Total	13.81%		3.01%	= 16.82%	13.81%		8.12%	= 21.93%
General Tier 1 (Over \$350)								
Basic	13.64%		2.83%	= 16.47%	13.64%		7.15%	= 20.79%
50% Subvention	3.04%		0.00%	= 3.04%	3.04%		0.00%	= 3.04%
Basic + 50% Subvention	16.68%		2.83%	= 19.51%	16.68%		7.15%	= 23.83%
COL	4.04%		1.68%	= 5.72%	4.04%		5.03%	= 9.07%
Total	20.72%		4.51%	= 25.23%	20.72%		12.18%	= 32.90%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(19 Year Amortization Period as of December 31, 2003)

	Enhanced									
	County				Districts					
	Normal Cost	+	UAAL	=	Total	Normal Cost	+	UAAL	=	Total
Safety										
Basic	22.97%		5.30%		28.27%	22.97%		13.75%		36.72%
50% Subvention	4.53%		0.00%		4.53%	4.53%		0.00%		4.53%
Basic + 50% Subvention	27.50%		5.30%		32.80%	27.50%		13.75%		41.25%
COL	6.66%		3.97%		10.63%	6.66%		11.84%		18.50%
Total	34.16%		9.27%		43.43%	34.16%		25.59%		59.75%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Current Assumptions for July 1, 2005 through June 30, 2006

7.90% Interest, 4.00% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(19 Year Amortization Period as of December 31, 2003)

	Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 3 (Aggregate)								
Basic	11.57%		2.84%	= 14.41%	11.57%		7.55%	= 19.12%
50% Subvention	3.22%		0.00%	= 3.22%	3.22%		0.00%	= 3.22%
Basic + 50% Subvention	14.79%		2.84%	= 17.63%	14.79%		7.55%	= 22.34%
COL	3.20%		1.66%	= 4.86%	3.20%		5.03%	= 8.23%
Total	17.99%		4.50%	= 22.49%	17.99%		12.58%	= 30.57%
General Tier 3 (Under \$350)								
Basic	7.85%		1.94%	= 9.79%	7.85%		5.16%	= 13.01%
50% Subvention	2.18%		0.00%	= 2.18%	2.18%		0.00%	= 2.18%
Basic + 50% Subvention	10.03%		1.94%	= 11.97%	10.03%		5.16%	= 15.19%
COL	2.16%		1.14%	= 3.30%	2.16%		3.44%	= 5.60%
Total	12.19%		3.08%	= 15.27%	12.19%		8.60%	= 20.79%
General Tier 3 (Over \$350)								
Basic	11.77%		2.91%	= 14.68%	11.77%		7.74%	= 19.51%
50% Subvention	3.27%		0.00%	= 3.27%	3.27%		0.00%	= 3.27%
Basic + 50% Subvention	15.04%		2.91%	= 17.95%	15.04%		7.74%	= 22.78%
COL	3.25%		1.71%	= 4.96%	3.25%		5.16%	= 8.41%
Total	18.29%		4.62%	= 22.91%	18.29%		12.90%	= 31.19%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 13 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2005 through June 30, 2006

Grand Total (Includes Both Enhanced and Non-enhanced – County and District)

	Normal Cost	+	UAAL	=	Total
Basic	14.27%		4.41%		18.68%
50% Subvention	3.46%		0.00%		3.46%
Basic + 50% Subvention	17.73%		4.41%		22.14%
COL	4.07%		3.10%		7.17%
Total	21.79%		7.51%		29.31%

Payroll	Tier 1		Tier 2	Tier 3		Safety		Total
	Non-Enhanced	Enhanced		Non-Enhanced	Enhanced	Non-Enhanced	Enhanced	
County	\$1,873,158	\$62,179,267	\$16,713,820	\$17,142,002	\$321,612,675	-	\$83,228,043	\$502,748,965
Districts	<u>11,525,280</u>	<u>29,327,066</u>	<u>1,007,225</u>	<u>343,463</u>	<u>627,405</u>	<u>\$4,495,655</u>	<u>50,198,849</u>	<u>97,524,943</u>
Total	\$13,398,438	\$91,506,333	\$17,721,045	\$17,485,465	\$322,240,080	\$4,495,655	\$133,426,892	\$600,273,908

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14
Comparison of Average Employer Contribution Rates
Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
 (18 Year Amortization Period as of December 31, 2004)

	Non - Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 1 (Aggregate)								
Basic					11.99%		8.29%	20.28%
50% Subvention					3.79%		0.00%	3.79%
Basic + 50% Subvention					15.78%		8.29%	24.07%
COL					3.57%		4.92%	8.49%
Total					19.35%		13.21%	32.56%
General Tier 1 (Under \$350)								
Basic					8.21%		5.67%	13.88%
50% Subvention					2.59%		0.00%	2.59%
Basic + 50% Subvention					10.80%		5.67%	16.47%
COL					2.45%		3.37%	5.82%
Total					13.25%		9.04%	22.29%
General Tier 1 (Over \$350)								
Basic					12.31%		8.51%	20.82%
50% Subvention					3.89%		0.00%	3.89%
Basic + 50% Subvention					16.20%		8.51%	24.71%
COL					3.67%		5.05%	8.72%
Total					19.87%		13.56%	33.43%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(18 Year Amortization Period as of December 31, 2004)

	Non-Enhanced									
	County				Districts					
	Normal Cost	+	UAAL	=	Total	Normal Cost	+	UAAL	=	Total
General Tier 2										
Basic						8.52%		8.29%		16.81%
50% Subvention						1.49%		0.00%		1.49%
Basic + 50% Subvention						10.01%		8.29%		18.30%
COL						3.15%		4.92%		8.07%
Total						13.16%		13.21%		26.37%
Safety										
Basic						16.03%		7.98%		24.01%
0% Subvention						0.00%		0.00%		0.00%
Basic + 0% Subvention						16.03%		7.98%		24.01%
COL						4.77%		7.50%		12.27%
Total						20.80%		15.48%		36.28%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(18 Year Amortization Period as of December 31, 2004)

	Non-Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
General Tier 3 (Aggregate)								
Basic					9.90%		8.80%	18.70%
50% Subvention					3.77%		0.00%	3.77%
Basic + 50% Subvention					13.67%		8.80%	22.47%
COL					3.04%		5.02%	8.06%
Total					16.71%		13.82%	30.53%
General Tier 3 (Under \$350)								
Basic					6.73%		5.98%	12.71%
50% Subvention					2.56%		0.00%	2.56%
Basic + 50% Subvention					9.29%		5.98%	15.27%
COL					2.07%		3.41%	5.48%
Total					11.36%		9.39%	20.75%
General Tier 3 (Over \$350)								
Basic					10.10%		8.97%	19.07%
50% Subvention					3.84%		0.00%	3.84%
Basic + 50% Subvention					13.94%		8.97%	22.91%
COL					3.10%		5.12%	8.22%
Total					17.04%		14.09%	31.13%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(18 Year Amortization Period as of December 31, 2004)

	Enhanced									
	County			Districts						
	Normal Cost	+	UAAL	=	Total	Normal Cost	+	UAAL	=	Total
General Tier 1 (Aggregate)										
Basic	13.86%		4.58%	=	18.44%	13.86%		8.77%	=	22.63%
50% Subvention	3.11%		0.00%	=	3.11%	3.11%		0.00%	=	3.11%
Basic + 50% Subvention	16.97%		4.58%	=	21.55%	16.97%		8.77%	=	25.74%
COL	4.01%		1.89%	=	5.90%	4.01%		5.09%	=	9.10%
Total	20.98%		6.47%	=	27.45%	20.98%		13.86%	=	34.84%
General Tier 1 (Under \$350)										
Basic	9.42%		3.11%	=	12.53%	9.42%		5.96%	=	15.38%
50% Subvention	2.11%		0.00%	=	2.11%	2.11%		0.00%	=	2.11%
Basic + 50% Subvention	11.53%		3.11%	=	14.64%	11.53%		5.96%	=	17.49%
COL	2.72%		1.28%	=	4.00%	2.72%		3.46%	=	6.18%
Total	14.25%		4.39%	=	18.64%	14.25%		9.42%	=	23.67%
General Tier 1 (Over \$350)										
Basic	14.13%		4.67%	=	18.80%	14.13%		8.94%	=	23.07%
50% Subvention	3.17%		0.00%	=	3.17%	3.17%		0.00%	=	3.17%
Basic + 50% Subvention	17.30%		4.67%	=	21.97%	17.30%		8.94%	=	26.24%
COL	4.08%		1.92%	=	6.00%	4.08%		5.19%	=	9.27%
Total	21.38%		6.59%	=	27.97%	21.38%		14.13%	=	35.51%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(18 Year Amortization Period as of December 31, 2004)

	Enhanced							
	County				Districts			
	Normal Cost	+	UAAL	= Total	Normal Cost	+	UAAL	= Total
Safety								
Basic	23.81%		8.77%	32.58%	23.81%		16.77%	40.58%
50%/0% Subvention	4.64%		0.00%	4.64%	0.00%		0.00%	0.00%
Basic + 50%/0% Subvention	28.45%		8.77%	37.22%	23.81%		16.77%	40.58%
COL	6.89%		4.35%	11.24%	6.89%		11.77%	18.66%
Total	35.34%		13.12%	48.46%	30.70%		28.54%	59.24%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

7.90% Interest, 4.25% Wage Inflation and 2.41% Average Merit Salary Increase Assumptions
(18 Year Amortization Period as of December 31, 2004)

	Enhanced									
	County			Districts						
	Normal Cost	+	UAAL	=	Total	Normal Cost	+	UAAL	=	Total
General Tier 3 (Aggregate)										
Basic	12.19%		4.63%		16.82%	12.19%		9.28%		21.47%
50% Subvention	3.33%		0.00%		3.33%	3.33%		0.00%		3.33%
Basic + 50% Subvention	15.52%		4.63%		20.15%	15.52%		9.28%		24.80%
COL	3.33%		1.90%		5.23%	3.33%		5.19%		8.52%
Total	18.85%		6.53%		25.38%	18.85%		14.47%		33.32%
General Tier 3 (Under \$350)										
Basic	8.33%		3.16%		11.49%	8.33%		6.35%		14.68%
50% Subvention	2.27%		0.00%		2.27%	2.27%		0.00%		2.27%
Basic + 50% Subvention	10.60%		3.16%		13.76%	10.60%		6.35%		16.95%
COL	2.27%		1.30%		3.57%	2.27%		3.56%		5.83%
Total	12.87%		4.46%		17.33%	12.87%		9.91%		22.78%
General Tier 3 (Over \$350)										
Basic	12.49%		4.74%		17.23%	12.49%		9.53%		22.02%
50% Subvention	3.41%		0.00%		3.41%	3.41%		0.00%		3.41%
Basic + 50% Subvention	15.90%		4.74%		20.64%	15.90%		9.53%		25.43%
COL	3.41%		1.95%		5.36%	3.41%		5.33%		8.74%
Total	19.31%		6.69%		26.00%	19.31%		14.86%		34.17%

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

CHART 14 (continued)

Employer Rates Under Recommended Assumptions for July 1, 2006 through June 30, 2007

Grand Total (Includes Both Enhanced and Non-enhanced – County and District)

	Normal Cost	+	UAAL	=	Total
Basic	15.12%		6.58%		21.70%
50% Subvention*	3.16%		0.00%		3.16%
Basic + 50% Subvention*	18.28%		6.58%		24.86%
COL	4.26%		3.37%		7.63%
Total	22.54%		9.95%		32.49%

Payroll	Tier 1		Tier 2		Tier 3		Safety		Total
	Non-Enhanced	Enhanced	Non-Enhanced	Enhanced	Non-Enhanced	Enhanced	Non-Enhanced	Enhanced	
County	-	\$58,868,518	-	-	\$373,282,711	-	\$86,971,852		\$519,123,081
Districts	<u>\$6,710,095</u>	<u>31,211,998</u>	<u>\$1,041,441</u>	<u>\$288,921</u>	<u>696,589</u>	<u>\$4,855,230</u>	<u>55,204,863</u>		<u>100,009,137</u>
Total	\$6,710,095	\$90,080,516	\$1,041,441	\$288,921	\$373,979,300	\$4,855,230	\$142,176,715		\$619,132,218

* These rates include the 50% employer subvention of members' basic contributions (except for Safety District rates).

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

The employer contribution rates as of December 31, 2004 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, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Employer Contribution Rate

The chart below details the changes in the recommended employer contribution rate from the prior valuation to the current year's valuation.

CHART 15

Reconciliation of Recommended Employer Contribution from December 31, 2003 to December 31, 2004 Valuation

	Contribution Rate*	Estimated Annual Dollar Cost**
Recommended Employer Contribution Rate in December 31, 2003 Valuation	25.85%	\$ 155,175,000
Effect of investment (gain)/loss ⁽¹⁾	1.74%	10,772,901
Effect of delay in implementing contribution rates from 12/31/2003 valuation ⁽²⁾	0.51%	3,157,574
Effect of actual versus expected salary increase including total payroll growth ⁽³⁾	0.33%	2,043,136
Effect of change in benefit ⁽⁴⁾	0.25%	1,547,831
Effect of change in actuarial assumptions ⁽⁵⁾	0.61%	3,776,707
Effect of net other changes ⁽⁶⁾	<u>0.04%</u>	<u>5,119,585</u>
Total change	<u>3.48%</u>	<u>\$26,417,734</u>
Recommended Employer Contribution Rate in December 31, 2004 Valuation	29.33%	\$181,592,734

* These rates do not include any employer subvention of member contributions.

** Based on projected payroll for each valuation date shown.

(1) Return on valuation of assets of 3.84% was less than the 7.90% assumed in the valuation.

(2) This accounts for the UAAL increase that results from any time gap between the valuation and the implementation of resulting contribution rates.

(3) Total payroll growth for determining the UAAL contribution rate was assumed to be 4.00% per year. Actual payroll growth was less so the remaining UAAL is amortized over a smaller payroll.

(4) CNA members receive enhanced benefits starting January 1, 2005.

(5) Includes impact of 0.25% "Across the Board" salary increase assumption.

(6) Rate changes from miscellaneous and untraced sources. Estimated annual dollar cost also reflects change in payroll from prior valuation.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

The member contribution rates as of December 31, 2004 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, actuarial gains and losses and changes in the actuarial assumptions.

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 16
Reconciliation of Recommended Member Contribution from December 31, 2003 to December 31, 2004 Valuation**

	Contribution Rate*	Estimated Annual Dollar Cost**
Recommended Member Contribution Rate in December 31, 2003 Valuation	10.91%	\$65,466,000
Effect of change in actuarial assumptions ⁽¹⁾	0.32%	1,981,223
Effect of change in benefits ⁽²⁾	0.11%	681,045
Effect of other experience (gains)/losses ⁽³⁾	<u>0.06%</u>	<u>2,474,230</u>
Total change	<u>0.49%</u>	<u>\$5,136,498</u>
Recommended Member Contribution Rate in December 31, 2004 Valuation	11.40%	\$70,602,498

* These rates do not include any employer subvention of member contributions.

** Based on projected payroll for each valuation date shown.

⁽¹⁾ Includes impact of 0.25% "Across the Board" salary increase assumption.

⁽²⁾ CNA members receive enhanced benefits starting January 1, 2005.

⁽³⁾ Rate changes from miscellaneous and untraced sources. Estimated annual dollar cost also reflects change in payroll from prior valuation.

SECTION 2: Valuation Results for the Contra Costa County Employees' Retirement Association

E. INFORMATION REQUIRED BY GASB

Government 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 contribution 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 assets of the plan to the 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 17
Required Versus Actual Contributions

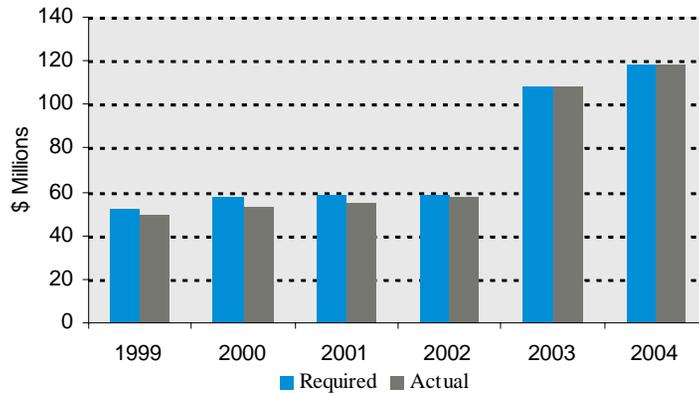
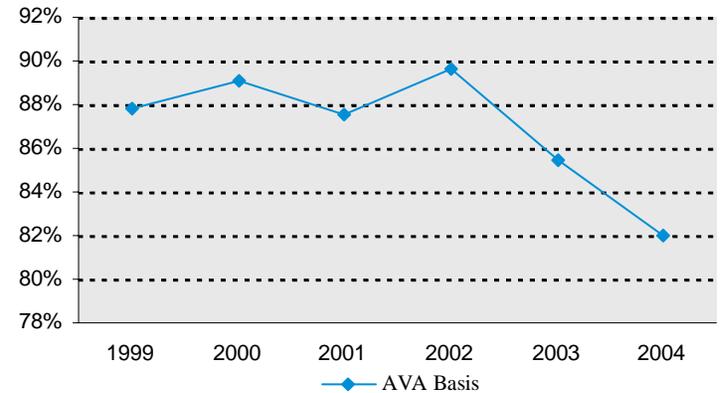


CHART 18
Funded Ratio



SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended December 31		Change From Prior Year
	2004	2003	
Active members in valuation			
Number	1,335	1,504	-11.2%
Average age	49.4	48.7	N/A
Average service	16.0	15.3	N/A
Projected total compensation ⁽¹⁾	\$96,790,611	\$104,904,771	-7.7%
Projected average compensation	\$72,502	\$69,751	3.9%
Account balances	\$79,881,598	\$78,908,886	1.2%
Total active vested members	1,113	1,202	-7.4%
Vested terminated members⁽²⁾			
	321	310	3.5%
Retired members			
Number in pay status	2,677	2,655	0.8%
Average age	73.2	72.8	N/A
Average monthly benefit	\$2,447	\$2,372	3.2%
Disabled members			
Number in pay status	388	387	0.3%
Average age	65.3	64.7	N/A
Average monthly benefit	\$2,010	\$1,998	0.6%
Beneficiaries			
Number in pay status	733	724	1.2%
Average age	73.6	73.0	N/A
Average monthly benefit	\$1,409	\$1,388	1.5%

⁽¹⁾ Calculated by increasing actual calendar year 2004 salaries by the assumed salary scale.

⁽²⁾ Includes only members who have terminated employment covered by CCCERA.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended December 31		Change From Prior Year
	2004	2003	
Active members in valuation			
Number	18	285	-93.7%
Average age	43.4	44.5	N/A
Average service	5.7	3.1	N/A
Projected total compensation ⁽¹⁾	\$1,041,441	\$17,721,045	-94.1%
Projected average compensation	\$57,858	\$62,179	-6.9%
Account balances	\$126,361	\$1,381,243	-90.9%
Total active vested members	7	33	-78.8%
Vested terminated members⁽²⁾	443	436	1.6%
Retired members			
Number in pay status	404	393	2.8%
Average age	67.8	67.3	N/A
Average monthly benefit	\$707	\$720	-1.8%
Disabled members			
Number in pay status	67	71	-5.6%
Average age	62.4	61.4	N/A
Average monthly benefit	\$1,680	\$1,652	1.7%
Beneficiaries			
Number in pay status	69	66	4.5%
Average age	54.2	52.9	N/A
Average monthly benefit	\$802	\$814	-1.5%

⁽¹⁾ Calculated by increasing actual calendar year 2004 salaries by the assumed salary scale.

⁽²⁾ Includes only members who have terminated employment covered by CCCERA

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

iii. General Tier 3

Category	Year Ended December 31		Change From Prior Year
	2004	2003	
Active members in valuation			
Number	6,322	5,989	5.6%
Average age	48.9	45.6	N/A
Average service	8.5	8.2	N/A
Projected total compensation ⁽¹⁾	\$374,268,220	\$339,725,545	10.2%
Projected average compensation	\$59,201	\$56,725	4.4%
Account balances	\$122,145,917	\$91,036,664	34.2%
Total active vested members	3,772	3,388	11.3%
Vested terminated members⁽²⁾	532	306	73.9%
Retired members			
Number in pay status	367	282	30.1%
Average age	62.2	61.4	N/A
Average monthly benefit	\$1,368	\$1,216	12.5%
Disabled members			
Number in pay status	49	45	8.9%
Average age	57.0	56.5	N/A
Average monthly benefit	\$1,902	\$1,911	0.5%
Beneficiaries			
Number in pay status	26	20	30.0%
Average age	49.9	48.9	N/A
Average monthly benefit	\$1,001	\$1,129	-11.3%

⁽¹⁾ Calculated by increasing actual calendar year 2004 salaries by the assumed salary scale.

⁽²⁾ Includes only members who have terminated employment covered by CCCERA.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT A (continued)

Table of Plan Coverage

iv. Safety

Category	Year Ended December 31		Change From Prior Year
	2004	2003	
Active members in valuation			
Number	1,683	1,698	-0.9%
Average age	40.9	40.5	N/A
Average service	11.2	10.7	N/A
Projected total compensation ⁽¹⁾	\$147,031,946	\$137,922,547	6.6%
Projected average compensation	\$87,363	\$81,226	7.6%
Account balances	\$119,424,071	\$101,848,583	17.3%
Total active vested members	1,194	1,145	4.3%
Vested terminated members⁽²⁾	221	196	12.8%
Retired members			
Number in pay status	696	668	4.2%
Average age	64.7	64.3	N/A
Average monthly benefit	\$5,336	\$5,305	0.6%
Disabled members			
Number in pay status	401	393	2.0%
Average age	57.6	57.3	N/A
Average monthly benefit	\$3,885	\$3,785	2.6%
Beneficiaries			
Number in pay status	241	232	3.9%
Average age	66.2	65.7	N/A
Average monthly benefit	\$2,407	\$2,366	1.7%

⁽¹⁾ Calculated by increasing actual calendar year 2004 salaries by the assumed salary scale.

⁽²⁾ Includes only members who have terminated employment covered by CCCERA

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

i. General Tier 1 Non-Enhanced

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	3	3	--	--	--	--	--	--	--	--
	\$42,503	\$42,503	--	--	--	--	--	--	--	--
25 - 29	12	10	2	--	--	--	--	--	--	--
	42,972	40,049	\$57,589	--	--	--	--	--	--	--
30 - 34	13	9	3	1	--	--	--	--	--	--
	48,243	42,081	59,185	\$70,877	--	--	--	--	--	--
35 - 39	21	13	3	--	5	--	--	--	--	--
	53,645	50,137	51,458	--	\$64,078	--	--	--	--	--
40 - 44	15	10	3	1	--	1	--	--	--	--
	53,451	51,386	56,412	47,169	--	\$71,495	--	--	--	--
45 - 49	22	7	4	3	4	3	1	--	--	--
	56,711	48,071	59,127	52,777	52,879	84,538	\$51,166	--	--	--
50 - 54	18	5	3	2	1	3	4	--	--	--
	57,358	47,388	55,041	73,725	65,680	60,322	59,070	--	--	--
55 - 59	14	5	2	2	3	1	1	--	--	--
	54,062	50,789	64,772	53,972	48,663	61,278	58,164	--	--	--
60 - 64	4	2	--	--	1	1	--	--	--	--
	62,820	30,144	--	--	58,513	132,480	--	--	--	--
65 - 69	3	1	1	1	--	--	--	--	--	--
	74,414	78,569	57,162	87,512	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	125	65	21	10	14	9	6	--	--	--
	\$53,681	\$46,748	\$57,366	\$61,928	\$57,292	\$77,759	\$57,602	--	--	--

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

ii. General Tier 1 Enhanced

Age	Total	Years of Service									
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over	
Under 25	9	9	--	--	--	--	--	--	--	--	--
	\$37,679	\$37,679	--	--	--	--	--	--	--	--	--
25 - 29	23	20	3	--	--	--	--	--	--	--	--
	57,565	57,303	\$59,309	--	--	--	--	--	--	--	--
30 - 34	53	45	6	2	--	--	--	--	--	--	--
	67,020	68,406	61,053	\$53,732	--	--	--	--	--	--	--
35 - 39	91	40	37	10	4	--	--	--	--	--	--
	69,112	62,167	74,099	73,594	\$81,230	--	--	--	--	--	--
40 - 44	124	45	32	26	15	6	--	--	--	--	--
	72,099	62,516	78,122	80,224	79,139	\$59,034	--	--	--	--	--
45 - 49	220	54	32	25	34	23	47	5	--	--	--
	72,602	68,747	72,350	78,187	83,372	73,598	\$66,577	\$66,743	--	--	--
50 - 54	318	37	34	30	31	36	88	59	3	--	--
	77,304	73,472	83,478	86,886	89,249	83,157	74,387	66,411	\$64,899	--	--
55 - 59	265	24	27	18	18	28	47	84	19	--	--
	79,643	78,371	76,107	85,192	74,005	84,873	81,905	80,913	67,446	--	--
60 - 64	96	6	9	9	10	9	19	23	10	1	--
	75,622	53,966	70,758	73,338	80,963	95,888	69,306	76,758	82,154	\$62,657	--
65 - 69	8	2	--	1	--	--	4	1	--	--	--
	72,337	61,187	--	22,635	--	--	83,428	99,974	--	--	--
70 & over	3	1	--	--	1	--	--	--	1	--	--
	45,649	8,840	--	--	87,678	--	--	--	40,428	--	--
Total	1,210	283	180	121	113	102	205	172	33	1	--
	\$74,447	\$65,831	\$75,728	\$80,220	\$82,679	\$81,177	\$74,025	\$75,082	\$70,852	\$62,657	--

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

iii. General Tier 2

Age	Total	Years of Service							
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	1 \$46,898	1 \$46,898	--	--	--	--	--	--	--
25 - 29	1 13,176	1 13,176	--	--	--	--	--	--	--
30 - 34	1 42,833	1 42,833	--	--	--	--	--	--	--
35 - 39	3 51,458	2 49,473	1 \$55,428	--	--	--	--	--	--
40 - 44	5 72,224	1 57,510	1 78,764	2 \$75,539	1 \$73,767	--	--	--	--
45 - 49	2 83,176	--	1 84,298	1 82,053	--	--	--	--	--
50 - 54	2 44,501	2 44,501	--	--	--	--	--	--	--
55 - 59	1 71,761	1 71,761	--	--	--	--	--	--	--
60 - 64	2 47,965	2 47,965	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--
Total	18 \$57,858	11 \$46,914	3 \$72,830	3 \$77,710	1 \$73,767	--	--	--	--

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

iv. General Tier 3 Non-Enhanced

Age	Total	Years of Service							
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	--	--	--	--	--	--	--	--	--
25 - 29	--	--	--	--	--	--	--	--	--
30 - 34	--	--	--	--	--	--	--	--	--
35 - 39	--	--	--	--	--	--	--	--	--
40 - 44	--	--	--	--	--	--	--	--	--
45 - 49	3 \$73,810	--	--	1 \$61,935	2 \$79,748	--	--	--	--
50 - 54	1 67,490	--	--	1 67,490	--	--	--	--	--
55 - 59	--	--	--	--	--	--	--	--	--
60 - 64	--	--	--	--	--	--	--	--	--
65 - 69	--	--	--	--	--	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--
Total	4 \$72,230	--	--	2 \$64,713	2 \$79,748	--	--	--	--

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

v. General Tier 3 Enhanced

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & over
Under 25	74	74	--	--	--	--	--	--	--
	\$33,193	\$33,193	--	--	--	--	--	--	--
25 - 29	390	336	54	--	--	--	--	--	--
	44,233	42,290	\$56,322	--	--	--	--	--	--
30 - 34	609	414	180	15	--	--	--	--	--
	54,744	50,969	62,792	\$62,339	--	--	--	--	--
35 - 39	791	387	271	87	45	1	--	--	--
	57,404	49,658	64,474	67,517	\$61,568	\$72,049	--	--	--
40 - 44	1,021	393	269	187	127	44	1	--	--
	61,328	52,469	61,318	71,444	75,385	57,048	\$56,864	--	--
45 - 49	1,040	345	261	167	161	96	10	--	--
	61,344	47,857	59,776	68,446	77,095	74,810	66,091	--	--
50 - 54	1,046	295	261	198	173	92	23	4	--
	62,156	48,996	58,451	68,287	74,899	70,771	87,969	\$73,262	--
55 - 59	808	204	193	139	146	93	24	8	1
	63,329	49,261	60,093	62,687	70,232	75,893	105,398	109,856	\$88,727
60 - 64	417	104	92	76	87	42	7	5	4
	61,643	51,426	59,462	62,581	67,224	66,069	98,963	95,305	84,394
65 - 69	97	14	33	25	13	8	3	1	--
	57,366	47,440	53,323	60,425	60,294	65,080	83,045	76,426	--
70 & over	25	5	3	9	7	1	--	--	--
	66,374	45,607	49,324	97,786	51,807	40,606	--	--	--
Total	6,318	2,571	1,617	903	759	377	68	18	5
	\$59,193	\$48,564	\$60,695	\$67,531	\$72,415	\$70,740	\$91,360	\$95,825	\$85,260

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

vi. Safety Non-Enhanced

Age	Total	Years of Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30 & over
Under 25	1	1	--	--	--	--	--	--
	\$52,989	\$52,989	--	--	--	--	--	--
25 - 29	13	13	--	--	--	--	--	--
	57,015	57,015	--	--	--	--	--	--
30 - 34	13	11	2	--	--	--	--	--
	50,557	49,230	\$57,857	--	--	--	--	--
35 - 39	14	7	2	--	5	--	--	--
	68,538	57,254	57,058	--	\$88,927	--	--	--
40 - 44	8	4	2	--	1	1	--	--
	62,860	52,923	56,685	--	79,520	\$98,300	--	--
45 - 49	10	3	1	2	2	2	--	--
	77,882	50,368	56,472	\$91,894	95,512	98,219	--	--
50 - 54	7	1	--	1	--	5	--	--
	102,794	128,235	--	56,259	--	107,013	--	--
55 - 59	3	--	2	--	1	--	--	--
	68,662	--	56,073	--	93,842	--	--	--
60 - 64	3	2	1	--	--	--	--	--
	79,009	90,756	55,514	--	--	--	--	--
65 & over	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--
Total	72	42	10	3	9	8	--	--
	\$67,434	\$57,358	\$56,733	\$80,015	\$89,891	\$103,725	--	--

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT B (continued)

**Members in Active Service and Projected Compensation as of December 31, 2004
By Age and Years of Service**

vii. Safety Enhanced

Age	Years of Service								
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-35	35 & over
Under 25	22	22	--	--	--	--	--	--	--
	\$59,230	\$59,230	--	--	--	--	--	--	--
25 - 29	157	138	19	--	--	--	--	--	--
	73,582	72,412	\$82,080	--	--	--	--	--	--
30 - 34	277	156	110	11	--	--	--	--	--
	77,753	72,048	83,975	\$96,455	--	--	--	--	--
35 - 39	344	93	117	97	37	--	--	--	--
	85,727	74,154	84,137	92,012	\$103,369	--	--	--	--
40 - 44	295	52	39	69	109	26	--	--	--
	94,883	77,172	86,436	95,482	102,802	\$108,192	--	--	--
45 - 49	235	19	24	32	64	68	28	--	--
	99,796	75,016	86,941	100,092	97,459	107,843	\$113,093	--	--
50 - 54	164	15	11	11	22	36	60	9	--
	100,584	74,257	95,830	85,754	105,734	98,394	108,899	\$109,142	--
55 - 59	94	9	10	6	11	21	20	16	1
	92,296	73,606	67,529	89,683	86,548	104,043	101,145	95,419	\$113,402
60 - 64	16	2	6	3	1	3	--	1	--
	77,368	71,484	73,737	62,417	69,100	94,537	--	112,539	--
65 & over	7	--	5	1	1	--	--	--	--
	63,043	--	66,075	41,122	69,808	--	--	--	--
Total	1,611	506	341	230	245	154	108	26	1
	\$88,254	\$72,706	\$83,873	\$93,422	\$100,753	\$104,916	\$108,550	\$100,827	\$113,402

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT C

Average Monthly Benefit and Membership Distribution of Retired Members and Beneficiaries

i. General Tier 1 as of December 31, 2004

Age	Total	Years of Retirement								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	6	2	1	3	--	--	--	--	--	--
	\$1,736	\$4,244	\$986	\$314	--	--	--	--	--	--
25 - 29	6	--	2	4	--	--	--	--	--	--
	724	--	431	870	--	--	--	--	--	--
30 - 34	3	--	--	3	--	--	--	--	--	--
	1,085	--	--	1,085	--	--	--	--	--	--
35 - 39	5	1	2	2	--	--	--	--	--	--
	983	1,200	720	1,137	--	--	--	--	--	--
40 - 44	14	5	6	3	--	--	--	--	--	--
	955	969	974	893	--	--	--	--	--	--
45 - 49	35	12	7	7	4	3	--	2	--	--
	1,481	1,873	1,676	1,548	\$742	\$686	--	\$878	--	--
50 - 54	111	74	13	11	5	3	1	4	--	--
	1,703	1,795	2,005	1,633	1,061	1,071	\$1,510	553	--	--
55 - 59	345	194	94	24	14	12	5	2	--	--
	2,596	3,358	1,640	1,802	1,727	1,248	1,187	800	--	--
60 - 64	471	212	137	72	26	12	10	2	--	--
	2,928	3,918	2,712	1,413	1,560	1,521	1,337	1,402	--	--
65 - 69	521	114	183	107	79	20	8	5	5	--
	2,682	3,921	3,226	2,007	1,126	1,427	2,141	981	\$1,137	--
70 - 74	620	16	142	198	153	79	21	5	5	1
	2,258	2,875	2,895	2,793	1,690	1,038	1,568	1,512	1,565	\$824
75 - 80	582	4	16	139	188	130	89	13	2	1
	1,973	4,662	3,297	2,672	2,080	1,387	1,261	1,350	1,776	1,074
80 - 84	630	4	6	30	150	236	160	35	8	1
	1,829	1,846	2,689	2,211	2,130	1,838	1,615	1,149	1,051	2,308
85 - 89	320	1	--	1	17	122	114	56	7	2
	1,670	927	--	43	1,775	1,671	1,873	1,363	1,093	927
90 & over	129	--	--	--	2	4	42	58	18	5
	1,394	--	--	--	3,252	976	1,385	1,596	889	539
Total	3,798	639	609	604	638	621	450	182	45	10
	\$2,202	\$3,399	\$2,698	\$2,304	\$1,831	\$1,563	\$1,585	\$1,360	\$1,092	\$875

Note: Total retired benefit \$8,363,909, average age 72.4 and average years retired 15.6.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT C (continued)

Average Monthly Benefit and Membership Distribution of Retired Members and Beneficiaries

ii. General Tier 2 as of December 31, 2004

Age	Total	Years of Retirement								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	4	1	3	--	--	--	--	--	--	--
	\$401	\$98	\$502	--	--	--	--	--	--	--
25 - 29	3	--	2	1	--	--	--	--	--	--
	468	--	530	\$345	--	--	--	--	--	--
30 - 34	7	1	3	3	--	--	--	--	--	--
	670	988	432	802	--	--	--	--	--	--
35 - 39	8	--	3	5	--	--	--	--	--	--
	1,055	--	1,548	759	--	--	--	--	--	--
40 - 44	2	--	1	1	--	--	--	--	--	--
	1,838	--	2,462	1,214	--	--	--	--	--	--
45 - 49	7	1	3	3	--	--	--	--	--	--
	1,101	1,212	1,226	940	--	--	--	--	--	--
50 - 54	24	16	6	--	2	--	--	--	--	--
	827	636	1,135	--	\$1,436	--	--	--	--	--
55 - 59	80	30	41	5	4	--	--	--	--	--
	795	544	863	1,534	1,057	--	--	--	--	--
60 - 64	93	29	49	14	1	--	--	--	--	--
	773	802	774	686	1,124	--	--	--	--	--
65 - 69	113	28	66	15	4	--	--	--	--	--
	909	706	1,038	588	1,401	--	--	--	--	--
70 - 74	118	12	58	35	8	5	--	--	--	--
	925	719	1,091	784	813	\$654	--	--	--	--
75 - 80	60	4	18	33	3	2	--	--	--	--
	722	519	811	714	819	316	--	--	--	--
80 - 84	18	--	4	11	2	1	--	--	--	--
	821	--	610	563	1,952	2,245	--	--	--	--
85 - 89	3	--	--	2	1	--	--	--	--	--
	272	--	--	305	207	--	--	--	--	--
90 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	540	122	257	128	25	8	--	--	--	--
	\$840	\$676	\$948	\$738	\$1,076	\$768	--	--	--	--

Note: Total retired benefit \$453,621, average age 65.4 and average years retired 8.2.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT C (continued)

Average Monthly Benefit and Membership Distribution of Retired Members and Beneficiaries

iii. General Tier 3 as of December 31, 2004

Age	Total	Years of Retirement								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	5	4	1	--	--	--	--	--	--	--
	\$1,310	\$1,382	\$1,018	--	--	--	--	--	--	--
25 - 29	1	1	--	--	--	--	--	--	--	--
	567	567	--	--	--	--	--	--	--	--
30 - 34	2	2	--	--	--	--	--	--	--	--
	964	964	--	--	--	--	--	--	--	--
35 - 39	5	5	--	--	--	--	--	--	--	--
	715	715	--	--	--	--	--	--	--	--
40 - 44	2	2	--	--	--	--	--	--	--	--
	2,100	2,100	--	--	--	--	--	--	--	--
45 - 49	9	8	1	--	--	--	--	--	--	--
	1,851	1,778	2,433	--	--	--	--	--	--	--
50 - 54	51	50	1	--	--	--	--	--	--	--
	1,089	1,077	1,695	--	--	--	--	--	--	--
55 - 59	91	85	6	--	--	--	--	--	--	--
	1,641	1,696	858	--	--	--	--	--	--	--
60 - 64	134	119	15	--	--	--	--	--	--	--
	1,511	1,536	1,315	--	--	--	--	--	--	--
65 - 69	105	90	15	--	--	--	--	--	--	--
	1,324	1,389	929	--	--	--	--	--	--	--
70 - 74	32	26	6	--	--	--	--	--	--	--
	1,163	1,144	1,246	--	--	--	--	--	--	--
75 - 80	4	3	1	--	--	--	--	--	--	--
	898	1,073	373	--	--	--	--	--	--	--
80 - 84	1	1	--	--	--	--	--	--	--	--
	407	407	--	--	--	--	--	--	--	--
85 - 89	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
90 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	442	396	46	--	--	--	--	--	--	--
	\$1,405	\$1,438	\$1,126	--	--	--	--	--	--	--

Note: Total retired benefit \$621,098, average age 60.9 and average years retired 2.5.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT C (continued)

Average Monthly Benefit and Membership Distribution of Retired Members and Beneficiaries

iv. Safety as of December 31, 2004

Age	Total	Years of Retirement								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	3	1	--	2	--	--	--	--	--	--
	\$2,479	\$3,243	--	\$2,097	--	--	--	--	--	--
25 - 29	3	--	--	3	--	--	--	--	--	--
	614	--	--	614	--	--	--	--	--	--
30 - 34	13	11	--	2	--	--	--	--	--	--
	2,515	2,728	--	1,344	--	--	--	--	--	--
35 - 39	13	7	3	3	--	--	--	--	--	--
	2,439	2,975	\$2,922	705	--	--	--	--	--	--
40 - 44	44	20	15	7	2	--	--	--	--	--
	2,950	2,927	3,149	2,630	\$2,793	--	--	--	--	--
45 - 49	40	16	14	7	3	--	--	--	--	--
	2,792	2,822	2,844	2,637	2,749	--	--	--	--	--
50 - 54	135	83	21	20	9	2	--	--	--	--
	4,451	5,623	2,715	2,639	2,259	\$2,034	--	--	--	--
55 - 59	311	186	54	31	18	12	8	2	--	--
	5,031	6,546	3,147	2,735	2,184	2,413	\$2,617	\$1,541	--	--
60 - 64	254	70	102	50	18	5	6	2	1	--
	4,955	5,181	6,376	3,505	2,002	2,218	2,752	2,140	\$2,347	--
65 - 69	184	11	48	71	26	18	5	4	1	--
	4,534	3,426	4,609	5,941	3,182	2,520	2,618	2,551	2,205	--
70 - 74	147	1	14	36	40	30	19	6	-	1
	3,977	11,084	3,928	5,275	4,253	2,982	2,789	2,351	-	\$2,009
75 - 80	102	--	1	4	17	34	31	8	5	2
	3,719	--	1,267	3,330	4,554	4,303	3,352	2,588	2,661	1,557
80 - 84	63	--	--	1	2	6	34	17	2	1
	3,899	--	--	5,627	2,743	4,250	4,511	3,055	1,497	750
85 - 89	21	--	--	--	--	--	3	11	5	2
	2,731	--	--	--	--	--	4,100	2,932	1,847	1,782
90 & over	5	--	--	--	--	--	--	--	4	1
	2,415	--	--	--	--	--	--	--	2,825	779
Total	1,338	406	272	237	135	107	106	50	18	7
	\$4,374	\$5,550	\$4,598	\$4,182	\$3,298	\$3,278	\$3,520	\$2,731	\$2,299	\$1,459

Note: Total retired benefit \$5,852,498, average age 62.9 and average years retired 12.0.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT D

Reconciliation of Member Data – December 31, 2003 to December 31, 2004

	Active Participants	Vested Former Participants⁽¹⁾	Pensioners	Disableds	Beneficiaries	Total
Number as of December 31, 2003	9,476	1,248	3,998	896	1,042	16,660
New participants	587	89	0	0	0	676
Terminations – with vested rights ⁽¹⁾	-313	313	0	0	0	0
Contributions Refunds	-184	-79	0	0	0	-263
Retirements	-193	-31	224	0	0	0
New disabilities	-27	-1	-4	32	0	0
Return to work	18	-18	0	0	0	0
Died with or without beneficiary	-6	-4	-75	-23	27	-81
Data adjustments	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
Number as of December 31, 2004	9,358	1,517	4,144	905	1,069	16,993

⁽¹⁾ Includes terminated members due a refund of member contributions.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT E

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended December 31, 2004	Year Ended December 31, 2003
Contribution income:		
Employer contributions	\$118,245,418	\$425,532,766*
Employee contributions	65,297,397	51,602,939
Other contributions	<u>0</u>	<u>0</u>
Net contribution income	\$183,542,815	\$477,135,705
Investment income:		
Interest, dividends and other income	\$100,900,771	\$92,538,717
Adjustment toward market value**	59,905,354	8,494,041
Less investment and administrative fees	<u>(24,131,891)</u>	<u>(17,612,746)</u>
Net investment income	<u>136,674,234</u>	<u>83,420,012</u>
Total income available for benefits	\$320,217,049	\$560,555,717
Less benefit payments:		
Benefits paid	\$(178,979,297)	\$(163,923,104)
Refunds of contributions	(909,468)	(1,036,599)
Adjustments/transfers	<u>(4,960,338)***</u>	<u>(266,802)</u>
Net benefit payments	\$(184,849,103)	\$(165,226,505)
Change in reserve for future benefits	\$135,367,946	\$395,329,212

* Includes proceeds of \$319,094,714 from Pension Obligation Bonds issued by the County in May 2003.

** Equals the "non-cash" earnings on investments implicitly included in the Actuarial Value of Assets.

*** Includes transfers for withdrawn employers.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT F

Summary Statement of Assets

	Year Ended December 31, 2004	Year Ended December 31, 2003
Cash equivalents	\$657,799,613	\$579,864,432
Accounts receivable:		
Investment trades	\$285,421,487	\$327,267,439
Investment income	12,588,142	11,562,167
Employee and employer contributions	5,244,608	4,407,628
Additional contributions*	<u>33,725,926</u>	<u>32,983,632</u>
Total accounts receivable	336,980,163	376,220,866
Investments:		
Stocks	\$1,746,928,390	\$1,610,790,020
Bonds	1,311,420,447	1,137,809,868
Real estate	366,127,999	309,831,014
Alternative investments	<u>86,629,806</u>	<u>61,323,636</u>
Total investments at market value	<u>3,511,106,642</u>	<u>3,119,754,538</u>
Total assets	\$4,505,886,418	\$4,075,839,836
Less accounts payable:		
Investment trades	\$(368,779,935)	\$(477,723,512)
Security lending	(332,937,664)	(207,255,813)
Employer contributions unearned	(64,949,247)	(58,524,944)
Other	<u>(20,603,676)</u>	<u>(18,840,620)</u>
Total accounts payable	\$(787,270,522)	\$(762,344,889)
Net assets at market value	<u>\$3,718,615,896</u>	<u>\$3,313,494,947</u>
Net assets at actuarial value	<u>\$3,686,168,674</u>	<u>\$3,550,800,728</u>
Net assets at valuation value	<u>\$3,673,858,074</u>	<u>\$3,538,721,957</u>

* Equals the sum of additional contribution receivables for San Ramon Fire District and the final Paulson Settlement.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT G

Actuarial Balance Sheet

An overview of your 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.

	Basic	COLA	Total
Assets			
1. Total valuation value of assets	\$2,458,834,978	\$1,215,023,096	\$3,673,858,074
2. Present value of future contributions by members	377,885,088	214,152,533	592,037,621
3. Present value of future employer contributions for:			
(a) entry age normal cost	778,304,332	218,684,916	996,989,248
(b) unfunded actuarial accrued liability	533,840,202	273,544,623	807,384,825
4. Total actuarial assets	\$4,148,864,600	\$1,921,405,168	\$6,070,269,768
Liabilities			
5. Present value of retirement allowances payable to present retired members	\$1,355,439,057	\$856,643,210	\$2,212,082,267
6. Present value of retirement allowances to be granted	2,793,425,543	1,064,761,958	3,858,187,501
7. Total actuarial liabilities	\$4,148,864,600	\$1,921,405,168	\$6,070,269,768

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT H

Summary of Reported Asset Information as of December 31, 2004

Reserves	
Member Deposits ⁽¹⁾	\$307,042,183
Member Cost of Living ⁽¹⁾	71,729,876
Employer Advance ⁽¹⁾	954,739,199
Employer Cost of Living ⁽¹⁾	649,467,788
Retired Members ⁽¹⁾	1,210,353,614
Retired Cost of Living ⁽¹⁾	469,765,921
New Dollar Power Cost of Living Supplement and Pre-Fund ⁽¹⁾	32,437,702
Smoothed Market Value Valuation ⁽¹⁾	146,132,597
Post Retirement Death Benefit ⁽²⁾	12,310,600
Statutory Contingency (one percent) ⁽²⁾	0
Additional One Percent Contingency Designation ⁽²⁾	0
Contra Tracking Account ⁽¹⁾	<u>(167,810,806)</u>
 Total Allocated Reserves	 \$3,686,168,674
Market Stabilization Account	<u>32,447,222</u>
Net market value	<u>\$3,718,615,896</u>

⁽¹⁾ *Included in valuation assets.*

⁽²⁾ *Not included in valuation assets.*

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT I

Development of Unfunded Actuarial Accrued Liability

	Year Ended December 31, 2004
1. Unfunded actuarial accrued liability at beginning of year	\$602,667,781
2. Gross Normal cost at middle of year	178,340,684
3. Actual employer and member contributions	(183,542,815)
4. Interest (whole year on (1) plus half year on (2) + (3))	<u>47,405,271</u>
5. Expected unfunded actuarial accrued liability at end of year	\$644,870,921
6. Actuarial (gain)/loss due to all changes:	
a. Investment return	\$143,793,721
b. Delay in implementing new contribution rate	42,284,378
c. Salary increases	(21,932,005)
d. Plan changes	4,068,619
e. Change in assumptions	22,552,242
f. Other experience (gain)/loss	<u>(28,253,051)</u>
g. Total (gain)/loss	<u>162,513,904</u>
7. Unfunded actuarial accrued liability at end of year	<u>\$807,384,825</u>

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT J

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 limit of \$160,000 indexed for inflation. That limit is \$170,000 for 2005. 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. Limits are also affected by the "grandfather" election under Section 415(b)(10).

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.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in actuarial gains as they occur.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

EXHIBIT K

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 which the Plan will earn over the long-term future;
- (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;
- (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 of the interest which the sum is expected to earn before it is entirely paid out in benefits.

Unfunded Actuarial Accrued Liability:

The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

SECTION 3: Supplemental Information for the Contra Costa County Employees' Retirement Association

Amortization of the Unfunded

Actuarial Accrued Liability: Payments made over a period of years equal in value to the Plan's unfunded 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 market gains and losses to avoid significant swings in the value of assets from one year to the next.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

EXHIBIT I

Supplementary Information Required by GASB – Schedule of Employer Contributions

Plan Year Ended December 31	Annual Required Contributions	Actual Contributions	Percentage Contributed
1999	\$ 52,565,912	N/A	93.7%*
2000	58,035,756	\$ 52,986,645	91.3%*
2001	58,642,407	55,182,505	94.1%*
2002	58,319,678	57,474,043	98.6%*
2003	108,728,047	108,728,047**	100.0%
2004	118,245,418	118,245,418	100.0%

* *The contribution percentage is less than 100% due to actions taken by the Board of Retirement to phase-in, over three years, increased contribution requirements associated with the significant actuarial assumption changes and the expansion of earnable compensation required by the "Ventura Decision".*

** *Excludes Contra Costa County pension obligation bond proceeds of \$319,094,719.*

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

EXHIBIT II

Supplementary Information Required by GASB – Schedule of Funding Progress

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)]
12/31/1999	\$2,137,554,000	\$2,433,614,000	\$296,060,000	87.83%	\$463,279,000	63.91%
12/31/2000	2,355,179,000	2,643,526,000	288,347,000	89.09%	488,384,000	59.04%
12/31/2001	2,613,220,000	2,983,551,000	370,331,000	87.59%	523,621,000	70.73%
12/31/2002	3,296,736,000	3,677,624,000	380,888,000	89.64%	580,415,000	65.62%
12/31/2003	3,538,722,000	4,141,390,000	602,668,000	85.45%	600,274,000	100.40%
12/31/2004	3,673,858,074	4,481,242,899	807,384,825	81.98%	619,132,218	130.41%

**Excludes assets for non-valuation reserves.*

***Excludes liabilities for non-valuation reserves.*

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

EXHIBIT III

Supplementary Information Required by GASB

Valuation date	December 31, 2004
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of payroll for total unfunded liability
Remaining amortization period	18 years (declining) for all UAAL
Asset valuation method	Market value of assets less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized semi-annually over a five-year period. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations
Actuarial assumptions:	
Investment rate of return	7.90%
Inflation Rate	4.00%
Projected salary increases*	General: 4.25% to 16.05%; Safety: 4.25% to 13.25%
Cost of living adjustments	Contingent upon CPI Increases with a 3% or 4% Maximum
Plan membership:	
Retired members and beneficiaries receiving benefits	6,118
Terminated members entitled to, but not yet receiving benefits	1,517
Active members	<u>9,358</u>
Total	16,993

* Includes inflation at 4.00%, plus "Across the Board" salary increases of 0.25%, plus merit and longevity increases. See Exhibit IV for these increases.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Post – Retirement Mortality Rates:

Healthy: For General Members: 1994 Group Annuity Mortality Table set forward one year.
For Safety Members: 1994 Group Annuity Mortality Table set forward two years.

Disabled: For General members: 1981 Disability Mortality Table (General) set back three years.
For Safety members: 1994 Group Annuity Mortality Table set forward two years.

Employee Contribution Rates: For General members: 1994 Group Annuity Mortality Table set forward one year weighted 30% male and 70% female.
For Safety members: 1994 Group Annuity Mortality Table set forward two years weighted 85% male and 15% female.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Termination Rates Before Retirement (continued):

Age	Rate (%)			
	Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.07	0.03	0.07	0.03
30	0.08	0.04	0.08	0.04
35	0.09	0.05	0.09	0.06
40	0.12	0.08	0.13	0.08
45	0.17	0.10	0.19	0.11
50	0.29	0.16	0.32	0.17
55	0.49	0.26	0.56	0.29
60	0.90	0.51	1.01	0.58
65	1.62	0.97	1.80	1.08

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

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Termination Rates Before Retirement (continued):

Age	Rate (%)		
	Disability		
	General Tier 1 ⁽¹⁾	General Tier 2 and 3 ⁽²⁾	Safety ⁽³⁾
20	0.04	0.00	0.06
25	0.11	0.02	0.16
30	0.24	0.04	0.44
35	0.36	0.08	0.84
40	0.52	0.11	1.12
45	0.66	0.17	1.56
50	0.79	0.34	2.22
55	0.94	0.56	2.50
60	1.15	0.80	0.00

- ⁽¹⁾ 70% of General Tier 1 disabilities are assumed to be duty disabilities. The other 30% are assumed to be ordinary disabilities.
- ⁽²⁾ 25% of General Tier 2 and 3 disabilities are assumed to be duty disabilities. The other 75% are assumed to be ordinary disabilities.
- ⁽³⁾ 100% of Safety disabilities are assumed to be duty disabilities.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Termination Rates Before Retirement (continued):

Rate (%)		
Withdrawal (< 5 Years of Service)		
Years of Service	General	Safety
0	13.00	9.00
1	7.00	6.00
2	6.00	5.00
3	5.00	4.00
4	4.00	3.00

Withdrawal (5+ Years of Service) *		
Age	General	Safety
20	4.00	3.00
25	4.00	3.00
30	4.00	2.78
35	4.00	2.00
40	3.84	1.46
45	3.21	0.95
50	1.52	0.00
55	0.33	0.00
60	0.00	0.00

* The member is assumed to receive the greater of the member's contribution balance or a deferred retirement benefit. No withdrawal is assumed after a member is eligible for retirement.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Retirement Rates (Enhanced):

For those members covered under the enhanced benefit formulas the following rates apply:

Rate (%)			
Age	Tier 1	Tier 3	Safety
50	3.00	3.00	30.00
51	3.00	3.00	25.00
52	5.00	5.00	25.00
53	10.00	5.00	25.00
54	15.00	10.00	30.00
55	20.00	10.00	45.00
56	20.00	10.00	45.00
57	25.00	10.00	50.00
58	25.00	10.00	50.00
59	25.00	10.00	50.00
60	25.00	15.00	100.00
61	30.00	15.00	100.00
62	30.00	25.00	100.00
63	30.00	25.00	100.00
64	30.00	30.00	100.00
65	35.00	35.00	100.00
66	35.00	35.00	100.00
67	35.00	35.00	100.00
68	35.00	35.00	100.00
69	35.00	35.00	100.00
70	100.00	100.00	100.00

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Retirement Rates (Non-enhanced):

For those members not covered under the enhanced benefit formulas the following rates apply:

Age	Rate (%)			
	Tier 1	Tier 2	Tier 3	Safety
50	3.00	3.00	2.00	1.00
51	3.00	3.00	2.00	1.00
52	3.00	3.00	2.00	1.00
53	3.00	3.00	2.00	1.00
54	3.00	3.00	2.00	1.00
55	10.00	5.00	2.00	2.00
56	10.00	5.00	4.00	2.00
57	10.00	5.00	4.00	3.00
58	10.00	5.00	4.00	4.00
59	10.00	5.00	5.00	20.00
60	25.00	15.00	5.00	17.00
61	15.00	15.00	5.00	17.00
62	40.00	15.00	15.00	18.00
63	25.00	10.00	10.00	20.00
64	30.00	25.00	20.00	100.00
65	40.00	25.00	20.00	100.00
66	35.00	25.00	20.00	100.00
67	35.00	25.00	20.00	100.00
68	35.00	40.00	35.00	100.00
69	35.00	40.00	50.00	100.00
70	100.00	100.00	100.00	100.00

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

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

For current deferred vested members, we make the following retirement assumption:

General: Age 58
Safety: Age 55

We assume that 50% of future General and Safety deferred vested members will continue to work for a reciprocal employer. For these, we assume 6.25% compensation increases per annum.

Future Benefit Accruals:

1.0 year of service per year for the full-time employees. Continuation of current partial service accrual for part-time employees.

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; 55% of female members.

Age of Spouse:

Females are 3 years younger than their spouses.

**Conversion of Prior
Tier 2 Service:**

100% of all eligible Tier 2 members will elect to convert to (non-enhanced) Tier 3 after five years of service.

**Tier 3 Members Converting
Prior Tier 2 Service:**

10% of all eligible Tier 3 members will convert their prior Tier 2 service to Tier 3 service.

**Offsets by Other Plans of the
Employer for Disability Benefits:**

The Plan requires members who retire because of disability from Tier 2 and Tier 3 to offset the Plan's disability benefits with other Plans of the employer. We have not assumed any offsets in this valuation.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Terminal Pay Assumptions:

The following assumptions for terminal pay as a percentage of final average pay are used:

General Tier 1:	11.50%
General Tier 2:	3.25%
General Tier 3	8.50%
Safety:	11.50%

For determining the cost of the basic benefit (i.e. non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect member contribution rates.

Service From Unused Sick Leave Conversion:

The following assumptions for service converted from unused sick leave as a percentage of service at retirement are used:

Service Retirements:

General:	1.00%
Safety:	2.00%

Disability Retirements:

General:	0.00%
Safety:	1.00%

Pursuant to Section 31641.01, the cost of this benefit will be charged only to employers and will not affect member contribution rates.

Net Investment Return:

7.90%, net of administration and investment expenses.

Employee Contribution Crediting Rate:

7.90%, compounded semi-annually.

Consumer Price Index:

Increase of 4.00% per year; retiree COLA increases due to CPI subject to a 3.0% maximum change per year except for Tier 3 disability benefits and Tier 2 benefits which are subject to a 4.0% (valued as 3.75% increase) maximum change per year.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Salary Increases:

Annual Rate of Compensation Increase		
Inflation: 4.00%; plus “across the board” salary increases of 0.25% per year; plus the following merit and longevity increases.		
Age	General	Safety
20	11.80%	9.20%
25	6.40%	7.60%
30	4.70%	5.00%
35	3.50%	3.00%
40	2.80%	2.20%
45	2.10%	1.80%
50	1.80%	1.30%
55	1.50%	1.00%
60	1.40%	0.00%

Actuarial Value of Assets: Market value of assets less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized semi-annually over a five-year period.

Valuation Value of Assets: Actuarial Value of Assets reduced by the value of the non-valuation reserves and designations.

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method. Entry Age is age minus years of service. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percent of compensation. The Normal Cost is calculated on an aggregate basis by taking the Present Value of Future Normal Costs divided by Present Value of Future Salaries to obtain a normal cost rate. This normal cost rate is then multiplied by the total of current salaries. The Present Value of Future Normal Costs is determined as if the current benefit accrual rate had always been in effect.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Changes in Assumptions:

Based on the April 18, 2005 Review of Economic Actuarial Assumptions, one assumption was changed. Previously, that assumption was as follows:

Salary Increases:

Annual Rate of Compensation Increase		
Inflation: 4.00%; plus the following merit and longevity increases.		
Age	General	Safety
20	11.80%	9.20%
25	6.40%	7.60%
30	4.70%	5.00%
35	3.50%	3.00%
40	2.80%	2.20%
45	2.10%	1.80%
50	1.80%	1.30%
55	1.50%	1.00%
60	1.40%	0.00%

There are assumed to be no “across the board” salary increases (other than inflation).

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan 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:

<i>General Tier 1</i>	All General members hired before July 1, 1980 and electing not to transfer to Tier 2 Plan. General members who are hired after July 1, 1980 and work for specific employers are placed in Tier 1.
<i>General Tier 2</i>	All General members hired on or after August 1, 1980 and all General members hired before July 1, 1980 electing to transfer to the Tier 2 Plan. Effective October 1, 2002, for the County, Tier 2 will be eliminated and all County employees (excluding CNA employees) in Tier 2 will be placed in Tier 3. Effective January 1, 2005, all CNA employees in Tier 2 will be placed in Tier 3.
<i>General Tier 3</i>	Tier 2 members can elect Tier 3 coverage (for future service) effective on the later of: October 1, 1998 or the day after achieving 5 years of service. All County General members (excluding CNA employees) hired on or after October 1, 2002 will be placed in Tier 3. All CNA employees hired after January 1, 2005 will be placed in Tier 3.
<i>Safety</i>	All Safety members.

**Final Compensation for
Benefit Determination:**

<i>General Tier 1, Tier 3, and Safety</i>	Highest consecutive twelve months of compensation earnable. (FAS1)
<i>General Tier 2</i>	Highest consecutive thirty-six months of compensation earnable. (FAS3)

Social Security Primary Insurance Amount:

<i>General Tier 2</i>	Estimated Social Security award at age 62 assuming level future earnings. (PIA)
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SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Service:

<i>General Tier 1 and 3</i>	Years of service. (Yrs)
<i>General Tier 2</i>	Years of service up to a maximum of 30 years. (Yrs30)

Service Retirement:

Eligibility:

<i>General</i>	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years of service, regardless of age.
<i>Safety</i>	Age 50 with 10 years of service, or age 70 regardless of service, or after 20 years of service, regardless of age.

Benefit Formula:

General Tier 1 and Tier 3 (Non-enhanced)(§31676.11)

Retirement Age	Benefit Formula
50	$(1.24\% \times \text{FAS1} - 1/3 \times 1.24\% \times \$350 \times 12) \times \text{Yrs}$
55	$(1.67\% \times \text{FAS1} - 1/3 \times 1.67\% \times \$350 \times 12) \times \text{Yrs}$
60	$(2.18\% \times \text{FAS1} - 1/3 \times 2.18\% \times \$350 \times 12) \times \text{Yrs}$
62	$(2.35\% \times \text{FAS1} - 1/3 \times 2.35\% \times \$350 \times 12) \times \text{Yrs}$
65	$(2.61\% \times \text{FAS1} - 1/3 \times 2.61\% \times \$350 \times 12) \times \text{Yrs}$

Maximum Benefit: 100% of FAS1

General Tier 2(§31752)

50	$(0.83\% \times \text{FAS3} \times \text{Yrs} - 0.57\% \times \text{Yrs} \times 30 \times \text{PIA})$
55	$(1.13\% \times \text{FAS3} \times \text{Yrs} - 0.87\% \times \text{Yrs} \times 30 \times \text{PIA})$
60	$(1.43\% \times \text{FAS3} \times \text{Yrs} - 1.37\% \times \text{Yrs} \times 30 \times \text{PIA})$
62	$(1.55\% \times \text{FAS3} \times \text{Yrs} - 1.67\% \times \text{Yrs} \times 30 \times \text{PIA})$
65	$(1.73\% \times \text{FAS3} \times \text{Yrs} - 1.67\% \times \text{Yrs} \times 30 \times \text{PIA})$

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Benefit Formula:

<i>Safety (Non-enhanced)(§31664)</i>	50	(2.00%xFAS1xYrs)
	55	(2.62%xFAS1xYrs)
	60	(2.62%xFAS1xYrs)

Maximum Benefit: 100% of FAS1

<i>General Tier 1 and Tier 3 (Enhanced) (§31676.16)</i>	Retirement Age	Benefit Formula
	50	(1.43%xFAS1 – 1/3x1.43%x\$350x12)xYrs
	55	(2.00%xFAS1 – 1/3x2.00%x\$350x12)xYrs
	60	(2.26%xFAS1 – 1/3x2.26%x\$350x12)xYrs
	62	(2.37%xFAS1 – 1/3x2.37%x\$350x12)xYrs
	65	(2.42%xFAS1 – 1/3x2.42%x\$350x12)xYrs

Maximum Benefit: 100% of FAS1

<i>Safety (Enhanced)(§31664.1)</i>	50	(3.00%xFAS1xYrs)
	55	(3.00%xFAS1xYrs)
	60	(3.00%xFAS1xYrs)

Maximum Benefit: 100% of FAS1

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Ordinary Disability:

General Tier 1

Eligibility

Five years of service (§31720).

Benefit Formula

1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but total benefit cannot be more than one-third of Final Compensation (§31727).

General Tier 2 and General Tier 3

Eligibility

Ten years of service and definition of disability is more strict than Tier 1 Plan (§31720.1).

Benefit Formula

40% of Final Compensation plus 10% of Final Compensation used in the benefit determination for each minor child (maximum of three) (§31727.01).

Offset

Disability benefits are offset by other plans of the employer except Workers Compensation and Social Security.

Safety

Eligibility

Five years of service (§31720).

Benefit Formula

1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but total benefit cannot be more than one-third of Final Compensation (§31727.2).

Line-of-Duty Disability:

General Tier 1 and Safety

Eligibility

No age or service requirements (§31720).

Benefit Formula

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

General Tier 2 and General Tier 3

Eligibility

No age or service requirements (§31720).

Benefit Formula

40% of Final Compensation plus 10% of Final Compensation for each minor child (maximum of three) (§31727.01).

Offset

Disability benefits are offset by other plans of the Employer except Workers Compensation and Social Security.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Pre-Retirement Death:

General Tier 1 and Tier 3, and Safety

Eligibility - A None.

Benefit - A Refund of employee contributions with interest plus one month's compensation for each year of service to a maximum of six month's compensation (§31781); 50% of Final Compensation payable to spouse if Line of Duty death (§31787).

OR

Eligibility - B Five years of service.

Benefit - B Option 2 (100% continuation) of Ordinary Disability benefit payable to designated beneficiary.

Death in line of duty 50% of Final compensation.

General Tier 2

Eligibility - A None.

Benefit - A Refund of employee contributions with interest plus \$2,000 lump sum benefit offset by any Social Security payment. (§31781.01); If a Line of Duty death then 60% of Service or Disability Retirement Benefit (minimum benefit is 24% of Final Compensation) plus, for each minor child, 10% of the allowance otherwise paid to the member. Minimum family benefit is 60% of the member's allowance. Maximum family benefit is 100% of member's allowance.

OR

Eligibility - B Ten years of service.

Benefit - B Option 2 (100% continuation) of Ordinary Disability benefit payable to designated beneficiary.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Death After Retirement:

General Tier 1 and Tier 3, and Safety

Service or

Ordinary Disability Retirement

60% of member's unmodified allowance continued to eligible spouse. An eligible spouse is a surviving spouse who was married to the member one year prior to member's retirement or at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).
\$5,000 lump sum benefit payable to member's beneficiary (§31789.12).

Line-of-Duty Disability

100% of members allowance continued to eligible spouse (§31786).

General Tier 2

Service or

Disability Retirement

60% of member's unmodified allowance continued to eligible spouse plus 10% of allowance to each minor child. Minimum benefit is 60% of allowance. Maximum benefit is 100% of allowance. \$7,000 lump sum benefit less any Social Security Lump sum payment payable to member's beneficiary.

Withdrawal Benefits:

Less than Five Years of Service

Refund of accumulated employee contributions with interest, or earned benefit at age 70 (§31628).

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 Tier 1 and Tier 3, and Safety

Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked." Tier 3 disability benefits have a maximum of 4% per year.

General Tier 2

Future changes based on Consumer Price Index to a maximum of 4% per year, excess "banked."

County Contributions:

Determined by the Entry Age Normal Cost method. The total Unfunded Actuarial Accrued Liability is being funded as a level percent of payroll over an 18-year period as of December 31, 2004.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Member Contributions:	Please refer to Appendix A for the specific rates.
General Tier 1 and Tier 3 (Non-enhanced)	
<i>Basic</i>	Provide for one-half of the §31676.11 benefit at age 55.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
General Tier 2	
<i>Basic</i>	40% of the full §31676.11 employee contribution rate.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
Safety (Non-enhanced)	
<i>Basic</i>	Provide for one-half of the §31664 benefit at age 50.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
General Tier 1 and Tier 3 (Enhanced)	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/120 of FAS1.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
Safety (Enhanced)	
<i>Basic</i>	Provide for an average annuity at age 50 equal to 1/100 of FAS1.
<i>Cost-of-Living</i>	Provide for one-half of future Cost-of-Living costs.
Other Information:	Transfers from the Tier 1 Plan to the Tier 2 Plan were made on an individual voluntary irrevocable basis. Credit is given under the Tier 2 Plan for future service only. The Cost-of-Living maximum is 4% only for the credit under the Tier 2 Plan. Transferred Tier 2 Plan members keep the five-year requirement for nonservice-connected disability. Those who were members before April 1, 1973 and all safety under the enhanced benefit formula will be exempt from paying member contributions after 30 years of service.

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Plan Amendments:

The following plan change is recognized in this valuation:

CNA members in Tier 2 will be transferred to Tier 3. CNA members in Tiers 1 and 3 will receive "Enhanced" benefits under §31676.16.

NOTE:

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

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Appendix A

Member Contribution Rates

General Tier 1 (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	5.40%	8.10%	2.65%	3.97%	8.05%	12.07%
16	5.35%	8.02%	2.62%	3.93%	7.97%	11.95%
17	5.29%	7.93%	2.59%	3.88%	7.88%	11.81%
18	5.23%	7.85%	2.56%	3.84%	7.79%	11.69%
19	5.19%	7.78%	2.54%	3.81%	7.73%	11.59%
20	5.15%	7.72%	2.52%	3.78%	7.67%	11.50%
21	5.11%	7.67%	2.51%	3.76%	7.62%	11.43%
22	5.09%	7.63%	2.49%	3.74%	7.58%	11.37%
23	5.07%	7.60%	2.48%	3.72%	7.55%	11.32%
24	5.05%	7.58%	2.47%	3.71%	7.52%	11.29%
25	5.04%	7.56%	2.47%	3.70%	7.51%	11.26%
26	5.03%	7.55%	2.47%	3.70%	7.50%	11.25%
27	5.03%	7.54%	2.46%	3.69%	7.49%	11.23%
28	5.03%	7.55%	2.47%	3.70%	7.50%	11.25%
29	5.03%	7.55%	2.47%	3.70%	7.50%	11.25%
30	5.04%	7.56%	2.47%	3.70%	7.51%	11.26%
31	5.05%	7.57%	2.47%	3.71%	7.52%	11.28%
32	5.06%	7.59%	2.48%	3.72%	7.54%	11.31%
33	5.07%	7.61%	2.49%	3.73%	7.56%	11.34%
34	5.09%	7.64%	2.49%	3.74%	7.58%	11.38%
35	5.11%	7.67%	2.51%	3.76%	7.62%	11.43%
36	5.14%	7.71%	2.51%	3.77%	7.65%	11.48%
37	5.17%	7.75%	2.53%	3.79%	7.70%	11.54%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 1 (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
38	5.19%	7.79%	2.54%	3.81%	7.73%	11.60%
39	5.23%	7.84%	2.56%	3.84%	7.79%	11.68%
40	5.26%	7.89%	2.57%	3.86%	7.83%	11.75%
41	5.29%	7.94%	2.59%	3.89%	7.88%	11.83%
42	5.33%	7.99%	2.61%	3.91%	7.94%	11.90%
43	5.37%	8.05%	2.63%	3.94%	8.00%	11.99%
44	5.41%	8.11%	2.65%	3.97%	8.06%	12.08%
45	5.45%	8.18%	2.67%	4.00%	8.12%	12.18%
46	5.50%	8.25%	2.69%	4.04%	8.19%	12.29%
47	5.55%	8.32%	2.71%	4.07%	8.26%	12.39%
48	5.58%	8.37%	2.73%	4.10%	8.31%	12.47%
49	5.63%	8.44%	2.75%	4.13%	8.38%	12.57%
50	5.67%	8.51%	2.78%	4.17%	8.45%	12.68%
51	5.74%	8.61%	2.81%	4.22%	8.55%	12.83%
52	5.77%	8.65%	2.83%	4.24%	8.60%	12.89%
53	5.82%	8.73%	2.85%	4.27%	8.67%	13.00%
54	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
55	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
56	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
57	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
58	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
59	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
60	5.85%	8.77%	2.86%	4.29%	8.71%	13.06%
Interest:	7.90%					
Salary Increase:	See Exhibit IV.					
COLA Loading:	48.96%					
Mortality:	GAM 1994 (30% Male and 70% Female, with ages set forward one year)					

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 1 (Enhanced) Members' Contribution Rates for Members receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	4.62%	6.93%	2.75%	4.13%	7.37%	11.06%
16	4.57%	6.86%	2.73%	4.09%	7.30%	10.95%
17	4.53%	6.80%	2.70%	4.05%	7.23%	10.85%
18	4.50%	6.75%	2.68%	4.02%	7.18%	10.77%
19	4.46%	6.69%	2.66%	3.99%	7.12%	10.68%
20	4.43%	6.65%	2.64%	3.96%	7.07%	10.61%
21	4.41%	6.61%	2.63%	3.94%	7.04%	10.55%
22	4.39%	6.59%	2.62%	3.93%	7.01%	10.52%
23	4.38%	6.57%	2.61%	3.92%	6.99%	10.49%
24	4.37%	6.56%	2.61%	3.91%	6.98%	10.47%
25	4.37%	6.55%	2.60%	3.90%	6.97%	10.45%
26	4.37%	6.55%	2.60%	3.90%	6.97%	10.45%
27	4.37%	6.55%	2.60%	3.90%	6.97%	10.45%
28	4.37%	6.55%	2.60%	3.90%	6.97%	10.45%
29	4.37%	6.56%	2.61%	3.91%	6.98%	10.47%
30	4.39%	6.58%	2.61%	3.92%	7.00%	10.50%
31	4.40%	6.60%	2.62%	3.93%	7.02%	10.53%
32	4.41%	6.62%	2.63%	3.95%	7.04%	10.57%
33	4.43%	6.64%	2.64%	3.96%	7.07%	10.60%
34	4.45%	6.67%	2.65%	3.98%	7.10%	10.65%
35	4.47%	6.71%	2.67%	4.00%	7.14%	10.71%
36	4.49%	6.74%	2.68%	4.02%	7.17%	10.76%
37	4.52%	6.78%	2.69%	4.04%	7.21%	10.82%
38	4.55%	6.82%	2.71%	4.06%	7.26%	10.88%
39	4.58%	6.87%	2.73%	4.09%	7.31%	10.96%
40	4.61%	6.92%	2.75%	4.12%	7.36%	11.04%
41	4.65%	6.97%	2.77%	4.15%	7.42%	11.12%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 1 (Enhanced) Members' Contribution Rates for Members receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
42	4.68%	7.02%	2.79%	4.18%	7.47%	11.20%
43	4.72%	7.08%	2.81%	4.22%	7.53%	11.30%
44	4.75%	7.13%	2.83%	4.25%	7.58%	11.38%
45	4.80%	7.20%	2.86%	4.29%	7.66%	11.49%
46	4.84%	7.26%	2.89%	4.33%	7.73%	11.59%
47	4.88%	7.32%	2.91%	4.36%	7.79%	11.68%
48	4.93%	7.39%	2.93%	4.40%	7.86%	11.79%
49	4.97%	7.45%	2.96%	4.44%	7.93%	11.89%
50	5.02%	7.53%	2.99%	4.49%	8.01%	12.02%
51	5.07%	7.60%	3.02%	4.53%	8.09%	12.13%
52	5.11%	7.67%	3.05%	4.57%	8.16%	12.24%
53	5.17%	7.75%	3.08%	4.62%	8.25%	12.37%
54	5.23%	7.84%	3.11%	4.67%	8.34%	12.51%
55	5.27%	7.91%	3.14%	4.71%	8.41%	12.62%
56	5.31%	7.96%	3.16%	4.74%	8.47%	12.70%
57	5.40%	8.10%	3.22%	4.83%	8.62%	12.93%
58	5.43%	8.15%	3.24%	4.86%	8.67%	13.01%
59	5.45%	8.18%	3.25%	4.88%	8.70%	13.06%
60	5.45%	8.18%	3.25%	4.88%	8.70%	13.06%

Interest: 7.90%
 Salary Increase: See Exhibit IV.
 COLA Loading: 59.60%
 Mortality: GAM 1994 (30% Male and 70% Female, with ages set forward one year)

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 2 Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	3.06%	1.50%	4.56%
16	3.03%	1.48%	4.51%
17	3.00%	1.47%	4.47%
18	2.97%	1.45%	4.42%
19	2.94%	1.44%	4.38%
20	2.92%	1.43%	4.35%
21	2.90%	1.42%	4.32%
22	2.88%	1.41%	4.29%
23	2.87%	1.41%	4.28%
24	2.86%	1.40%	4.26%
25	2.86%	1.40%	4.26%
26	2.85%	1.40%	4.25%
27	2.85%	1.40%	4.25%
28	2.85%	1.40%	4.25%
29	2.85%	1.40%	4.25%
30	2.86%	1.40%	4.26%
31	2.86%	1.40%	4.26%
32	2.87%	1.41%	4.28%
33	2.88%	1.41%	4.29%
34	2.89%	1.41%	4.30%
35	2.90%	1.42%	4.32%
36	2.91%	1.42%	4.33%
37	2.93%	1.43%	4.36%
38	2.95%	1.44%	4.39%
39	2.96%	1.45%	4.41%
40	2.98%	1.46%	4.44%
41	3.00%	1.47%	4.47%
42	3.02%	1.48%	4.50%
43	3.04%	1.49%	4.53%
44	3.07%	1.50%	4.57%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 2 Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
45	3.09%	1.51%	4.60%
46	3.11%	1.52%	4.63%
47	3.14%	1.54%	4.68%
48	3.17%	1.55%	4.72%
49	3.19%	1.56%	4.75%
50	3.24%	1.59%	4.83%
51	3.24%	1.59%	4.83%
52	3.30%	1.62%	4.92%
53	3.44%	1.68%	5.12%
54	3.51%	1.72%	5.23%
55	3.51%	1.72%	5.23%
56	3.51%	1.72%	5.23%
57	3.51%	1.72%	5.23%
58	3.51%	1.72%	5.23%
59	3.51%	1.72%	5.23%
60	3.51%	1.72%	5.23%

Interest: 7.90%
 Salary Increase: See Exhibit IV.
 COLA Loading: 48.96%
 Mortality: GAM 1994 (30% Male and 70% Female, with ages set forward one year)

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 3 (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	5.40%	8.10%	2.15%	3.22%	7.55%	11.32%
16	5.35%	8.02%	2.13%	3.19%	7.48%	11.21%
17	5.29%	7.93%	2.10%	3.15%	7.39%	11.08%
18	5.23%	7.85%	2.08%	3.12%	7.31%	10.97%
19	5.19%	7.78%	2.06%	3.09%	7.25%	10.87%
20	5.15%	7.72%	2.05%	3.07%	7.20%	10.79%
21	5.11%	7.67%	2.03%	3.05%	7.14%	10.72%
22	5.09%	7.63%	2.02%	3.03%	7.11%	10.66%
23	5.07%	7.60%	2.01%	3.02%	7.08%	10.62%
24	5.05%	7.58%	2.01%	3.01%	7.06%	10.59%
25	5.04%	7.56%	2.01%	3.01%	7.05%	10.57%
26	5.03%	7.55%	2.00%	3.00%	7.03%	10.55%
27	5.03%	7.54%	2.00%	3.00%	7.03%	10.54%
28	5.03%	7.55%	2.00%	3.00%	7.03%	10.55%
29	5.03%	7.55%	2.00%	3.00%	7.03%	10.55%
30	5.04%	7.56%	2.01%	3.01%	7.05%	10.57%
31	5.05%	7.57%	2.01%	3.01%	7.06%	10.58%
32	5.06%	7.59%	2.01%	3.02%	7.07%	10.61%
33	5.07%	7.61%	2.02%	3.03%	7.09%	10.64%
34	5.09%	7.64%	2.03%	3.04%	7.12%	10.68%
35	5.11%	7.67%	2.03%	3.05%	7.14%	10.72%
36	5.14%	7.71%	2.05%	3.07%	7.19%	10.78%
37	5.17%	7.75%	2.05%	3.08%	7.22%	10.83%
38	5.19%	7.79%	2.07%	3.10%	7.26%	10.89%
39	5.23%	7.84%	2.08%	3.12%	7.31%	10.96%
40	5.26%	7.89%	2.09%	3.14%	7.35%	11.03%
41	5.29%	7.94%	2.11%	3.16%	7.40%	11.10%
42	5.33%	7.99%	2.12%	3.18%	7.45%	11.17%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 3 (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
43	5.37%	8.05%	2.13%	3.20%	7.50%	11.25%
44	5.41%	8.11%	2.15%	3.22%	7.56%	11.33%
45	5.45%	8.18%	2.17%	3.25%	7.62%	11.43%
46	5.50%	8.25%	2.19%	3.28%	7.69%	11.53%
47	5.55%	8.32%	2.21%	3.31%	7.76%	11.63%
48	5.58%	8.37%	2.22%	3.33%	7.80%	11.70%
49	5.63%	8.44%	2.24%	3.36%	7.87%	11.80%
50	5.67%	8.51%	2.25%	3.38%	7.92%	11.89%
51	5.74%	8.61%	2.28%	3.42%	8.02%	12.03%
52	5.77%	8.65%	2.29%	3.44%	8.06%	12.09%
53	5.82%	8.73%	2.31%	3.47%	8.13%	12.20%
54	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
55	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
56	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
57	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
58	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
59	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%
60	5.85%	8.77%	2.33%	3.49%	8.18%	12.26%

Interest: 7.90%
 Salary Increase: See Exhibit IV.
 COLA Loading: 39.76%
 Mortality: GAM 1994 (30% Male and 70% Female, with ages set forward one year)

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 3 (Enhanced) Members' Contribution Rates for Members receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
15	4.62%	6.93%	2.27%	3.40%	6.89%	10.33%
16	4.57%	6.86%	2.25%	3.37%	6.82%	10.23%
17	4.53%	6.80%	2.23%	3.34%	6.76%	10.14%
18	4.50%	6.75%	2.21%	3.31%	6.71%	10.06%
19	4.46%	6.69%	2.19%	3.28%	6.65%	9.97%
20	4.43%	6.65%	2.17%	3.26%	6.60%	9.91%
21	4.41%	6.61%	2.16%	3.24%	6.57%	9.85%
22	4.39%	6.59%	2.15%	3.23%	6.54%	9.82%
23	4.38%	6.57%	2.15%	3.22%	6.53%	9.79%
24	4.37%	6.56%	2.15%	3.22%	6.52%	9.78%
25	4.37%	6.55%	2.14%	3.21%	6.51%	9.76%
26	4.37%	6.55%	2.14%	3.21%	6.51%	9.76%
27	4.37%	6.55%	2.14%	3.21%	6.51%	9.76%
28	4.37%	6.55%	2.14%	3.21%	6.51%	9.76%
29	4.37%	6.56%	2.15%	3.22%	6.52%	9.78%
30	4.39%	6.58%	2.15%	3.23%	6.54%	9.81%
31	4.40%	6.60%	2.16%	3.24%	6.56%	9.84%
32	4.41%	6.62%	2.17%	3.25%	6.58%	9.87%
33	4.43%	6.64%	2.17%	3.26%	6.60%	9.90%
34	4.45%	6.67%	2.18%	3.27%	6.63%	9.94%
35	4.47%	6.71%	2.19%	3.29%	6.66%	10.00%
36	4.49%	6.74%	2.21%	3.31%	6.70%	10.05%
37	4.52%	6.78%	2.22%	3.33%	6.74%	10.11%
38	4.55%	6.82%	2.23%	3.35%	6.78%	10.17%
39	4.58%	6.87%	2.25%	3.37%	6.83%	10.24%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

General Tier 3 (Enhanced) Members' Contribution Rates for Members receiving Benefits under 2% at 55 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
40	4.61%	6.92%	2.26%	3.39%	6.87%	10.31%
41	4.65%	6.97%	2.28%	3.42%	6.93%	10.39%
42	4.68%	7.02%	2.29%	3.44%	6.97%	10.46%
43	4.72%	7.08%	2.31%	3.47%	7.03%	10.55%
44	4.75%	7.13%	2.33%	3.50%	7.08%	10.63%
45	4.80%	7.20%	2.35%	3.53%	7.15%	10.73%
46	4.84%	7.26%	2.37%	3.56%	7.21%	10.82%
47	4.88%	7.32%	2.39%	3.59%	7.27%	10.91%
48	4.93%	7.39%	2.42%	3.63%	7.35%	11.02%
49	4.97%	7.45%	2.43%	3.65%	7.40%	11.10%
50	5.02%	7.53%	2.46%	3.69%	7.48%	11.22%
51	5.07%	7.60%	2.49%	3.73%	7.56%	11.33%
52	5.11%	7.67%	2.51%	3.76%	7.62%	11.43%
53	5.17%	7.75%	2.53%	3.80%	7.70%	11.55%
54	5.23%	7.84%	2.57%	3.85%	7.80%	11.69%
55	5.27%	7.91%	2.59%	3.88%	7.86%	11.79%
56	5.31%	7.96%	2.61%	3.91%	7.92%	11.87%
57	5.40%	8.10%	2.65%	3.97%	8.05%	12.07%
58	5.43%	8.15%	2.67%	4.00%	8.10%	12.15%
59	5.45%	8.18%	2.67%	4.01%	8.12%	12.19%
60	5.45%	8.18%	2.67%	4.01%	8.12%	12.19%

Interest: 7.90%
 Salary Increase: See Exhibit IV.
 COLA Loading: 49.06%
 Mortality: GAM 1994 (30% Male and 70% Female, with ages set forward one year)

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Safety (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 3% at 50 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	9.76%	4.78%	14.54%
16	9.76%	4.78%	14.54%
17	9.76%	4.78%	14.54%
18	9.76%	4.78%	14.54%
19	9.76%	4.78%	14.54%
20	9.76%	4.78%	14.54%
21	9.68%	4.74%	14.42%
22	9.61%	4.71%	14.32%
23	9.54%	4.67%	14.21%
24	9.49%	4.65%	14.14%
25	9.45%	4.63%	14.08%
26	9.42%	4.61%	14.03%
27	9.39%	4.60%	13.99%
28	9.39%	4.60%	13.99%
29	9.39%	4.60%	13.99%
30	9.40%	4.60%	14.00%
31	9.43%	4.62%	14.05%
32	9.46%	4.63%	14.09%
33	9.50%	4.65%	14.15%
34	9.56%	4.68%	14.24%
35	9.61%	4.71%	14.32%
36	9.66%	4.73%	14.39%
37	9.73%	4.76%	14.49%
38	9.80%	4.80%	14.60%
39	9.88%	4.84%	14.72%
40	9.94%	4.87%	14.81%
41	10.02%	4.91%	14.93%
42	10.12%	4.95%	15.07%
43	10.18%	4.98%	15.16%
44	10.27%	5.03%	15.30%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Safety (Non-enhanced) Members' Contribution Rates for Members not receiving Benefits under 3% at 50 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
45	10.38%	5.08%	15.46%
46	10.48%	5.13%	15.61%
47	10.58%	5.18%	15.76%
48	10.63%	5.20%	15.83%
49	10.93%	5.35%	16.28%
50	10.93%	5.35%	16.28%
51	10.93%	5.35%	16.28%
52	10.93%	5.35%	16.28%
53	10.93%	5.35%	16.28%
54	10.93%	5.35%	16.28%
55	10.93%	5.35%	16.28%
56	10.93%	5.35%	16.28%
57	10.93%	5.35%	16.28%
58	10.93%	5.35%	16.28%
59	10.93%	5.35%	16.28%
60	10.93%	5.35%	16.28%

Interest: 7.90%
 Salary Increase: See Exhibit IV.
 COLA Loading: 48.96%
 Mortality: GAM 1994 (85% Male and 15% Female, with ages set forward two years)

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Safety (Enhanced) Members' Contribution Rates for Members receiving Benefits under 3% at 50 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	9.76%	7.13%	16.89%
16	9.76%	7.13%	16.89%
17	9.76%	7.13%	16.89%
18	9.76%	7.13%	16.89%
19	9.76%	7.13%	16.89%
20	9.76%	7.13%	16.89%
21	9.68%	7.07%	16.75%
22	9.61%	7.02%	16.63%
23	9.54%	6.97%	16.51%
24	9.49%	6.93%	16.42%
25	9.45%	6.90%	16.35%
26	9.42%	6.88%	16.30%
27	9.39%	6.86%	16.25%
28	9.39%	6.86%	16.25%
29	9.39%	6.86%	16.25%
30	9.40%	6.86%	16.26%
31	9.43%	6.88%	16.31%
32	9.46%	6.91%	16.37%
33	9.50%	6.94%	16.44%
34	9.56%	6.98%	16.54%
35	9.61%	7.02%	16.63%
36	9.66%	7.05%	16.71%
37	9.73%	7.10%	16.83%
38	9.80%	7.15%	16.95%
39	9.88%	7.21%	17.09%
40	9.94%	7.26%	17.20%
41	10.02%	7.32%	17.34%
42	10.12%	7.39%	17.51%
43	10.18%	7.43%	17.61%
44	10.27%	7.50%	17.77%

SECTION 4: Reporting Information for the Contra Costa County Employees' Retirement Association

Safety (Enhanced) Members' Contribution Rates for Members receiving Benefits under 3% at 50 from the December 31, 2004 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
45	10.38%	7.58%	17.96%
46	10.48%	7.65%	18.13%
47	10.58%	7.72%	18.30%
48	10.63%	7.76%	18.39%
49	10.93%	7.98%	18.91%
50	10.93%	7.98%	18.91%
51	10.93%	7.98%	18.91%
52	10.93%	7.98%	18.91%
53	10.93%	7.98%	18.91%
54	10.93%	7.98%	18.91%
55	10.93%	7.98%	18.91%
56	10.93%	7.98%	18.91%
57	10.93%	7.98%	18.91%
58	10.93%	7.98%	18.91%
59	10.93%	7.98%	18.91%
60	10.93%	7.98%	18.91%

Interest: 7.90%
 See Exhibit IV: See Exhibit IV.
 COLA Loading: 73.01%
 Mortality: GAM 1994 (85% Male and 15% Female, with ages set forward two years)

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