

Pension Costs

FY 2014 and Beyond

CCCERA – Liability

Actuarial Valuation Date	Valuation Value of Assets ⁽¹⁾ (a)	Actuarial Accrued Liability (AAL) ⁽²⁾ (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
12/31/2007	\$5,016,136,535	\$5,581,048,225	\$564,911,690	89.88%	\$671,617,932	84.11%
12/31/2008	5,282,505,159	5,972,471,074	689,965,915	88.45%	704,947,668	97.87%
12/31/2009	5,290,114,102	6,314,787,187	1,024,673,085	83.77%	694,443,999	147.55%
12/31/2010	5,341,821,711	6,654,036,801	1,312,215,090	80.28%	687,443,206	190.88%
12/31/2011	5,426,719,066	6,915,311,649	1,488,592,583	78.47%	666,394,146	223.38%
12/31/2012	5,482,257,062	7,761,315,535	2,279,058,473	70.64%	652,312,180	349.38%

⁽¹⁾ Excludes assets for non-valuation reserves.

⁽²⁾ Excludes liabilities for non-valuation reserves.

Contra Costa County is the largest employer in the CCC Employees' Retirement Association representing approximately 83% of the members in the plan.

Unfunded Actuarial Accrued Liability is the difference between the actuarial value of assets and the actuarial accrued liabilities of the plan.

CCCERA – Funded Ratio

Actuarial Valuation Date	Funded Ratio
12/31/07	89.9%
12/31/08	88.5%
12/31/09	83.8%
12/31/10	80.3%
12/31/11	78.5%
12/31/12	70.6%

County's Share of Unfunded Liability

Contra Costa County is the largest employer in the Contra Costa County Employees' Retirement Association representing approximately 83% of the members in the plan

Actuarial Valuation Date	Total UAAL	County Share
12/31/07	\$0.56 Billion	\$0.47 Billion
12/31/08	\$0.69 Billion	\$0.57 Billion
12/31/09	\$1.02 Billion	\$0.85 Billion
12/31/10	\$1.31 Billion	\$1.09 Billion
12/31/11	\$1.49 Billion	\$1.24 Billion
12/31/12	\$2.28 Billion	\$1.89 Billion

Considering the County's CCCERA, POB (\$294 million) and OPEB liabilities (\$932 million) alone, the current challenge exceeds **\$3.12 Billion dollars.**

Employer Rates - Pension

	FY 2013-14 Employer <u>Rate</u>	FY 2014-15 Employer <u>Rate</u>	Rate Growth Percentage <u>Increase</u>	Retirement Compensible <u>Rate Increase</u>
Tier I	30.14%	38.76%	28.60%	8.62%
Tier III	29.34%	37.85%	29.00%	8.51%
Safety	63.41%	88.77%	39.99%	25.36%

Employer Costs - Pension

	<u>Estimated Salary Base</u>	<u>FY 2013-14 Employer Cost</u>	<u>FY 2014-15 Employer Cost</u>	<u>Increase</u>
Tier I	\$15,280,387	\$4,605,509	\$5,922,678	\$1,317,169
Tier III	\$428,635,019	\$125,761,515	\$162,238,355	\$36,476,840
Safety	<u>\$79,544,360</u>	<u>\$50,439,078</u>	<u>\$70,611,528</u>	<u>\$20,172,450</u>
Subtotal	\$523,459,766	\$180,806,102	\$238,772,561	\$57,966,459
TOTAL (discounted)		<u>\$173,573,858</u>	<u>\$229,221,658</u>	<u>\$55,647,801</u>

Fiscal Issues Facing the County

- Increased AV over budgeted 2%
- New and improved health care cost numbers
- Contra Costa County Fire's dwindling reserves
- Slow revenue recovery
- Impacts of Sequestration cuts
- Affordable Care Act (ACA) impacts
- Union Negotiations and Long term health insurance issues

Need to take the long view on recovery and work together to get through this

Fiscal Issues Facing the County

- Increased Revenue FY 13/14 (net Increase) \$3,742,000
 - AV budgeted 2% = \$5,183,000
 - Actual 3.45% = \$8,925,000
- Increased Pension Costs FY 14/15 (Net Increase) **\$22,600,000**
 - Projected increase **(\$33,000,000)**
 - New Projection **(\$55,600,000)**

Likely to require not filling vacant positions and other reductions in the coming months

Questions?