

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2017**

SECTION IV – CONTRIBUTIONS

Table IV-1

Development of the Net Employer Contribution Rate as of June 30, 2017 for FYE 2019

	June 30, 2017				June 30, 2016
	General	Safety	APCD	COMPOSITE	COMPOSITE
1. Total Normal Cost Rate	19.36%	32.09%	19.43%	22.82%	23.06%
2. Member Contribution Rate	<u>5.54%</u>	<u>7.52%</u>	<u>6.92%</u>	<u>6.09%</u>	<u>5.77%</u>
3. Employer Normal Cost Rate (1-2)	13.82%	24.57%	12.51%	16.73%	17.29%
4. UAL Amortization	<u>19.49%</u>	<u>29.88%</u>	<u>30.33%</u>	<u>22.41%</u>	<u>21.42%</u>
5. Net Employer Contribution Rate (3+4)	33.31%	54.45%	42.84%	39.14%	38.71%
Projected Payroll for FYE 2018	\$ 253,211,650	\$ 95,593,983	\$ 3,022,874	\$ 351,828,507	\$ 345,930,967

Beginning with the June 30, 2013 valuation, the Member and Employer Contribution Rates have been explicitly loaded to account for anticipated administrative expenses. The load is 3.4% for the June 30, 2017 actuarial valuation, and has been applied to both the Member and Employer Rates.

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Tables IV-4 through IV-7 show the calculations of the employer contribution rates for each group and tier, as well as a comparison to the prior year rates.

Table IV-4 Development of the General Net Employer Contribution Rate as of June 30, 2017 for FYE 2019									
	5A	5B	5C	Plan 2	Plan 7	PEPRA		Total	
						2% COLA	3% COLA		
Current Year									
A. Basic Employer Normal Cost Rate	10.42%	9.96%	11.76%	3.76%	11.93%	6.94%	7.68%	9.99%	
B. COLA Normal Cost Rate	<u>4.39%</u>	<u>5.34%</u>	<u>4.81%</u>	<u>0.00%</u>	<u>3.22%</u>	<u>1.38%</u>	<u>2.13%</u>	<u>3.85%</u>	
C. Employer Normal Cost Rate	14.81%	15.30%	16.57%	3.76%	15.15%	8.32%	9.81%	13.84%	
D. Basic UAL Contribution Rate	13.83%	13.83%	13.83%	13.83%	13.83%	13.83%	13.83%	13.83%	
E. COLA UAL Contribution Rate	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	<u>5.66%</u>	
F. UAL Contribution Rate	19.49%	19.49%	19.49%	19.49%	19.49%	19.49%	19.49%	19.49%	
G. Total June 30, 2017 Contribution Rate (C+F)	34.30%	34.79%	36.06%	23.25%	34.64%	27.81%	29.30%	33.33%	
Projected Payroll for FYE 2018 (in thousands)	\$ 40,337	\$ 38,079	\$ 95,832	\$ 645	\$ 9,117	\$ 66,293	\$ 2,910	\$ 253,212	
Prior Year									
A. Basic Employer Normal Cost Rate	10.65%	10.14%	11.94%	4.25%	11.95%	6.87%	7.87%	10.29%	
B. COLA Normal Cost Rate	<u>4.46%</u>	<u>5.39%</u>	<u>4.86%</u>	<u>0.00%</u>	<u>3.23%</u>	<u>1.38%</u>	<u>2.20%</u>	<u>4.03%</u>	
C. Employer Normal Cost Rate	15.11%	15.53%	16.80%	4.25%	15.18%	8.25%	10.07%	14.32%	
D. Basic UAL Contribution Rate	12.95%	12.95%	12.95%	12.95%	12.95%	12.95%	12.95%	12.95%	
E. COLA UAL Contribution Rate	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>5.26%</u>	
F. UAL Contribution Rate	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%	
G. Total June 30, 2016 Contribution Rate (C+F)	33.32%	33.74%	35.01%	22.46%	33.39%	26.46%	28.28%	32.53%	
Projected Payroll for FYE 2017 (in thousands)	\$ 46,025	\$ 40,000	\$ 100,215	\$ 632	\$ 8,052	\$ 56,078	\$ 1,819	\$ 252,821	

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Table IV-5 Development of the Safety Net Employer Contribution Rate as of June 30, 2017 for FYE 2019							
	4A	4B	4C	6A	6B	PEPRA	Total
Current Year							
A. Basic Employer Normal Cost Rate	18.45%	16.08%	17.16%	21.00%	19.71%	10.65%	16.83%
B. COLA Normal Cost Rate	<u>8.18%</u>	<u>9.64%</u>	<u>8.20%</u>	<u>9.10%</u>	<u>9.57%</u>	<u>3.73%</u>	<u>7.74%</u>
C. Employer Normal Cost Rate	26.63%	25.72%	25.36%	30.10%	29.28%	14.38%	24.57%
D. Basic UAL Contribution Rate	18.81%	18.81%	18.81%	21.64%	21.64%	18.81%	19.84%
E. COLA UAL Contribution Rate	<u>9.51%</u>	<u>9.51%</u>	<u>9.51%</u>	<u>10.95%</u>	<u>10.95%</u>	<u>9.51%</u>	<u>10.04%</u>
F. UAL Contribution Rate	28.32%	28.32%	28.32%	32.59%	32.59%	28.32%	29.88%
G. Total June 30, 2017 Contribution Rate (C+F)	54.95%	54.04%	53.68%	62.69%	61.87%	42.70%	54.45%
Projected Payroll for FYE 2018 (in thousands)	\$ 6,171	\$ 1,553	\$ 32,848	\$ 6,679	\$ 28,256	\$ 20,087	\$ 95,594
Prior Year							
A. Basic Employer Normal Cost Rate	18.47%	16.42%	17.30%	20.89%	19.86%	10.69%	17.59%
B. COLA Normal Cost Rate	<u>8.20%</u>	<u>9.38%</u>	<u>8.26%</u>	<u>9.24%</u>	<u>9.62%</u>	<u>3.77%</u>	<u>8.20%</u>
C. Employer Normal Cost Rate	26.67%	25.80%	25.56%	30.13%	29.48%	14.46%	25.79%
D. Basic UAL Contribution Rate	19.01%	19.01%	19.01%	21.66%	21.66%	19.01%	20.08%
E. COLA UAL Contribution Rate	<u>9.54%</u>	<u>9.54%</u>	<u>9.54%</u>	<u>10.87%</u>	<u>10.87%</u>	<u>9.54%</u>	<u>10.08%</u>
F. UAL Contribution Rate	28.55%	28.55%	28.55%	32.53%	32.53%	28.55%	30.16%
G. Total June 30, 2016 Contribution Rate (C+F)	55.22%	54.35%	54.11%	62.66%	62.01%	43.01%	55.95%
Projected Payroll for FYE 2017 (in thousands)	\$ 7,150	\$ 1,688	\$ 32,988	\$ 8,029	\$ 28,339	\$ 11,796	\$ 89,990