

**ADAMS COUNTY RETIREMENT PLAN**  
**ACTUARIAL VALUATION REPORT**  
**AS OF JANUARY 1, 2014**



May 28, 2014

Ms. Pamela Mathisen  
Plan Administrator  
Adams County  
4430 South Adams County Parkway, Suite C3406  
Brighton, CO 80601-8202

**Re: Actuarial Valuation of the Adams County Retirement Plan as of January 1, 2014**

Dear Pam:

We are pleased to present our Report on the actuarial valuation of the Adams County Retirement Plan as of January 1, 2014.

This Report presents the results of the January 1, 2014 actuarial valuation of the Adams County Retirement Plan. The Report describes the current actuarial condition of the Adams County Retirement Plan, determines the annual required contribution (ARC), and analyzes changes in these required rates. In addition, the Report provides information required in connection with Governmental Accounting Standards Board Statement No. 25 (GASB 25) and No. 27 (GASB 27), and it provides various summaries of the data.

We certify that the information included herein and contained in our January 1, 2014 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the Adams County Retirement Plan as of the valuation date.

All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

The valuation was based upon information, furnished by the Plan, concerning Plan benefits, financial transactions, active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. This letter and these calculations are not intended as legal or accounting advice, and we would recommend review by legal counsel for the compliance of these calculations with all relevant agreements.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events for the Pension Plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

We believe that the assumptions and methods used in this report are reasonable and appropriate for the purpose for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

The actuarial calculations were prepared for purposes of complying with the requirements of Statements No. 25 and No. 27 of the Governmental Accounting Standards Board (GASB). The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying Adams County's financial reporting requirements may produce significantly different results. This report may be provided to parties other than Adams County only in its entirety and only with the permission of Adams County but should not be relied on for any purpose other than the purpose described within this report.

***Certification***

The undersigned are independent actuaries and consultants. Leslie Thompson and Diane Hunt are Enrolled Actuaries and are Members of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries. Finally, both of the undersigned are experienced in performing valuations for large public retirement systems.

Respectfully submitted,

**Gabriel, Roeder, Smith & Company**



Leslie Thompson, FSA, FCA, EA, MAAA  
Senior Consultant



Diane Hunt, FSA, FCA, EA, MAAA  
Consultant

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**SECTION A**

**EXECUTIVE SUMMARY**

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### **Actuarial Valuation**

Valuations are prepared annually, as of January 1 of each year, the first day of the fiscal year. The primary purposes of the valuation report are to measure the plan's liabilities, to determine the required contribution rate and to analyze changes in the Adams County Retirement Plan's actuarial position.

In addition, the report provides information in connection with Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25 and GASB 27), and it provides summaries of the member data, financial data, plan provisions, and actuarial assumptions and methods.

### **Financing Objectives**

The Adams County Retirement Plan is supported by member contributions, employer contributions, and net earnings on the investments of the fund. Contribution rates are set in ordinance, currently at 8.75% and increasing to 9.00% in 2015, for members and employers.

The combined member and employer contributions are intended to be sufficient to pay the normal cost and to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period of 30 years from the valuation date.

### **Progress toward Realization of Financing Objectives**

The UAAL/(surplus) and the funded ratio (ratio of the actuarial value of assets to the actuarial accrued liability) illustrate the progress toward the realization of certain financing objectives. Based on the actuarial valuation as of January 1, 2014, the Plan has an unfunded liability of \$165.66 million and a funded ratio of 56.4%. The funded ratio increased from 51.5% to 56.4% and the Net Employer Annual Required Contribution decreased, from 20.38% of pay, to 15.09% of pay.

The net employer Annual Required Contribution as a percentage of pay for the year beginning January 1, 2014 is 15.09%. The expected County contribution is 8.75% of pay which creates a contribution shortfall of 6.34% of pay.

### **Experience During the Year**

The plan experienced a liability gain of \$1.54 million during fiscal year 2013 before the change due to the assumption and benefit provision changes. This gain was largely due to salary increases less than expected. The plan experienced an actuarial asset gain of \$3.56 million during fiscal year 2013. This gain was due to the actuarial value of assets earnings a return greater than the assumed 7.5% return. The overall result was an unfunded liability \$5.09 million less than expected at January 1, 2014.

### **Assumptions and methods**

There have been several changes in actuarial assumptions since the prior valuation including updates to the mortality, decreases to individual salary increases, and changes to the retirement and termination rates. The assumptions have been selected by the Adams County Board of Retirement based upon the actuary's analysis and recommendations from the 2013 Experience Study.

The assumption changes increased the accrued liability by \$3.0 million and increased the total annual required contribution by 0.07%. These assumptions and methods are detailed in Section H of this Report and the impact is shown in Section I in more detail.

The results of any actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations presented in this Report are intended to provide information for rational decision making.

### **Benefit Provisions**

All of the benefit provisions reflected in this valuation are those which were in effect on January 1, 2014. Beginning January 1, 2014, employee and employer contribution rates were increased from 8.50% to 8.75%.

On December 19, 2012, the Adams County Retirement Board adopted a resolution effective January 1, 2014, with changes in benefit provisions to the plan. These changes affect prospective service only for Tier 1 and Tier 2 members:

- Benefit accruals of 1.75% of Career Compensation earned on or after January 1, 2014.
- For members taking a refund of contributions, the County match percentage will not apply to any contributions made on or after January 1, 2014.

The benefit changes reduced liabilities by \$30.2 million and reduced the Total Annual Required Contribution by 3.87% of pay.

Additional detail regarding the impact of these changes is shown in Section I.

The benefit provisions are summarized in Section D of our Report.

### **Data**

Adams County staff supplied data for retired, active and inactive members as of January 1, 2014. We did not audit this data, but we did apply a number of tests to the data, and we have concluded

that the data is reasonable and consistent with the prior year's data. Adams County staff also supplied asset data as of January 1, 2014.

**Financial Position**

Due largely to the benefit changes enacted effective January 1, 2014 and to the investment gains on the actuarial value of assets, the funded ratio increased from January 1, 2013 to January 1, 2014. The market value returned investment gains and as a result the funded ratio on a market value basis increased as well.

<b>Funded Status Summary (\$ in millions)</b>		
<b>Valuation Date</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
Accrued Liability	\$379.8	\$386.8
Actuarial Value of Assets (smoothed)	214.1	199.1
Unfunded Accrued Liability	\$165.7	\$187.8
Funded Ratio (AVA basis)	56.4%	51.5%
Market Value of Assets	\$224.3	\$199.7
Unfunded Accrued Liability	\$155.5	\$187.1
Funded Ratio (MVA basis)	59.1%	51.6%
Market Value Rate of Return	14.1%	12.1%
Actuarial Value Rate of Return	9.3%	0.4%



Investment gains reduced the Total Annual Required Contribution by roughly 0.27%. Liability gains reduced the Total Annual Required Contribution by approximately 0.12%. The Employer Net Annual Required Contribution of 20.38% of pay for Fiscal Year 2013 and 15.09% of pay for Fiscal Year 2014 are based on contributions being made throughout the year, consistent with the funding policy of the Plan.

<b>Contribution Requirement Summary</b>		
<b>All Numbers Reported Middle of Year, Percent of Pay</b>		
<b>Fiscal Year Beginning</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
Total Annual Required Contribution	23.84%	28.88%
Estimated Member Contribution	8.75%	8.50%
Net Annual Required Contribution Mid-Year	15.09%	20.38%
Estimated County Contribution	8.75%	8.50%
Contribution Shortfall	6.34%	11.88%

<b>Exhibit A.1</b>		
<b>Adams County Retirement Plan</b>		
<b>Executive Summary</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Annual Required Contribution</b>		
a. Total	\$ 24,338,999	\$ 27,856,681
b. Net Employer Contribution	15,406,279	19,659,013
c. Net Employer %	15.09%	20.38%
<b>2. Funded Status</b>		
a. Actuarial Accrued Liability	\$ 379,802,962	\$ 386,835,357
b. Actuarial Value of Assets (AVA)	214,140,815	199,076,191
c. Unfunded Liability (AVA-basis)	165,662,147	187,759,166
d. Funded Ratio (AVA-basis)	56.4%	51.5%
e. Market Value of Assets (MVA)	\$ 224,301,114	\$ 199,741,510
f. Unfunded Liability (MVA-basis)	155,501,848	187,093,847
g. Funded Ratio (MVA-basis)	59.1%	51.6%
<b>3. Summary of Census Data</b>		
a. Actives		
i. Counts	1,830	1,753
ii. Total Annual Projected Compensation	\$ 102,088,234	\$ 96,443,158
iii. Average Projected Compensation	55,786	55,016
iv. Average Age	44.4	44.5
v. Average Service	9.4	9.7
b. Members with Refunds Due Counts	128	114
c. Deferred Vested Member Counts	178	156
d. Retired Member Counts	747	697
e. Beneficiary Counts	93	99
f. Disabled Retiree Counts	27	27
g. Total Members Included in Valuation	3,003	2,846

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**SECTION B**

**VALUATION RESULTS**

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<b>Exhibit B.1</b>		
<b>Adams County Retirement Plan</b>		
<b>Actuarial Valuation Results</b>		
<b>Accrued Accrued Liability</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Active Members</b>		
a. Retirement Benefits	\$ 175,993,199	\$ 205,089,684
b. Withdrawal Benefits	(1,052,546)	(134,600)
c. Refund Benefits	(5,232,208)	(6,733,059)
d. Disability Benefits	8,130,131	9,029,761
e. Death Benefits	2,638,154	2,531,371
f. Total	<u>\$ 180,476,730</u>	<u>\$ 209,783,157</u>
<b>2. Members with Deferred Benefits</b>	\$ 9,313,722	\$ 8,592,964
<b>3. Members Receiving Benefits</b>	<u>\$ 190,012,510</u>	<u>\$ 168,459,236</u>
<b>4. Total</b>	\$ 379,802,962	\$ 386,835,357
<b>5. Actuarial Value of Assets</b>	<u>\$ 214,140,815</u>	<u>\$ 199,076,191</u>
<b>6. Unfunded Actuarial Accrued Liability</b>	\$ 165,662,147	\$ 187,759,166

<b>Exhibit B.2</b>		
<b>Adams County Retirement Plan</b>		
<b>Actuarial Valuation Results</b>		
<b>Normal Cost</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Total Dollar Normal Cost</b>		
a. Retirement Benefits	\$ 7,358,876	\$ 8,527,095
b. Withdrawal Benefits	2,458,128	3,057,465
c. Disability Benefits	452,901	563,006
d. Death Benefits	234,891	184,463
e. Total	<u>\$ 10,504,796</u>	<u>\$ 12,332,029</u>
<b>2. Normal Cost as a Percentage of Pay</b>	10.29%	12.79%
<b>3. Normal Cost as a Percentage of Pay by Tier</b>		
a. Tier 1	12.11%	14.19%
b. Tier 2	10.40%	13.56%
c. Tier 3	6.88%	6.67%

<b>Exhibit B.3</b>		
<b>Adams County Retirement Plan</b>		
<b>Actuarial Valuation Results</b>		
<b>Present Value of Projected Benefits</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Active Members</b>		
a. Retirement Benefits	\$ 232,655,990	\$ 275,551,315
b. Withdrawal Benefits	14,393,304	19,238,336
c. Disability Benefits	11,298,442	13,188,120
d. Death Benefits	4,561,769	4,020,944
e. Total	<u>\$ 262,909,505</u>	<u>\$ 311,998,715</u>
<b>2. Members with Deferred Benefits</b>	\$ 9,313,722	\$ 8,592,964
<b>3. Members Receiving Benefits</b>	<u>\$ 190,012,510</u>	<u>\$ 168,459,236</u>
<b>4. Total</b>	\$ 462,235,737	\$ 489,050,915

<b>Exhibit B.4                      Adams County Retirement Plan                      Development of the Annual Required Contribution</b>				
<b>Fiscal Year Beginning</b>	<b>January 1, 2014</b>		<b>January 1, 2013</b>	
	<b>Dollar</b>	<b>Percent of Pay</b>	<b>Dollar</b>	<b>Percent of Pay</b>
1. Total Normal Cost	\$ 10,504,796	10.29%	\$ 12,332,029	12.79%
2. Amortization of Unfunded Actuarial Accrued Liability Over 30 Years	13,048,203	12.78%	14,788,652	15.33%
3. Assumed Administrative Expenses	786,000	0.77%	736,000	0.76%
4. Annual Required Contribution (ARC)	\$ 24,338,999	23.84%	\$ 27,856,681	28.88%
5. Estimated Member Contribution	8,932,720	8.75%	8,197,668	8.50%
6. Net ARC Mid-Year	\$ 15,406,279	15.09%	\$ 19,659,013	20.38%
7. Estimated County Contribution Mid-Year	8,932,720	8.75%	8,197,668	8.50%
8. Contribution Shortfall	\$ 6,473,559	6.34%	\$ 11,461,345	11.88%
9. Annual Projected Payroll	\$ 102,088,234		\$ 96,443,158	

<b>Exhibit B.5            Adams County Retirement Plan            Plan Experience for Fiscal Year 2013</b>		
<b>Liabilities</b>		
1. Actuarial Accrued Liability at January 1, 2013		\$ 386,835,357
2. Normal Cost at January 1, 2013		12,332,029
3. Benefit Payments during Fiscal Year 2013		19,421,484
4. Interest on Items 1-3 to End of Year		28,746,797
5. Change in Actuarial Accrued Liability Due to Assumption Changes		3,017,216
6. Change in Actuarial Accrued Liability Due to Provision Changes		(30,167,613)
7. Expected Actuarial Accrued Liability at January 1, 2014		381,342,302
8. Actual Actuarial Accrued Liability at January 1, 2014		379,802,962
9. Liability Gain/(Loss)		1,539,340
<b>Assets</b>		
10. Actuarial Value of Assets at January 1, 2013		\$ 199,076,191
11. Benefit Payments and Expenses during Fiscal Year 2013		20,220,235
12. Contributions during Fiscal Year 2013		16,922,820
13. Interest on Items 10-12 to End of Year		14,807,061
14. Expected Actuarial Value of Assets at January 1, 2014		210,585,837
15. Actual Actuarial Value of Assets at January 1, 2014		214,140,815
16. Asset Gain/(Loss)		3,554,978
<b>Total</b>		
17. Total Gain/(Loss)		<b>\$ 5,094,318</b>



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**SECTION C**

**PLAN ASSETS**

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<b>Exhibit C.1</b>		
<b>Adams County Retirement Plan</b>		
<b>Statement of Plan Net Assets</b>		
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
<b>Assets</b>		
Investments, at fair value:		
Cash	\$ 20,966	\$ 18,987
Money market funds and cash equivalents	3,983,373	3,672,428
U.S. Government obligations	3,937,065	7,054,887
Foreign bonds	890,935	1,371,742
Corporate bonds	8,314,515	14,605,081
Municipal bonds	431,630	721,298
Equity securities	20,863,820	16,209,745
Foreign equity securities	-	351,954
Real estate	22,871,790	19,256,868
Hedge funds of funds	30,589,860	28,378,723
Partnerships/joint ventures	17,566,276	6,753,848
Mutual funds	114,856,270	101,286,005
Total cash and investments	<u>\$ 224,326,500</u>	<u>\$ 199,681,566</u>
Receivables:		
Dividends and Interest	143,749	246,704
Other Assets:		
Prepaid insurance for retirees	-	-
Total assets	<u>\$ 224,470,249</u>	<u>\$ 199,928,270</u>
<b>Liabilities and net assets held in trust for benefits</b>		
Accrued liabilities	169,135	186,760
Total payables	<u>\$ 169,135</u>	<u>\$ 186,760</u>
<b>Net assets held in trust for pension benefits</b>	<u><u>\$ 224,301,114</u></u>	<u><u>\$ 199,741,510</u></u>

**Exhibit C.2**  
**Adams County Retirement Plan**  
**Statement of Changes in Plan Net Assets**

	<u>Year Ended</u> <u>December 31, 2013</u>	<u>Year Ended</u> <u>December 31, 2012</u>
<b>Additions to Net Assets Attributed to:</b>		
Contributions:		
Employer contributions	\$ 8,289,767	\$ 7,533,395
Plan Members contributions	8,289,767	7,533,416
Plan Members for Purchase of service	343,286	133,226
Total contributions	<u>\$ 16,922,820</u>	<u>\$ 15,200,037</u>
Investment Income:		
Net appreciation in fair value of investments	25,761,023	18,923,817
Interest	929,676	922,589
Dividends	2,076,824	2,889,353
Other	192,412	10,194
Total Investment Income	<u>\$ 28,959,935</u>	<u>\$ 22,745,953</u>
Less Investment expense	<u>(1,102,916)</u>	<u>(981,500)</u>
Net investment income	<u>\$ 27,857,019</u>	<u>\$ 21,764,453</u>
Total additions	<u>\$ 44,779,839</u>	<u>\$ 36,964,490</u>
<b>Deductions to Net Assets Attributed to:</b>		
Benefit payments	17,392,107	16,095,266
Refunds	2,029,377	1,870,042
Administrative expenses	798,751	881,694
Total deductions	<u>\$ 20,220,235</u>	<u>\$ 18,847,002</u>
Change in net assets	24,559,604	18,117,488
<b>Net assets held in trust for benefits:</b>		
Beginning of year	199,741,510	181,624,022
End of year	<u>\$ 224,301,114</u>	<u>\$ 199,741,510</u>

<b>Exhibit C.3</b>			
<b>Adams County Retirement Plan</b>			
<b>Development of the Actuarial Value of Assets</b>			
<b>Item</b>	<b>Year Ending December 31, 2013</b>		
1. Actuarial value of assets, at beginning of year (prior to corridor)	\$		199,076,191
2. Market value of assets, at beginning of year			199,741,510
3. Net new investments			
a. Contributions received for prior plan year	\$		16,922,820
b. Benefits paid and administrative expenses			(20,220,235)
c. Net	\$		(3,297,415)
4. Market value of assets, at end of year	\$		224,301,114
5. Net MVA earnings [ (4) - (2) - (3c) ]	\$		27,857,019
6. Assumed investment return rate			7.50%
7. Expected return [ (6)*(2)+(6)*(3c)/2 ]	\$		14,856,960
8. Excess return [ (5) - (7) ]	\$		13,000,059
9. Expected actuarial value of assets as of December 31, 2013 [ (1) + (3c) + (7) ]	\$		210,635,736
10. Deferred amounts for fiscal year ending December 31,			
<u>Year</u>	<u>Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
a. 2013	\$ 13,000,059	80%	\$ 10,400,048
b. 2012	8,279,413	60%	4,967,648
c. 2011	(14,722,595)	40%	(5,889,038)
d. 2010	3,408,205	20%	681,641
e. 2009	<u>7,560,313</u>	0%	<u>0</u>
f. Total	\$ 17,525,395		\$ 10,160,299
11. Asset gain/(loss) to be recognized as of December 31, 2013			3,505,079
12. 80% of Market Value	\$		179,440,891
13. 120% of Market Value	\$		269,161,337
14. Actuarial value of assets [(Item 9 - Item 11), but not more than Item 13 or less than Item 12]	\$		214,140,815

<b>Exhibit C.4</b>					
<b>Average Annual Rates of Investment Return</b>					
<b>Fiscal Year Ended December 31,</b>	<b>Actuarial Value</b>		<b>Market Value</b>		
	<b>Annual</b>	<b>Cumulative</b>	<b>Annual</b>	<b>Cumulative</b>	
1992	10.4 %	10.4 %	8.1 %	8.1 %	
1993	11.4	10.9	12.2	10.1	
1994	9.1	10.3	(1.6)	6.1	
1995	12.1	10.7	22.9	10.1	
1996	11.6	10.9	12.0	10.4	
1997	13.0	11.3	17.0	11.5	
1998	12.2	11.4	9.0	11.1	
1999	12.0	11.5	4.0	10.2	
2000	8.7	11.2	2.6	9.4	
2001	6.2	10.7	(1.6)	8.2	
2002	(4.5)	9.2	(10.9)	6.3	
2003	9.7	9.2	22.4	7.6	
2004	4.3	8.8	11.0	7.8	
2005	4.4	8.5	6.2	7.7	
2006	7.6	8.5	14.2	8.1	
2007	11.1	8.6	8.2	8.1	
2008	(7.9)	7.6	(26.2)	5.7	
2009	11.6	7.8	12.5	6.1	
2010	1.9	7.5	9.5	6.3	
2011	(0.1)	7.1	(0.5)	5.9	
2012	0.4	6.8	12.1	6.2	
2013	9.3	6.9	14.1	6.6	

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**SECTION D**

**SUMMARY OF BENEFIT PROVISIONS**

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## SUMMARY OF BENEFIT PROVISIONS

BASED ON THE PLAN ORIGINALLY EFFECTIVE JULY 1, 1968 AND AMENDED AND  
RESTATED EFFECTIVE JANUARY 1, 2014

### **Participation**

Any County Official and any person assigned to a full-time position as defined by Adams County or Rangeview Library District Personnel Policies and Procedures including job-sharing employees shall become a member of the Plan on the first day of the pay period coincident with or following date of employment.

### **Member Contributions**

Effective January 1, 2014, each member contributes 8.75% of compensation on a monthly basis. The rate will continue to increase by 0.25% each year to 9.0% by 2015. Interest on contributions is credited at a rate of 3.0% per annum compounded monthly.

Pre-2014 Contributions are a member's aggregate contributions made before January 1, 2014 plus interest earned thereon. Post-2013 Contributions are a member's aggregate contributions made on or after January 1, 2014 plus interest.

After December 31, 1983 member contributions are picked up and paid by the County as provided in Code Section 414(h).

### **County Contributions**

The County will match member contributions.

### **Credited Service**

All service completed during the elapsed time from the member's date of employment, excluding any breaks in service, to the member's date of termination on the basis of 1/365<sup>th</sup> year for each day of employment after January 1, 1965, provided an employee joined the plan on the first date eligible. Service prior to January 1, 1970 will be included (up to five years) provided the employee became a Member on the first date of eligibility. Service is credited while a member is on long-term disability as long as no benefits are being paid from the plan.

Credited Service for Head Start employees commences on the later of joining the Plan and September 1, 1990.

**Service Purchase (“air time”)**

Eligible members may purchase additional years of service credit for any full-time, non-vested previous employment with any public or private employer in the United States, subject to certain restrictions.

**Classification of Tiers**

- *Tier 1* - Members hired prior to January 1, 2005
- *Tier 2* - Members hired on or after January 1, 2005 but before January 1, 2010
- *Tier 3* - Members hired on or after January 1, 2010

**Compensation**

Compensation is the total regular compensation paid to the member, reflecting the normal regular salary or hourly wage rate, before any payroll deductions for income tax, Social Security, group insurance, or any other purpose, excluding bonuses, extra pay, overtime pay, workers’ compensation, single-sum payments received in lieu of accrued vacation and sick leave upon termination of employment or during the course of employment, required contributions by the County under this Plan, or for Social Security, group insurance, retainers’ fees under contract, or the like, but including compensation deferred under Sections 125, 403(b), 414(h), or 457 of the Internal Revenue Code.

**Final Average Monthly Compensation**

- *Tier 1 - Members hired prior to January 1, 2005:*

Average of the highest 36 consecutive calendar months of compensation during the last 120 months of employment.

- *Tier 2 - Members hired on or after January 1, 2005 but before January 1, 2010:*

Average of the highest 60 consecutive calendar months of compensation during the last 120 months of employment.

**Career Compensation**

- *Tier 3 - Members hired on or after January 1, 2010:*

Pensionable Compensation from date of participation to retirement.



- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

Pensionable Compensation from January 1, 2014 to retirement.

### **Career Monthly Compensation**

Career Compensation divided by Credited Service accrued during the period. If hired before January 1, 2010 and become disabled before January 1, 2014, special calculations apply.

### **Accrued Benefit (Monthly)**

Effective January 1, 2014, the accrued benefit for Tier 1 and Tier 2 members is composed of “Component A” benefit plus a “Component B” benefit. Component A shall mean the benefit attributable to service credit earned prior to January 1, 2014. Component B shall mean the benefit attributable to service credit earned on or after January 1, 2014.

*Tiers 1 & 2 - Members hired prior to January 1, 2010:*

- *Component A Benefit::*

2.5% of Final Average Monthly Compensation multiplied by Credited Service prior to January 1, 2014 including purchased service.

- *Component B Benefit:*

Greater of 1.75% of Career Compensation divided by 12, or 1.75% of Career Monthly Compensation times Credited Service earned on or after January 1, 2014.

*Tier 3 - Members hired on or after January 1, 2010:*

- 1.75% of Career Compensation divided by 12 or 1.75% of Career Monthly Compensation times Credited Service, if greater.

The minimum monthly accrued benefit for all members is \$25 per month per year of Credited Service.

### **Vested Accrued Benefit**

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

Five years of Credited Service

- *Tier 3 - Members hired on or after January 1, 2010:*

Ten years of Credited Service

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*Benefit:*

100% of the Accrued Benefit determined as of the date of termination. The benefit may be reduced if payment commences before the Normal Retirement Date or the Special Early Retirement Date.

**Normal Retirement**

*Eligibility:*

Attainment of age 65.

*Benefit:*

Accrued Benefit up to a maximum of 80% of the members Final Average Monthly Compensation.

**Regular Early Retirement**

*Eligibility:*

- *Tier 1 - Members hired prior to January 1, 2005:*  
Attainment of age 55 and 5 years of Credited Service.
- *Tiers 2 & 3 - Members hired on or after January 1, 2005:*  
Attainment of age 55 and 10 years of Credited Service.

*Benefit:*

- *Tier 1 - Members hired prior to January 1, 2005:*  
Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/6 of 1% for each of the first 36 months and 1/4 of 1% for each additional month payments commence prior to the Normal Retirement Date.
- *Tiers 2 & 3 - Members hired on or after July 1, 2005:*  
Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/3 of 1% for each of the first 36 months and 5/12 of 1% for each additional month payments commence prior to the Normal Retirement Date.

### **Special Early Retirement**

*Eligibility:*

- *Tier 1 - Members hired prior to January 1, 2005:*  
Attainment of any age and age plus credited service equals 70 or more at termination.
- *Tier 2 - Members hired on or after January 1, 2005 and prior to January 1, 2010:*  
Attainment of age 50 and age plus credited service equals 70 or more at termination.
- *Tier 3 - Members hired on or after January 1, 2010:*  
Attainment of age 55 and age plus credited service equals 80 or more at termination.

*Benefit:*

Vested Accrued Benefit determined as of the Special Early Retirement Date, unreduced for early payment.

### **Disability Retirement**

*Eligibility:*

Total and permanent disability. Member qualifies for disability under the County's long-term disability plan or under Title II of the Social Security Act.

*Benefit:*

Normal Retirement Benefit considering annual rate of compensation at disability and Credited Service that would have accumulated if employment had continued uninterrupted to the later of the Normal Retirement Date or the date that the County's long-term disability benefits end. Benefits commence at Normal Retirement Date, or if later, the first day of the month after payments cease under the County's long-term disability insurance contract.

### **Termination Benefit**

*Eligibility:*

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*  
Members with less than five years of Credited Service receive a refund of the member's contributions. Members who have completed at least five years of Credited Service are eligible to receive their Vested Accrued Benefit payable at Normal Retirement Date.

- *Tier 3 - Members hired on or after January 1, 2010:*

Members with less than ten years of Credited Service receive a refund of the member’s contributions. Members who have completed at least ten years of Credited Service are eligible to receive their Vested Accrued Benefit payable at Normal Retirement Date.

*Benefit:*

Vested Accrued Benefit determined as of the date of termination but not less than the actuarial equivalent value, determined as of the benefit commencement date, of the Accumulated Contributions as of the Normal Retirement Date.

**Refund of Accumulated Contributions**

Upon termination prior to any type of retirement, in lieu of a monthly pension benefit, the member may elect to receive a refund of a percentage of the Pre-2014 accumulated contributions (excluding service purchase contributions) according to the following schedule, plus 100% of the Post-2013 accumulated contributions:

Completed Years of Service	Percent Vested of Pre-2014 Contributions Accumulated At Termination		
	Hired Prior to 1/1/2005	Hired 2005-2010	Hired on or after January 1, 2010
Less Than 5	100%	100%	100%
5	110%	100%	100%
6	125%	110%	100%
7	140%	120%	100%
8	155%	130%	100%
9	170%	140%	100%
10	185%	150%	100%
11	200%	160%	100%
12	200%	170%	100%
13	200%	180%	100%
14	200%	190%	100%
15 or more	200%	200%	100%

**Pre-Retirement Death Benefit**

- *Member is single:*

Beneficiary receives two times member's accumulated contributions at date of death (excluding service purchase contributions).

- *Member is married:*

Spouse receives two times member's accumulated contributions at date of death (excluding service purchase contributions); or

A monthly benefit equal to 60% of the member's vested accrued benefit, commencing the first day of the month after the member's death or age 50 (55 for Terminated Vested Members) whichever is later.

### **Normal Form**

- *Tier 1* - 10-year certain and life
- *Tier 2* - 10-year certain and life
- *Tier 3* - Single life annuity

### **Optional Forms**

- 100% joint and survivor annuity
- 50% joint and survivor annuity
- 66-2/3% last survivor annuity
- 100% joint and survivor annuity with pop up
- 50% joint and survivor annuity with pop up
- For members in Tier 1 and Tier 2 only: Single life annuity
- For members in Tier 3 only: 10-year certain and life

### **Optional Form Conversion Factors**

Optional annuity forms are actuarially equivalent based on 7.50% interest and the 1983 Group Annuity Mortality table blended 50% male and 50% female.

### **Payment Date**

Benefits are paid on the first of the month following eligibility for receipt.

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**SECTION E**

**SUMMARY OF PARTICIPANT DATA**

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<b>Exhibit E.1</b>		
<b>Adams County Retirement Plan</b>		
<b>Summary of Census Data</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Active Members</b>		
a. Counts		
Tier 1	801	862
Tier 2	481	546
Tier 3	548	345
Total	1,830	1,753
b. Annual Projected Compensation	\$ 102,088,234	\$ 96,443,158
c. Average Annual Compensation	\$ 55,786	\$ 55,016
d. Average Age	44.4	44.5
e. Average Service	9.4	9.7
f. Accumulated Member Contributions with Interest	\$ 66,783,459	\$ 63,336,405
<b>2. NonVested Members with Refunds Due</b>		
a. Counts	128	114
b. Amount of Refunds Due	\$ 461,119	\$ 446,645
<b>3. Deferred Vested Members*</b>		
a. Counts	178	156
b. Annual Deferred Benefits	\$ 2,032,141	\$ 1,785,090
c. Average Benefit	\$ 11,417	\$ 11,443
<b>4. Retired Members</b>		
a. Counts	747	697
b. Annual Benefits	\$ 16,515,723	\$ 14,987,374
c. Average Benefit	\$ 22,109	\$ 21,503
<b>5. Beneficiaries</b>		
a. Counts	93	99
b. Annual Benefits	\$ 1,084,792	\$ 1,086,269
c. Average Benefit	\$ 11,664	\$ 10,972
<b>6. Disabled Retirees</b>		
a. Counts	27	27
b. Annual Benefits	\$ 487,264	\$ 474,807
c. Average Benefit	\$ 18,047	\$ 17,585
<b>7. Total Members Included in Valuation</b>	<b>3,003</b>	<b>2,846</b>

\*Includes 31 deferred disableds in 2014 and 27 deferred disableds in 2013.

<b>Exhibit E.2 Summary of Changes in Participant Status During Fiscal Year 2013</b>							
	Active Members	With Deferred Benefits <sup>1</sup>	With Refunds Due	Retirees	Disabled Retirees	Beneficiaries	Total
As of January 1, 2013	1,753	156	114	697	27	99	2,846
Age retirements	(56)	(5)		61			0
Disability retirements		(1)			1		0
Deferred disability	(6)	6					0
Deaths	(1)	(1)		(11)	(1)	(1)	(15)
Vested terminations	(40)	40					0
Rehires	6	(3)	(3)				0
Cashouts	(66)	(14)	(31)	(1)			(112)
Expiration of benefits						(10)	(10)
Terminated nonvested with refunds due	(31)		31				0
New Beneficiary						5	5
New entrants during the year <sup>2</sup>	271		17	1			289
Net change	77	22	14	50		(6)	157
As of January 1, 2014	1,830	178	128	747	27	93	3,003

<sup>1</sup> Includes 31 deferred disabled members at January 1, 2014.

<sup>2</sup> Includes 17 members hired and terminated in 2013 with refunds due.



Exhibit E.3 Active Member Counts by Age and Service as of January 1, 2014								
Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	
Under 20	0	0	0	0	0	0	0	-
20-24	30	2	0	0	0	0	0	32
25-29	147	22	1	0	0	0	0	170
30-34	126	98	27	0	0	0	0	251
35-39	90	91	53	9	0	0	0	243
40-44	86	81	80	30	8	0	0	285
45-49	53	56	77	47	17	5	1	256
50-54	34	41	44	35	25	22	8	209
55-59	35	41	49	24	25	18	11	203
60-64	20	26	30	17	15	18	11	137
65-69	7	8	11	1	2	2	1	32
Over 70	0	1	3	0	2	2	4	12
<b>Total</b>	628	467	375	163	94	67	36	1,830

Exhibit E.4 Active Member Average Salary by Age and Service <sup>1</sup>								
Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	
<b>Under 20</b>								
<b>20-24</b>	\$39,731							\$39,545
<b>25-29</b>	49,401	\$44,824						48,828
<b>30-34</b>	44,923	48,022	\$51,296					46,818
<b>35-39</b>	47,396	54,824	58,069	\$55,119				52,792
<b>40-44</b>	46,512	49,520	57,667	63,066	\$76,010			53,069
<b>45-49</b>	50,270	52,686	60,087	63,483	65,354	\$83,910		57,866
<b>50-54</b>	42,990	48,243	49,711	58,522	66,332	75,957	\$62,439	55,043
<b>55-59</b>	48,995	48,066	52,218	62,279	61,944	80,184	70,037	56,656
<b>60-64</b>	45,010	55,544	48,329	61,176	59,622	62,239	74,889	56,004
<b>65-69</b>	43,730	40,922	65,767					56,136
<b>Over 70</b>								59,680
<b>Total</b>	\$46,858	\$50,274	\$55,462	\$61,502	\$64,295	\$74,862	\$69,097	\$53,156

<sup>1</sup> Average Salary not shown if group contains less than five members

<b>Exhibit E.5</b>			
<b>10-Year Projected Benefit Payments (Closed Group)</b>			
<b>Fiscal Year Ended December 31,</b>	<b>Actives</b>	<b>Inactives</b>	<b>Total</b>
2014	\$ 1,652,732	\$ 18,242,054	\$ 19,894,786
2015	3,458,197	18,148,379	21,606,576
2016	5,025,975	18,051,515	23,077,490
2017	6,631,250	17,849,563	24,480,813
2018	8,331,810	17,667,399	25,999,210
2019	10,120,972	17,465,460	27,586,432
2020	11,938,343	17,279,152	29,217,495
2021	13,778,860	17,005,147	30,784,007
2022	15,590,391	16,749,965	32,340,356
2023	17,418,661	16,460,036	33,878,698

<b>Exhibit E.6</b>	
<b>History of Refunds</b>	
<b>Fiscal Year Ended December 31,</b>	<b>Refund Amount</b>
2002	\$ 1,454,715
2003	1,476,978
2004	1,086,548
2005	1,231,836
2006	1,225,048
2007	1,187,708
2008	1,220,911
2009	1,043,307
2010	910,161
2011	1,761,213
2012	1,870,042
2013	2,029,377

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**SECTION F**

**GASB ACCOUNTING SCHEDULES**

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<b>Exhibit F.1 Adams County Retirement Plan Schedule of Funding Progress</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
(1)	(2)	(3)	(4)=(3)-(2)	(5)=(2)/(3)	(6)	(7)=(4)/(6)
1/1/2007	\$ 174,254,209	\$ 264,910,496	\$ 90,656,287	65.8%	\$ 81,386,811	111.4%
1/1/2008	194,027,237	287,832,266	93,805,029	67.4%	87,215,518	107.6%
1/1/2009	179,216,396	316,117,270	136,900,874	56.7%	94,396,658	145.0%
1/1/2010	200,975,215	340,984,767	140,009,552	58.9%	98,982,060	141.4%
1/1/2011	204,666,912	356,275,436	151,608,524	57.4%	95,737,553	158.4%
1/1/2012	201,712,397	371,702,160	169,785,105	54.3%	94,160,223	180.3%
1/1/2013	199,076,191	386,835,357	187,759,166	51.5%	96,443,158	194.7%
1/1/2014	214,140,815	379,802,962	165,662,147	56.4%	102,088,234	162.3%

<b>Exhibit F.2</b>				
<b>Adams County Retirement Plan</b>				
<b>Schedule of Employer Contributions</b>				
<b>Fiscal Year Ended December 31,</b>	<b>Annual Required Contribution</b>	<b>Actual County Contribution</b>	<b>Percentage Contributed</b>	
2003	\$ 6,405,211	\$ 3,866,302	60.4%	
2004	6,858,772	4,054,317	59.1%	
2005	9,359,536	4,597,297	49.1%	
2006	10,110,243	5,175,320	51.2%	
2007	11,320,501	5,740,166	50.7%	
2008	11,542,116	6,445,284	55.8%	
2009	16,237,097	7,048,276	43.4%	
2010	16,856,144	7,153,366	42.4%	
2011	17,559,138	7,235,764	41.2%	
2012	18,762,499	7,533,395	40.2%	
2013	19,659,013	8,289,767	42.2%	
2014	15,406,279	TBD	TBD	

<b>Exhibit F.3 Adams County Retirement Plan Required Supplementary Information</b>	
Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Periods	30 Years
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	Service-based increases from 3.8% to 9.30%
Inflation	2.80%
Cost of Living Adjustments	N/A

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**SECTION G**

**ACCUMULATED PLAN BENEFITS**

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The actuarial valuation for the Adams County Retirement Plan has historically included the accumulated plan benefits under Accounting Standards Codification 960, formerly Financial Accounting Standard No. 35. Although this particular measure is not typically used in public sector valuations and is not needed for public sector accounting, we have continued to include it for comparative purposes. Accumulated Plan Benefits represents the present value of benefits based on accrued service and current salary as of the valuation date.

<b>Exhibit G.1 Adams County Retirement Plan Actuarial Valuation Results Accumulated Plan Benefits</b>		
	<b>January 1, 2014</b>	<b>January 1, 2013</b>
<b>1. Accumulated Plan Benefits</b>		
a. Active Members	\$ 198,805,689	\$ 137,605,380
b. Members with Deferred Benefits	9,313,722	8,592,964
c. Members Receiving Benefits	190,012,510	168,459,236
d. Total	<u>\$ 398,131,921</u>	<u>\$ 314,657,580</u>
<b>2. Market Value of Assets</b>	\$ 224,301,114	\$ 199,741,510
<b>3. Funded Ratio</b>	56.3%	63.5%

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**SECTION H**

**ACTUARIAL ASSUMPTIONS AND METHODS**

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## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### I. Valuation Date

The valuation date is January 1st of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

### II. Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined, based on age, service, sex, compensation, and the interest rate assumed to be earned in the future (7.50%). The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of terminating with a service benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal cost contribution and an accrued liability contribution.
3. The normal contribution is determined using the Entry Age Normal cost method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on their behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from the valuation date as a level dollar. It is assumed that payments are made throughout the year.

III. Actuarial Value of Assets

The actuarial value of assets is based on recognizing gains and losses over a five-year period where gains and losses are determined by comparing the projected market value of assets (based on the prior year’s market value of assets, cash flows during the year and expected investment returns on those amounts) to the current year’s market value of assets. The actuarial value of assets must be between 80% and 120% of market value.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 7.50% per annum, compounded annually, composed of an assumed 2.80% inflation rate and a 4.70% real rate of return. This rate represents the assumed return, net of all investment expenses.
2. Salary increase rate: Inflation rate of 2.80%, plus productivity component of 1.00%, plus step-rate/ promotional component as shown (adopted December 2013).

Completed Years of Service	Percentage Increase in Salary		
	Merit	Wage Inflation	Total
0	5.50 %	3.80 %	9.30 %
5	1.50	3.80	5.30
10	0.25	3.80	4.05
15	0.00	3.80	3.80
20	0.00	3.80	3.80
25	0.00	3.80	3.80
30	0.00	3.80	3.80
35	0.00	3.80	3.80
40	0.00	3.80	3.80

B. Demographic Assumptions

1. Mortality rates (pre- and post-retirement) – The valuation assumes fully generational mortality. The base mortality table used is the RP-2000 Blue Collar Healthy Annuitant Generational Mortality Table. Future mortality improvements are assumed each year using Scale BB. Rates are set back one year for females for post-retirement mortality. The following are sample rates (adopted December 2013):

Sample Attained Ages	Probability of Death Pre-Retirement	
	Men	Women
20	0.05 %	0.02 %
25	0.06	0.02
30	0.07	0.03
35	0.10	0.05
40	0.13	0.08
45	0.17	0.13
50	0.23	0.19
55	0.33	0.26
60	0.48	0.34
65	0.66	0.44
70	0.80	0.57
75	0.00	0.00
80	0.00	0.00
85	0.00	0.00
90	0.00	0.00

Sample Attained Ages	Probability of Death Post-Retirement	
	Men	Women
20	0.05 %	0.02 %
25	0.06	0.02
30	0.07	0.03
35	0.10	0.04
40	0.13	0.08
45	0.17	0.12
50	0.54	0.18
55	0.69	0.23
60	0.96	0.45
65	1.40	0.86
70	2.17	1.42
75	3.49	2.38
80	5.71	3.75
85	9.31	6.31
90	15.57	10.54

2. Mortality rates (post-disablement) – RP-2000 Disabled Male and Female No Collar Mortality Table. Sample rates shown below:

Sample Attained Ages	Probability of Death Post-Disability	
	Men	Women
20	2.26 %	0.75 %
25	2.26	0.75
30	2.26	0.75
35	2.26	0.75
40	2.26	0.75
45	2.26	0.75
50	2.90	1.15
55	3.54	1.65
60	4.20	2.18
65	5.02	2.80
70	6.26	3.76
75	8.21	5.22
80	10.94	7.23
85	14.16	10.02
90	18.34	14.00

3. Disability rates. Sample rates shown below:

Sample Attained Ages	Probability of Disablement Next Year	
	Men	Women
25	0.04 %	0.04 %
30	0.06	0.06
35	0.10	0.10
40	0.16	0.16
45	0.26	0.26
50	0.45	0.45
55	0.85	0.85
60	1.20	1.20

4. Termination rates (for causes other than death, disability or retirement): Termination rates are based on service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown (adopted December 2013):

Completed Years of Service	Probability of Termination Next Year	
	Men	Women
0	20.00 %	20.00 %
5	8.00	8.00
10	3.00	3.00
15	2.00	2.00
20	1.00	1.00
25	1.00	1.00
30	1.00	1.00
35	1.00	1.00

5. Retirement rates (adopted December 2013).

Age	Tier 1		Tier 2		Tier 3	
	Age-based	Rule-based	Age-based	Rule-based	Age-based	Rule-based
< 46		18.00%				
46		18.00%				
47		15.00%				
48		12.00%				
49		12.00%				
50		8.00%		15.00%		
51		8.00%		8.00%		
52		8.00%		8.00%		
53		8.00%		8.00%		
54		8.00%		8.00%		
55	2.00%	8.00%	2.00%	8.00%	2.00%	20.00%
56	2.00%	8.00%	2.00%	8.00%	2.00%	8.00%
57	2.00%	8.00%	2.00%	8.00%	2.00%	8.00%
58	2.00%	10.00%	2.00%	10.00%	2.00%	10.00%
59	6.00%	10.00%	6.00%	10.00%	6.00%	10.00%
60	8.00%	10.00%	8.00%	10.00%	8.00%	10.00%
61	8.00%	10.00%	8.00%	10.00%	8.00%	10.00%
62	9.00%	25.00%	9.00%	25.00%	9.00%	25.00%
63	9.00%	15.00%	9.00%	15.00%	9.00%	15.00%
64	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
65	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
66	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
67	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
68	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
69	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

C. Expense Loading. Based on the prior three year average, rounded to the nearest \$1,000.

	Noninvestment Expenses
Year	Expenses
2011	\$678,094
2012	881,694
2013	798,751
	<u>\$2,358,539</u> ÷ 3 = \$786,180
Average	\$786,180
Loading	\$786,000



D. Other Assumptions

1. Percent married: 85% of employees are assumed to be married.
2. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
3. Cost of living adjustment: None.
4. Optional forms: Members are assumed to elect the normal form of benefit.
5. Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
6. Current and future deferred vested participants are assumed to retire at the earlier of age 55 or the age they meet special early retirement eligibility. Deferred disabled participants are assumed to commence benefits at age 65.
7. Pay increase timing: Middle of year.
8. Decrement timing: Decrements of all types are assumed to occur mid-year.
9. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
10. Decrement relativity: Decrement rates are used directly, without adjustment for multiple decrement table effects.
11. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

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**SECTION I**

**IMPACT OF BENEFIT AND ASSUMPTION CHANGES**

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Exhibit I.1 Adams County Retirement Plan Impact of Benefit and Assumption Changes Effective January 1, 2014				
Fiscal Year Beginning	January 1, 2014	January 1, 2014	January 1, 2014	January 1, 2013
	After Benefit & Assumption Changes	After Benefit Changes Only	Before Benefit Changes	Before Benefit Changes
1. Actuarial Accrued Liability	\$ 379,802,962	\$ 376,785,746	\$ 406,953,359	\$ 386,835,357
2. Actuarial Value of Assets	<u>214,140,815</u>	<u>214,140,815</u>	<u>214,140,815</u>	<u>199,076,191</u>
3. Unfunded Accrued Liability	\$ 165,662,147	\$ 162,644,931	\$ 192,812,544	\$ 187,759,166
4. Funded Ratio	56.4%	56.8%	52.6%	51.5%
5. Normal Cost Rate	10.29%	10.57%	12.14%	12.79%
6. Amortization of Unfunded	12.78%	12.43%	14.73%	15.33%
7. Assumed Administrative Expenses	<u>0.77%</u>	<u>0.77%</u>	<u>0.77%</u>	<u>0.76%</u>
8. Total Annual Required Contribution	23.84%	23.77%	27.64%	28.88%