

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

Appendix A

Member Contribution Rates (Continued)

Probation Tier 3 Members' Contribution Rates - Based on the June 30, 2017 Actuarial Valuation (as a percentage of eligible payroll)*		
	Basic Only	Total
	<u>Eligible Pay</u>	<u>Eligible Pay</u>
All Probation Tier 3 Members	12.23%	12.23%**

Interest:	7.00% per annum
COLA:	0%
Mortality:	RPH-2014 (Headcount-Weighted) Healthy Annuitant Mortality Tables projected 20 years with the two-dimensional improvement Scale MP-2016, set back one year for males and set forward one year for females, weighted 80% male and 20% female
Salary Increase:	Inflation (3.00%) + Across-the-Board Increases (0.50%) + Merit/Promotion (see Exhibit II)
COLA Loading Factor:	0%

* It is our understanding that in the determination of pension benefits under the CalPEPRA formulas, the compensation that can be taken into account for 2017 is equal to \$118,775. For an employer that is not enrolled in Social Security, the maximum amount is 120% of \$118,775, or \$142,530 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2017. (Reference: Section 7522.10(d).)

** The Probation Tier 3 active membership increased from 9 members as of June 30, 2016 to 20 members as of June 30, 2017. The average entry age for all Probation Tier 3 active members increased by about 5 years since the prior valuation, which led to an increase in the employee (normal cost) contribution rate by about 2% of Probation Tier 3 payroll (prior to the change in the actuarial assumptions for this group).

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