Marin County
Public Pensions Forum – May 16, 2011

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Retirement Administrator

Marin County Employees' Retirement Association

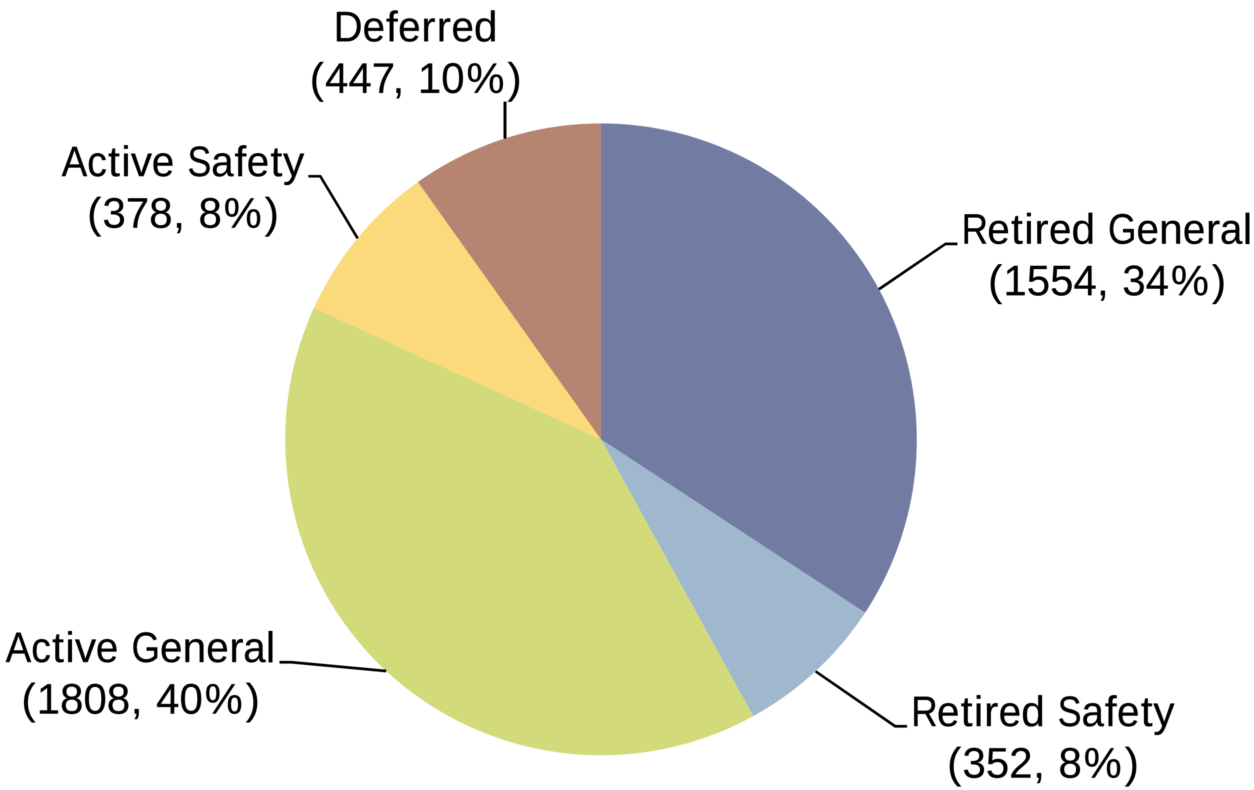
Agenda

- Overview of MCERA
- Member Demographics
- Benefit Information
- Investment Information
- Roles and Responsibilities
- Funding

MCERA Retirement Plan Overview

- Retirement plan provided for under the County Employees' Retirement Law of 1937 (CERL).
- A defined benefit plan that provides set guaranteed post-employment payments to a member or their beneficiary.
- Benefit amount based on a pre-determined fixed formula.
- Employees and employers contribute to the plan.
- Assets held in trust exclusively for the payment of benefits.

Membership – Marin County and Districts



Data as of June 30, 2010

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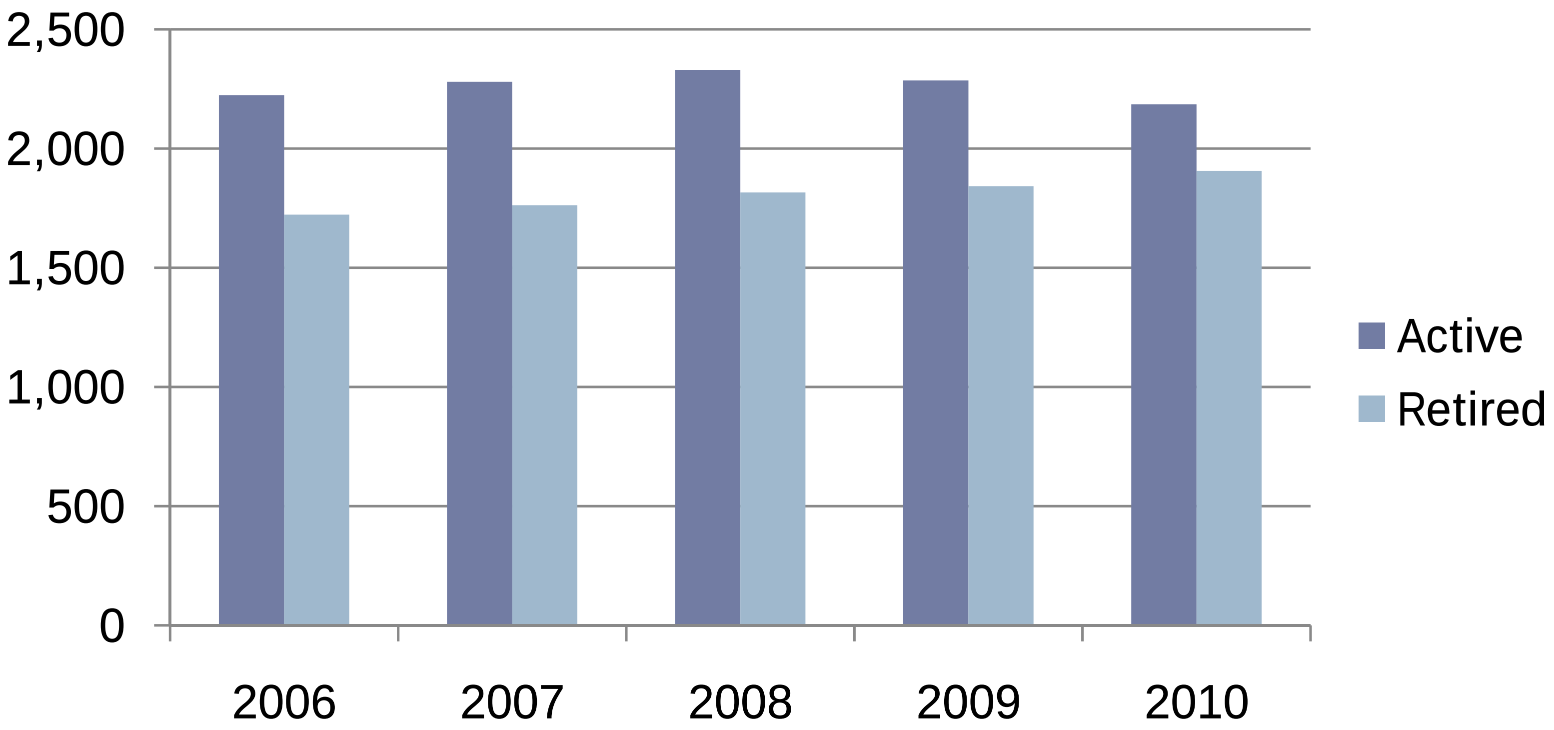
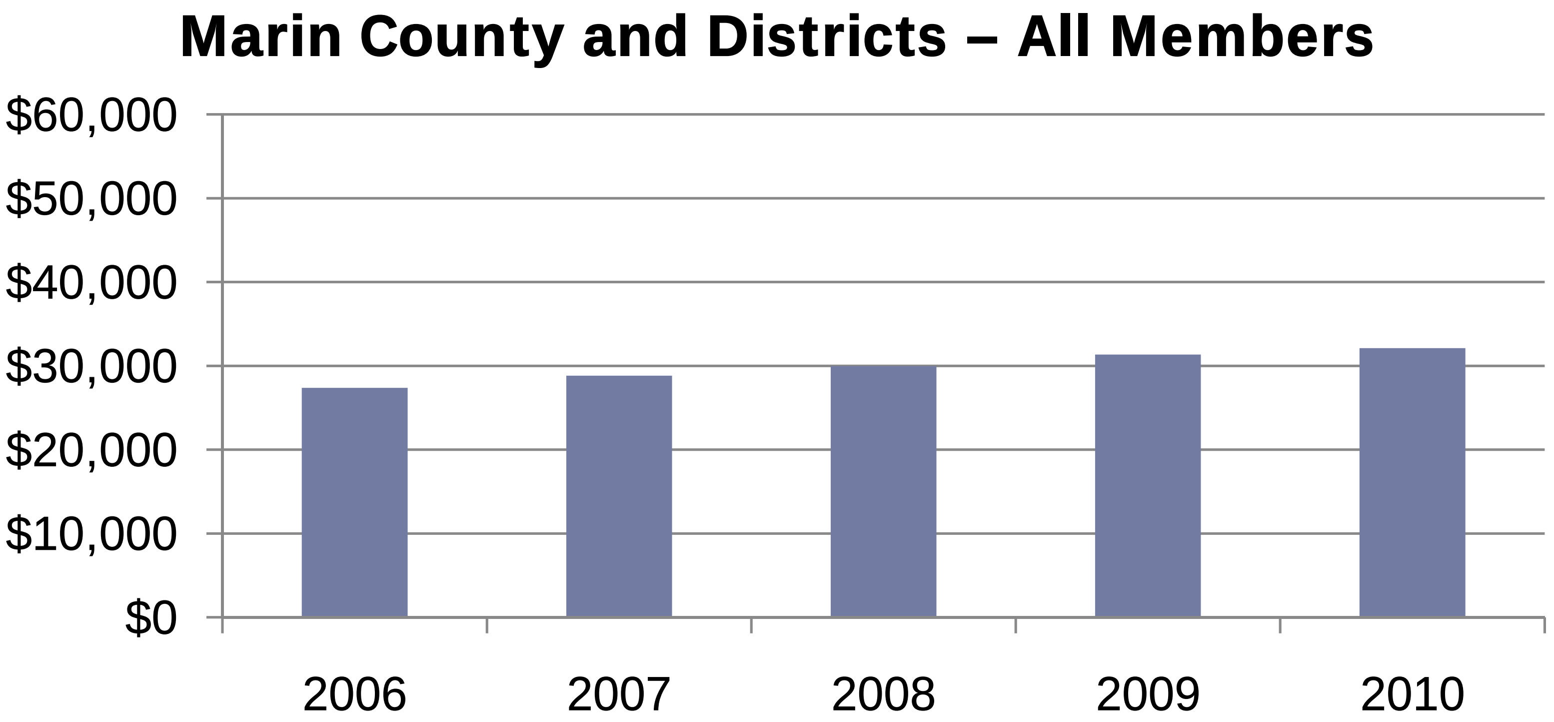


Data as of June 30, 2010

Average Annual Retirement Benefit



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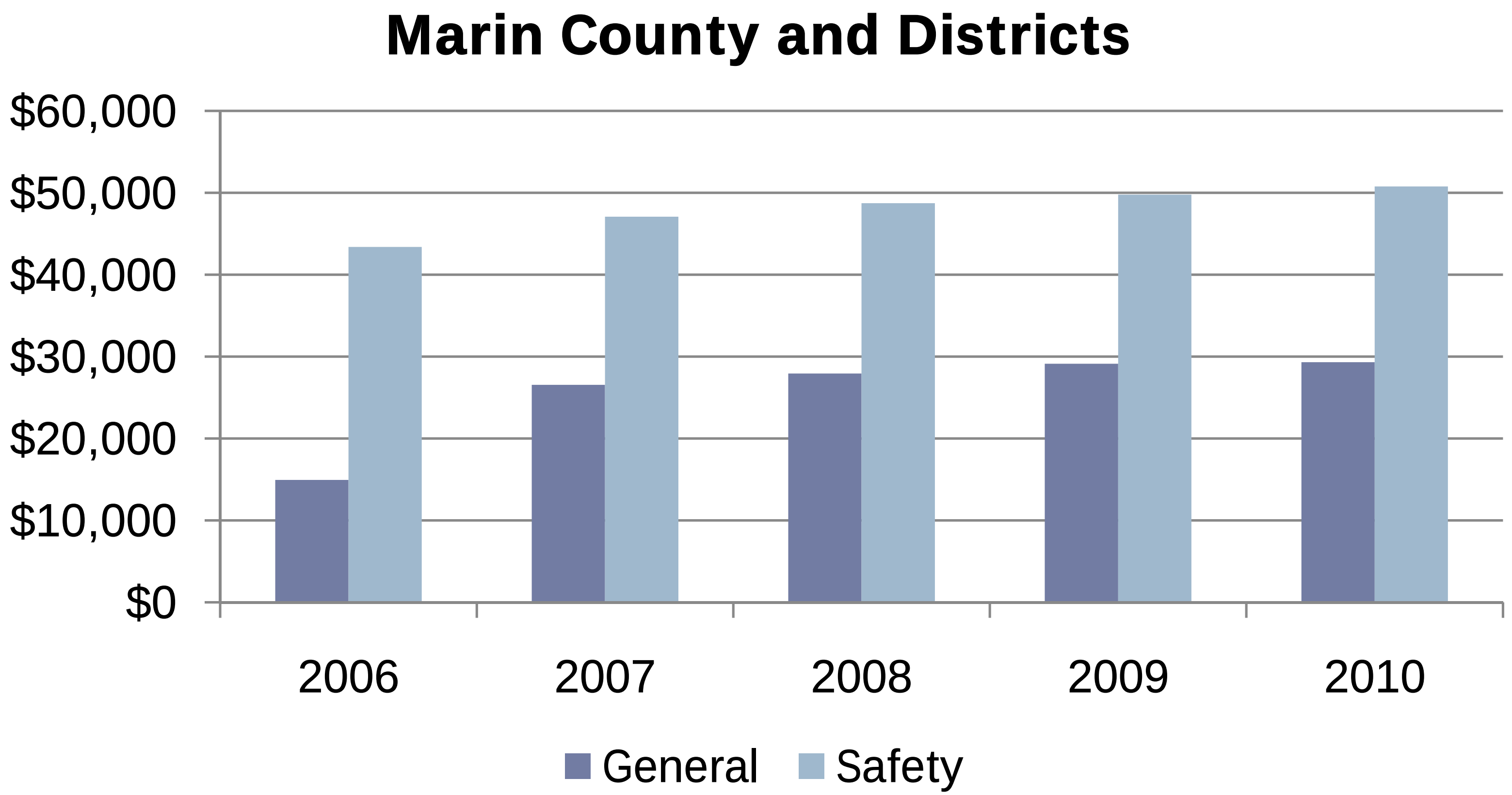
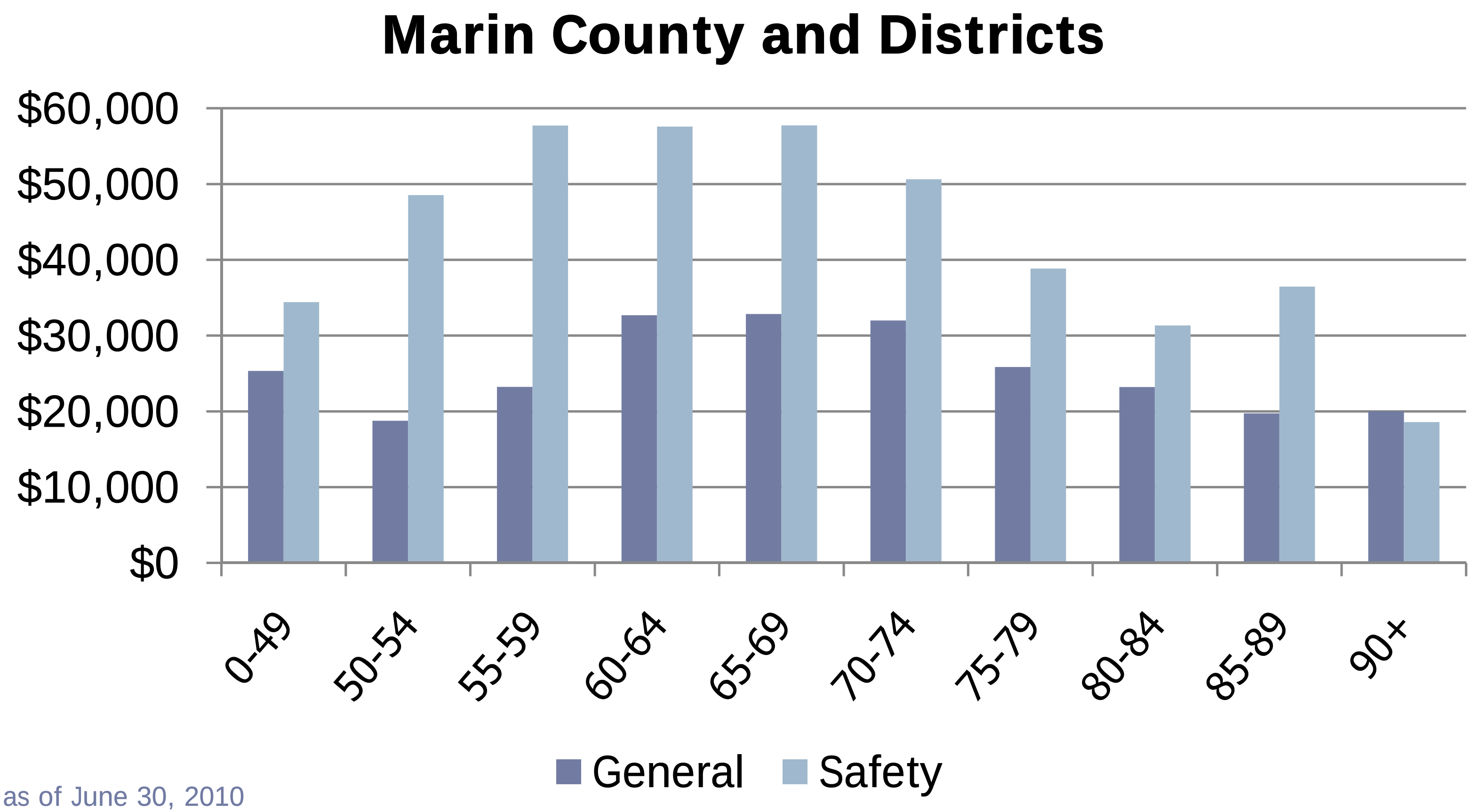


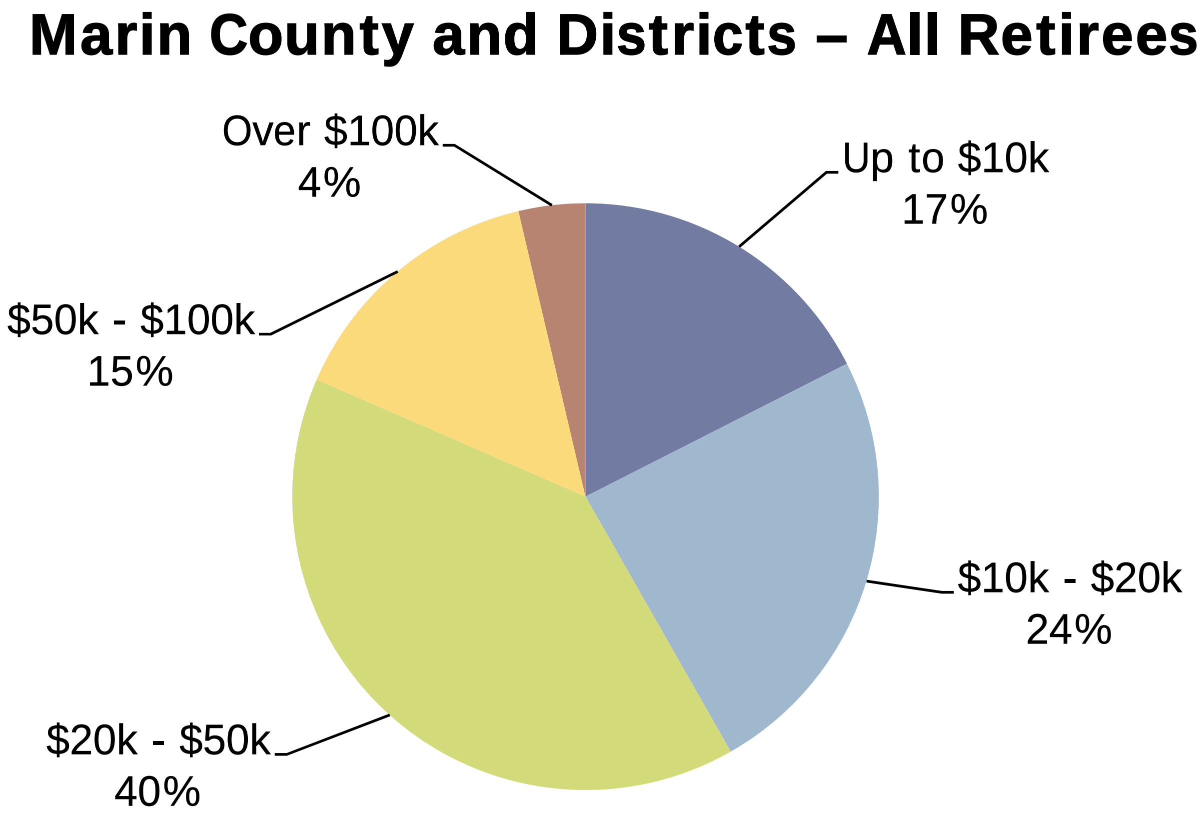
Data as of June 30, 2010

Average Annual Retirement Benefit by Age Group



Data as of June 30, 2010

Distribution of Annual Benefits Paid

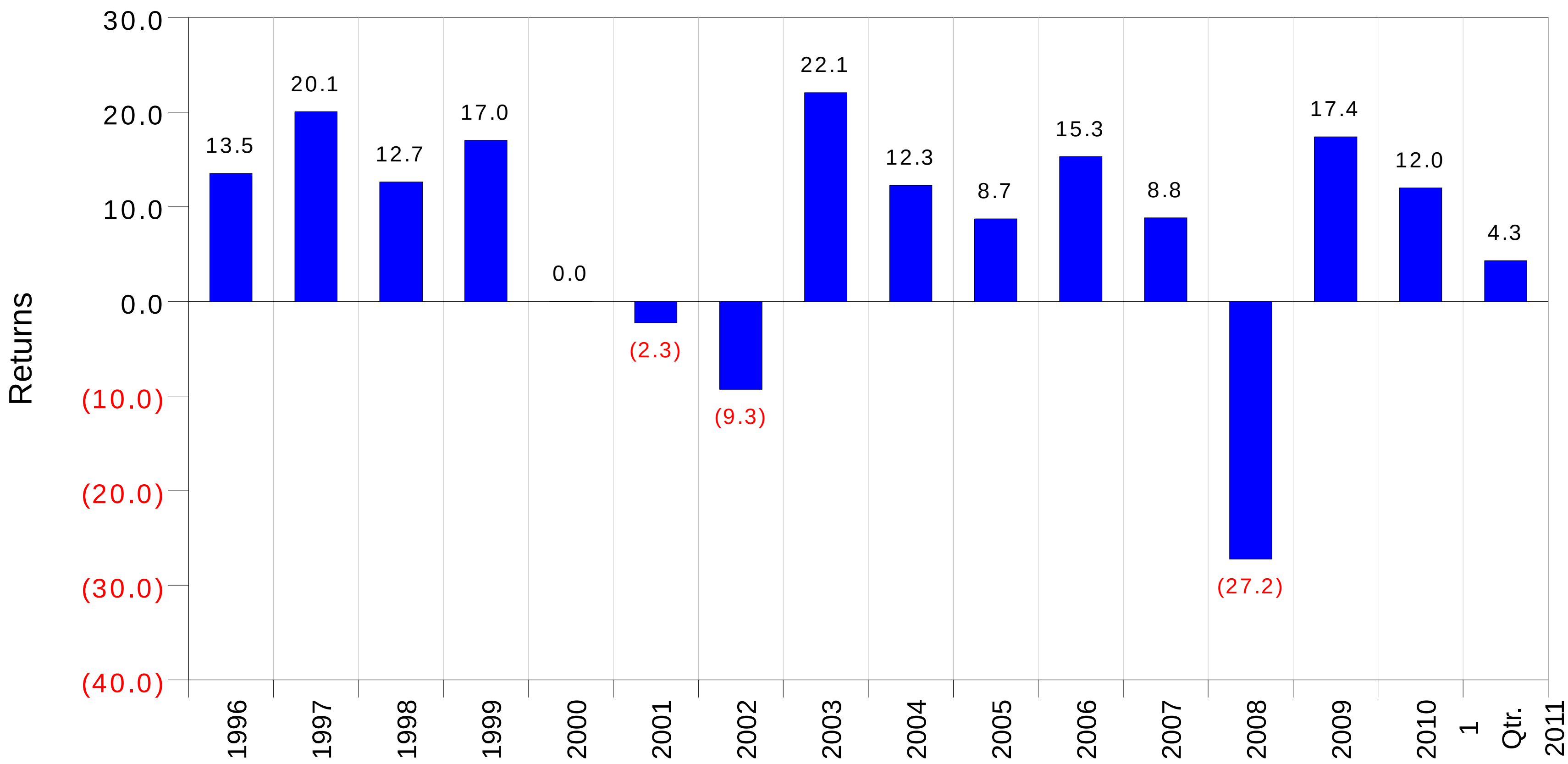


Data as of June 30, 2010

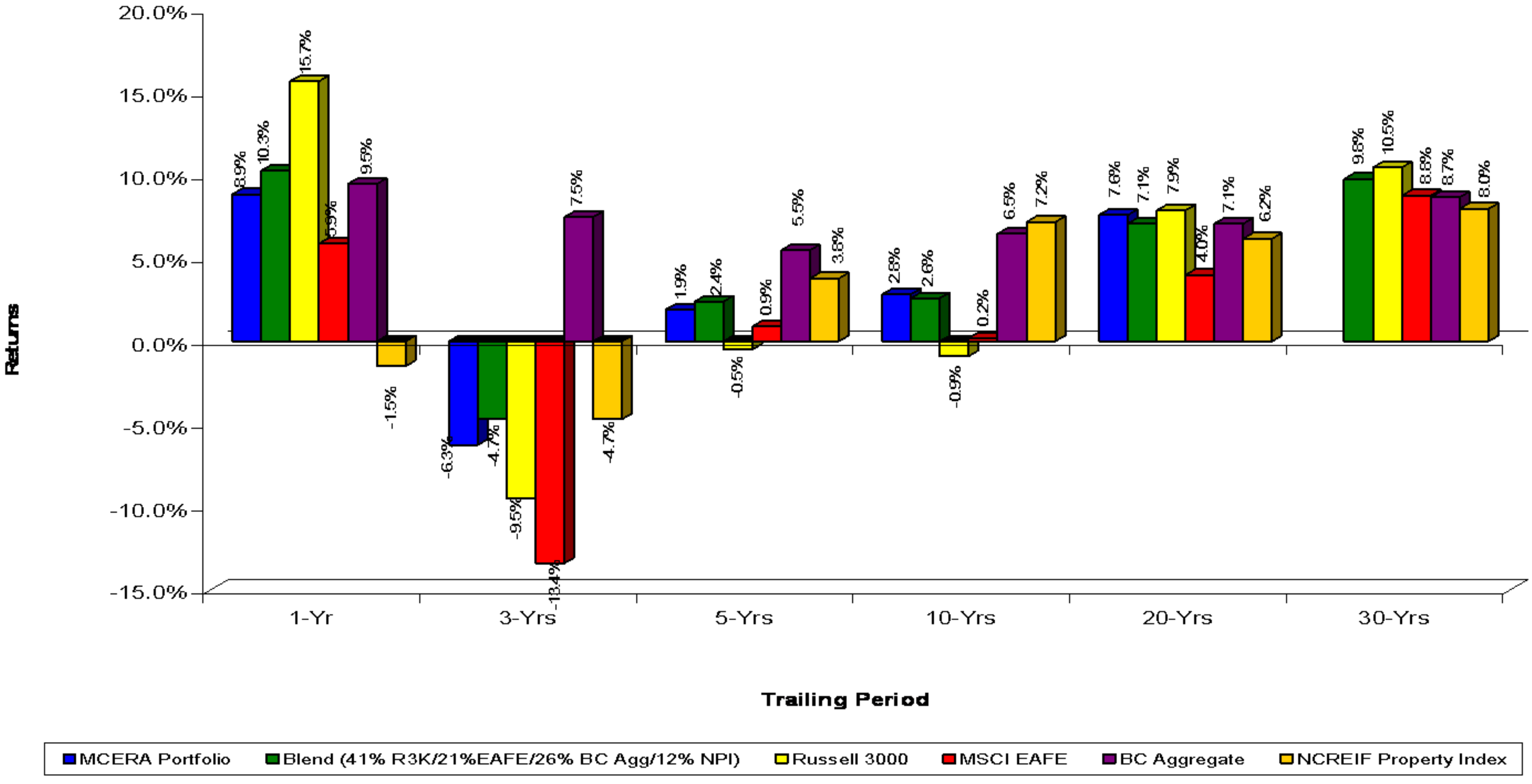
MCERA Investment Program

- Long Term Investment Strategy
  - Based on length of the liabilities which accumulate over 30-40 years
- Long Term Returns
  - 7.9% annualized investment return for 23 years (June 30, 2010)
  - Market Value $1.46 billion (March 31, 2011)
- Diversified Investments
  - Stocks 65%, Bonds 25%, Commercial Real Estate 9%, Alternative Investments 1%
  - 19 industry leading investment firms

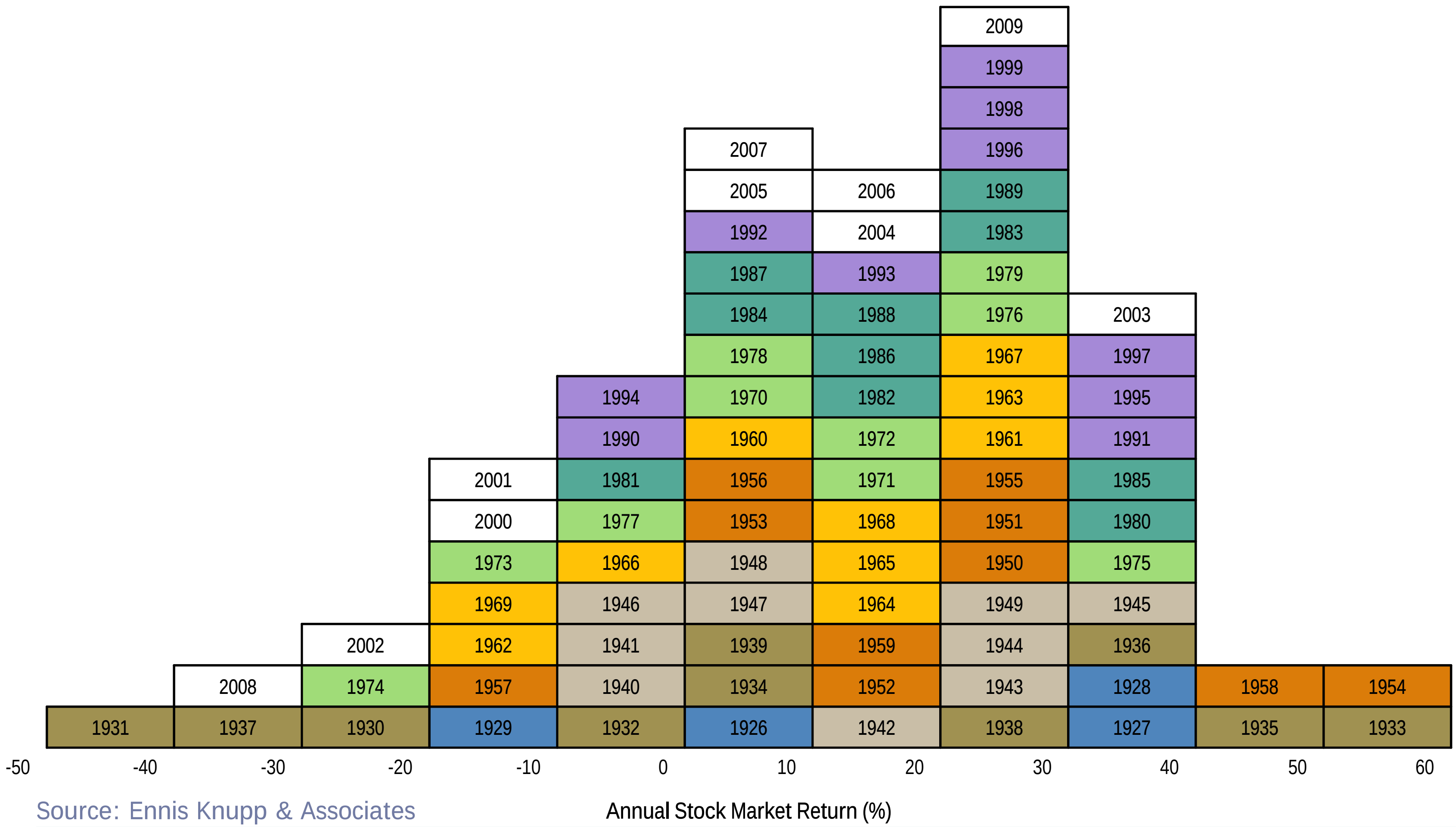
MCERA Calendar Year Returns



Returns for MCERA and Indices
through 6/30/10 (20-yr MCERA History)



Historical U.S. Stock Returns (1929-2009)



Source: Ennis Knupp & Associates

MCERA Responsibilities

- Retirement Board serves as fiduciary to the members and beneficiaries of the plan
  - Four members appointed by the Board of Supervisors
  - Four members elected by active or retired members
    - 2 General, 1 Safety, 1 Retiree
  - County Director of Finance serves as Ex-officio member
  - Three alternates
    - 1 Ex-officio, 1 Safety, 1 Retiree

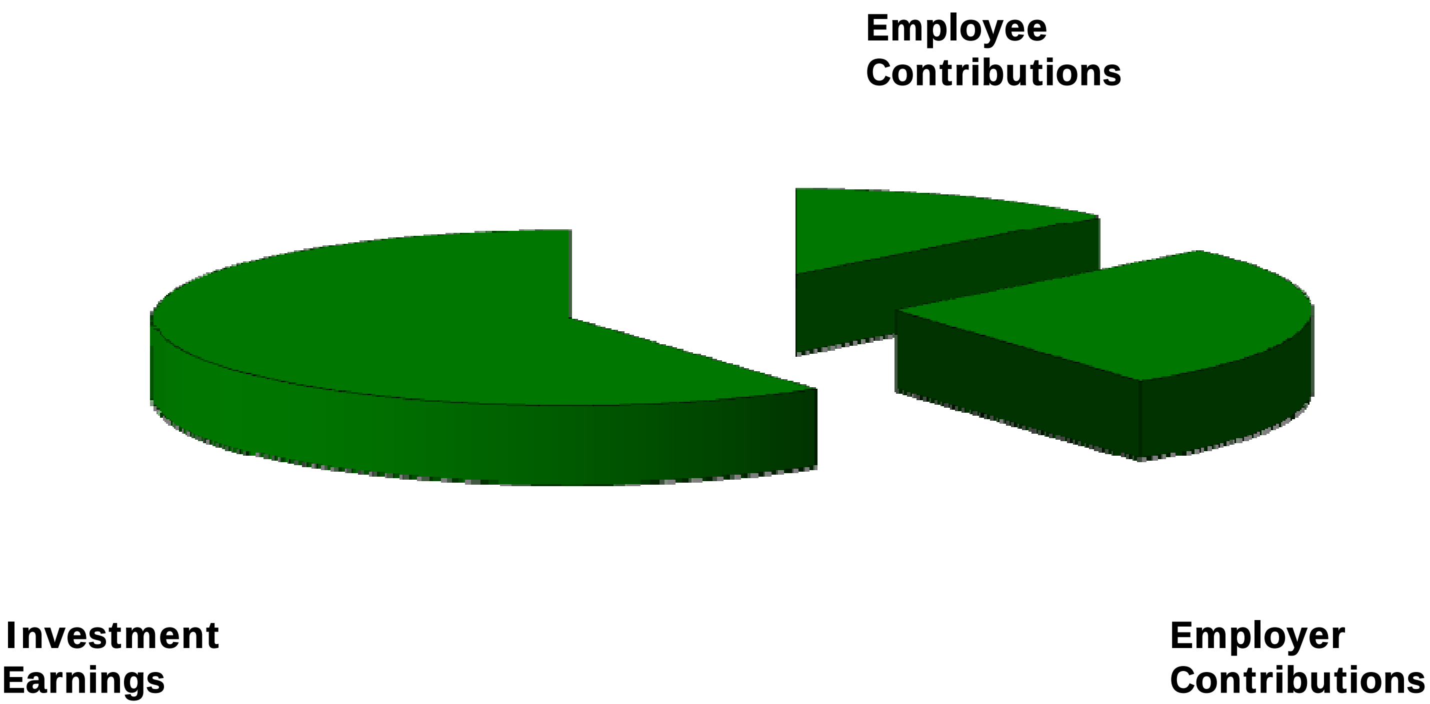
MCERA Responsibilities

- Collect and invest contributions
- Pay monthly benefits on time and accurately
- Calculate benefits, estimates and service purchases
- Determine whether particular compensation items are included in retirement allowance calculations in accordance with statutory requirements
- Manage the plan in accordance with its governing laws
- Changes in retirement benefits by plan sponsors usually require collective bargaining, are limited by what's permitted under the CERL, and may implicate constitutionally vested rights of MCERA members.

Plan Sponsor Responsibilities

- Determine benefits that will be provided to their employees.
  - Benefit multiplier (formula)
  - Final average salary period
  - Post-retirement cost-of-living adjustment (COLA)
- Newly hired County employees enter MCERA with the following benefit:
  - General members:
    - 2% at 55
    - 3-year final average salary
    - 2% post-retirement COLA
  - Safety members:
    - 3% at 50
    - 3-year final average salary
    - 2% post-retirement COLA

How is the Plan Funded?
(national averages based on studies)



Employer and Employee Contributions
(Average Cost by Group as of July 1, 2011)

Group	Normal Cost	UAAL	Total
General Employee	8.0%	0.0%	8.0%
General Employer	7.4%	14.2%	21.6%
Safety Employee	16.0%	0.0%	16.0%
Safety Employer	8.3%	23.1%	31.4%