

Attachment 3

Section 1 – Plan Specific Information for Proposed MISCELLANEOUS PLAN of the Santa Cruz County Regional Transportation Commission

Required Employer Contribution

As part of a risk pool, your employer contribution rate will be the sum of the parts shown below. Your required employer contribution rate will be 11.403% from the effective date of the contract through June 30, 2007.

	Required Contribution Amount	Required Contribution Rate
1. Risk Pool's Net Employer Normal Cost	79,421	7.646%
2. Risk Pool's Payment on the Unfunded Liability	2,264	0.218%
3. Surcharge for Class 1 Benefits ¹		
a) FAC 1	5,246	0.505%
4. Phase out of Normal Cost Difference	13,545	1.304%
5. Amortization of Side Fund	17,970	1.730%
6. Total Employer Contribution	118,446	11.403%

¹ Appendix C of Section 2 of this report contains the list of class 1 benefits with their corresponding surcharges.

Employer Side Fund

At the time of joining a risk pool, a side fund will be created to account for whether the assets that were brought into the pool were more or less than what was required to maintain the funded ratio of the pool. The side fund for your proposed MISCELLANEOUS PLAN at the effective date of the contract was developed as follows:

1. Market Value of Assets	1,441,136
2. Actuarial Value/Market Value of Pool 2 (2% @ 55)	101.65%
3. Actuarial Value of Assets [(1) x (2)] coming into Pool 2	1,464,915
4. Entry Age Normal Accrued Liabilities coming into Pool 2	1,724,685
5. Funded Ratio of Pool 2	99.43%
6. Total Assets needed to "buy into" Pool 2 [(4) x (5)]	1,714,785
7. Employer Side Fund as of June 30, 2004 [(3) - (6)]	(249,871)
8. Employer Side Fund as of June 30, 2006	(271,858)
9. Side Fund Amortization Period	25

Summary of Participant Data

Below is a table showing a summary of the participant data for your plan upon which this valuation is based

1. Number of Active Members	15
2. Total Payroll	943,696
3. Average Salary	62,913
4. Expected Payroll on First Payment Date	1,038,729
5. Number of Transferred Members	7
6. Number of Separated Members	9
7. Number of Retired Members and Beneficiaries	0

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List of Core & Benefit Provisions

- One-Year Final Compensation

If Section 21031 (Public Service Credit for Limited Prior Service) is included in the contract, there is a risk that employer contribution rates will increase in the future as a result of members electing to purchase prior service.

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