

***NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS
2008***

***County Employees' Retirement System
Cash Balance Benefit Fund***

Actuarial Valuation Results
as of January 1, 2008
for County Fiscal Year Ending June 30, 2010

May 2008



1200 Seventeenth Street
Suite 1200
Denver, Colorado 80202

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND

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May 7, 2008

Public Employees Retirement Board
Nebraska Public Employees Retirement Systems
Post Office Box 94816
Lincoln, NE 68509

**Certification of Actuarial Valuation
County Employees' Retirement System
Cash Balance Benefit Fund**

Ladies and Gentlemen:

This report summarizes the results of the actuarial valuation of the County Employees' Retirement System Cash Balance Benefit Fund as of January 1, 2008, performed by Buck Consultants, Inc.

The actuarial valuation is based on member data provided to us by the Ameritas Life Insurance Corporation, recordkeeper for the plan, and unaudited financial information provided by Nebraska Retirement Systems as summarized in this report. The benefits considered are those delineated in Nebraska State Statutes, effective as amended January 1, 2008.

All costs, liabilities and other factors under the fund were determined in accordance with generally accepted actuarial principles and procedures, using actuarial cost methods which we believe are reasonable, and that follow the Nebraska State Statutes. This report fully and fairly discloses the actuarial position of the fund.

In our opinion, the actuarial assumptions used are reasonable, taking into account expected experience of the fund, and represent our best estimate of anticipated future experience. A summary of the actuarial assumptions used in this actuarial valuation are shown in Exhibit 10.

The contributions paid by the participating Cash Balance benefit members and the 150% matching County contributions defined by statute are more than sufficient to meet the actuarially required contribution which is equal to the sum of the annual normal cost and the annual payment necessary to amortize the unfunded liabilities over 25 years. The State is required to make any additional contribution necessary to meet the statutory funding requirement. For the 2009-2010 fiscal year, this additional amount is \$0.

We are available to answer any questions on the material contained in this report, or to provide explanations to further details as may be appropriate.

Respectfully submitted,

David H. Sliskinsky, A.S.A., E.A., M.A.A.A.
Principal and Consulting Actuary

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND

**SUMMARY OF ACTUARIAL REPORT FOR CONTRIBUTION REQUIREMENTS AND
FUNDED STATUS FOR THE 2008 PLAN YEAR**

The main purposes of this report are:

1. To determine the level of additional State contributions for the fiscal year ending June 30, 2010 sufficient to meet the funding policy defined under Nebraska State statutes;
2. To review the current funded status of the Cash Balance benefit; and
3. To quantify the contribution rate available for benefit improvements, if any.

The 2008 actuarial valuation is based upon the plan provisions as of January 1, 2008, as described in Exhibit 8. The actuarial methods and assumptions are described in Exhibits 9 and 10.

Highlights from the current valuation:

1. Under Legislative Bill 687, enacted in 2002, the Cash Balance benefit was established effective January 1, 2003. Active members participating in the County Employees' Retirement System prior to January 1, 2003 were given a choice to remain covered by the Defined Contribution benefit or to transfer their account balances and become a participating member of the Cash Balance benefit effective January 1, 2003. All new County employees hired on or after January 1, 2003, will automatically participate in the Cash Balance benefit.

In addition, Legislative Bill 366, enacted in 2006, eliminates the 12-month waiting period for participation. Effective January 1, 2007, any County employee who has not completed 12 continuous months of employment will begin immediate plan participation and if hired in 2007 or later will join the plan upon date of hire.

2. No additional State contribution is required for the 2009-2010 fiscal year to meet the actuarially required contribution. Expected member contributions and County contributions exceed the total funding requirement. The Reserve as of January 1, 2008, is \$23,757,427.
3. For the 2008 plan year, the actuarially required contribution is under 90% of the actual contributions. Therefore, a funding excess exists to provide benefit improvements during the 2008 plan year of 1.39% of payroll.
4. As the result of an experience analysis conducted on actual plan experience from January 1, 2003 through December 31, 2006, revised actuarial assumptions were proposed to the Nebraska Public Employees Retirement Board (PERB) in June 2007 and adopted in September 2007, to be used for the January 1, 2008 actuarial valuation. The impact of the changes to the actuarial assumptions resulted in a \$1,457,384 decrease in the actuarial accrued liability as of January 1, 2008.
5. Under Legislative Bill 328, enacted in 2007, members of the County Defined Contribution benefit could elect to participate in the Cash Balance benefit under the plan. The new election period was from November 1, 2007 to December 31, 2007. There were approximately 351 active members and 68 inactive members that elected to transfer to the Cash Balance benefit under

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the plan. These members transferred approximately \$28,613,981 in account balances from the Defined Contribution Benefit Fund to the Cash Balance Benefit Fund.

6. The funded status of the system is measured by the ratio of the system assets over the Pension Benefit Obligation (PBO). The PBO is calculated using the Projected Unit Credit Method, which determines the benefit by using accumulated cash balance account values at the valuation date and projecting salary, contribution credits, and interest credits to assumed termination or retirement, and prorating the projected balances by service earned at the valuation date to service expected at termination or retirement. As of January 1, 2008, the funded percentage on Actuarial Value of Assets is 107.4%.

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Basic Actuarial Valuation Results

The 2008 actuarial valuation results are based upon the plan provisions as of January 1, 2008, as described in Exhibit 8. The actuarial methods and assumptions are described in detail in Exhibits 9 and 10, respectively.

1. County Contribution

The funding policy defined under State Statutes is for the counties to match the contributions paid by members at a rate of 150% of the member contribution, and for the State to make additional payments if necessary, to meet the actuarially required contribution. The actuarially required contribution is equal to the normal cost plus an amortization payment for unfunded liabilities. Unfunded liabilities created due to experience gains or losses, plan changes or assumption changes are amortized over 25 years.

The total expected County contribution for the 2008 plan year is \$9,524,951. Member contributions and matching County contributions are expected to exceed the total actuarially required funding.

Assets exceed the actuarial accrued liability as of the valuation date. As a result, the unfunded actuarial accrued liability is less than \$0. No additional payment from the State is required for the 2008 plan year.

History of Expected County Contributions			
Plan Year	County Contribution	Additional Contributions	Total
2004	\$ 4,092,294	\$ 0	\$ 4,092,294
2005	\$ 4,577,184	\$ 0	\$ 4,577,184
2006	\$ 5,949,740	\$ 0	\$ 5,949,740
2007	\$ 7,659,110	\$ 0	\$ 7,659,110
2008	\$ 9,524,951	\$ 0	\$ 9,524,951

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2. Asset Values

The total assets of the system as of the valuation date at both market value and actuarial value is as follows:

	January 1, 2007	January 1, 2008*	Annual Rate of Return
(a) Market value	\$ 124,669,976	\$ 168,651,246	7.66%
(b) Actuarial value, an adjusted value intended to reduce the effect of market fluctuations (See Exhibit 9)	\$ 116,379,465	\$ 163,782,748	11.06%

* Includes receivable of \$28,613,981 for transfers from the defined contribution (DC) option

3. Actuarial Liability/(Reserve)

The actuarial liability of the system is the excess of the total benefit obligation (present value of future benefits) over the projected financial resources (sum of (i) the actuarial value of assets, and (ii) the present value of future member and matching County contributions). If the projected financial resources exceed the total benefit obligation, the system has a reserve. The actuarial position of the system as of the valuation date is as follows:

	January 1, 2007	January 1, 2008
(a) Present value of future benefits	\$ 219,726,127	\$ 292,602,244
(b) Actuarial value of assets	116,379,465	163,782,748
(c) Present value of future member contributions	46,714,689	61,030,769
(d) Present value of matching County contributions	<u>70,072,034</u>	<u>91,546,154</u>
(e) Actuarial liability/(reserve) [(a) - (b) - (c) - (d)]	\$ (13,440,061)	\$ (23,757,427)

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4. Pension Benefit Obligation (PBO)

The Pension Benefit Obligation represents a standardized disclosure measure of the present value of pension benefits payable in the future, which incorporates the effects of projected salary increases, based on service earned at the valuation date. The measure is intended to provide information regarding the Cash Balance Benefit's funded status on an ongoing-concern basis, progress made in accumulating sufficient assets to pay benefits when due, and comparability to other plans.

Funded Status	January 1, 2007	January 1, 2008
(a) Pension Benefit Obligation		
i) retirees, disabled members and beneficiaries receiving benefits and deferred vested members not yet receiving benefits	\$ 11,014,455	\$ 17,675,425
ii) active members	<u>101,436,234</u>	<u>134,885,714</u>
iii) total pension benefit obligation	\$ 112,450,689	\$ 152,561,139
(b) Assets available for benefits (actuarial value)	<u>116,379,465</u>	<u>163,782,748</u>
(c) Unfunded Pension Benefit Obligation	\$ (3,928,776)	\$ (11,221,609)
(d) Funded percentage on actuarial value of assets [(b) ÷ (a)(iii)]	103.5%	107.4%

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5. Accumulated Benefit Obligation

The accumulated benefit obligation represents another measure of the value of the benefits provided under the plan, based on the account balances and retiree benefits as of the valuation date. The measure is intended to provide information regarding the Cash Balance benefit's funded status on an immediate basis, progress on securing the current benefit obligation and comparability to similar individual account plans.

Funded Status	January 1, 2007	January 1, 2008
(a) Cash Balance Accounts		
i) Actives	\$ 106,232,828	\$ 143,931,674
ii) Inactives	<u>5,209,662</u>	<u>10,300,889</u>
iii) Total	\$ 111,442,490	\$ 154,232,563
(b) Retirees, disabilities, and beneficiaries	<u>5,804,793</u>	<u>7,374,536</u>
(c) Total accumulated benefit obligation	\$ 117,247,283	\$ 161,607,099
(d) Market Value of Assets	<u>124,669,976</u>	<u>168,651,246</u>
(e) Deficit/(Reserve) [(c) – (d)]	\$ (7,422,693)	\$ (7,044,147)
(f) Funded percentage on Market Value of Assets [(d) ÷ (c)]	106.3%	104.4%

6. Benefit Accrual Cost

The cost of benefits accruing over an active member's working career can be expressed as a level percentage of compensation. This cost represents the true cost of accruing benefits since it is not adjusted for any overfunding or underfunding which may exist on the valuation date. It is determined using the Entry Age Actuarial Cost Method and is also called the Normal Cost. The level benefit accrual cost determined at the valuation date is as follows:

	January 1, 2007	January 1, 2008
(a) Benefit accrual cost amount	\$ 10,932,093	\$ 13,408,129
(b) Annual compensation before assumed retirement age	\$ 109,999,228	\$ 137,236,448
(c) Benefit accrual cost rate [(a) ÷ (b)]	9.938%	9.770%

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7. Forecast of Disbursements

A forecast of the annual benefit disbursements expected over the next ten years is presented in Exhibit 7. This forecast is based on the same actuarial assumptions with respect to salary increases and decrement rates used to determine the funding requirements. The forecast should be a useful guide in discussing the cash-flow needs of the system with investment managers and in projecting the future financing needs of the system.

8. Actuarial Methods and Assumptions

The required contribution developed in this report is an estimate of the amount necessary to provide ongoing benefits to plan members assuming the system is funded in a systematic manner. These estimates are based upon the actuarial method defined under State Statutes to allocate the total cost of the Cash Balance benefit to various years and actuarial assumptions regarding the return on investments, salary rates, employee termination rates, mortality rates and other risk factors. The actuarial method used to determine the actuarial contribution requirement is the Entry Age Actuarial Cost Method.

The actuarial assumptions represent the expected long-term experience of the system on an explicit basis for each risk area considered. The experience is reviewed periodically. Where necessary, changes are recommended by the actuary and adopted by the Public Employees Retirement Board.

A summary of the actuarial methods and assumptions used in the current valuation is presented in Exhibits 9 and 10, respectively.

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SYSTEM ASSETS

A. Summary of Market Value of Assets	Market Value as of December 31, 2006	Market Value as of December 31, 2007
1. Cash and Equivalents	\$ 32,767	\$ 38,530
2. Investments	131,664,250	141,963,127
3. Receivables and Prepaids	4,963,899	4,241,075
4. Receivable Transfer from Defined Contribution Benefit Fund	0	28,613,981
5. Accounts Payable	(11,990,940)	(6,205,467)
6. Net Assets Available for Pension Benefits Considered [1 + 2 + 3 + 4 + 5]	\$ 124,669,976	\$ 168,651,246

B. Development of Actuarial Value of Assets	Amount
1. Actuarial Value of Assets as of January 1, 2007	\$ 116,379,465
2. Unrecognized return as of January 1, 2007	\$ 8,290,511
3. Contributions	
(a) Employee	\$ 5,530,577
(b) Employer	<u>8,194,607</u>
(c) Total	\$ 13,725,184
4. Transfers In	\$ 984,123
5. Receivable transfer from Defined Contribution Benefit Fund	\$ 28,613,981
6. Disbursements	
(a) Distributions	\$ 8,080,679
(b) Benefit Payments	<u>1,020,018</u>
(c) Total	\$ 9,100,697
7. Expected Return at 7.6% on:	
(a) Item 1	\$ 8,844,839
(b) Item 2	630,079
(c) Item 3(c)	512,007
(d) Item 4	36,712
(e) Item 5	0
(f) Item 6 (c)	<u>(339,494)</u>
(g) Total [(a) + (b) + (c) + (d) + (e) + (f)]	\$ 9,684,143
8. Actual Return on Market Value for 2007 Plan Year, net of expenses*	\$ 9,758,679
9. Return to be Spread for 2007 Plan Year [8 - 7(g)]	\$ 74,536

* Includes adjustment on the Market Value of Assets of \$201,073.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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SYSTEM ASSETS

B. Development of Actuarial Value of Assets (continued)		Amount																								
10. Total Market Value of Assets as of January 1, 2008		\$ 168,651,246																								
11. Return to be Spread:																										
<table border="1"> <thead> <tr> <th>Plan Year</th> <th>Return to be Spread</th> <th>Unrecognized Percent</th> <th>Unrecognized Return</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>\$ 74,536</td> <td>80%</td> <td>\$ 59,629</td> </tr> <tr> <td>2006</td> <td>7,982,363</td> <td>60%</td> <td>4,789,418</td> </tr> <tr> <td>2005</td> <td>(1,218,240)</td> <td>40%</td> <td>(487,296)</td> </tr> <tr> <td>2004</td> <td>2,533,733</td> <td>20%</td> <td>506,747</td> </tr> <tr> <td colspan="3">Total</td> <td>\$ 4,868,498</td> </tr> </tbody> </table>			Plan Year	Return to be Spread	Unrecognized Percent	Unrecognized Return	2007	\$ 74,536	80%	\$ 59,629	2006	7,982,363	60%	4,789,418	2005	(1,218,240)	40%	(487,296)	2004	2,533,733	20%	506,747	Total			\$ 4,868,498
Plan Year	Return to be Spread	Unrecognized Percent	Unrecognized Return																							
2007	\$ 74,536	80%	\$ 59,629																							
2006	7,982,363	60%	4,789,418																							
2005	(1,218,240)	40%	(487,296)																							
2004	2,533,733	20%	506,747																							
Total			\$ 4,868,498																							
12. Total Actuarial Value of Assets at January 1, 2008 [10 – 11]		\$ 163,782,748																								
13. Ratio of Market Value to Actuarial Value [10 ÷ 12]		103.0%																								

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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SYSTEM ASSETS

C. Change in Asset Values During 2007	Actuarial Value	Market Value
1. Asset value as of January 1, 2007		
(a) Reported last year	\$ 116,379,465	\$ 124,669,976
(b) Adjustment	<u>n/a</u>	<u>201,073</u>
(c) Reported this year [(a) + (b)]	\$ 116,379,465	\$ 124,871,049
2. Contributions for 2007		
(a) Employee contributions paid	\$ 5,530,577	\$ 5,530,577
(b) Employer contributions collected	<u>8,194,607</u>	<u>8,194,607</u>
(c) Contributions for 2007 [(a) + (b)]	\$ 13,725,184	\$ 13,725,184
3. Transfers In	\$ 984,123	\$ 984,123
4. Receivable transfer from Defined Contribution Benefit Fund	\$ 28,613,981	\$ 28,613,981
5. Disbursements for 2007		
(a) Benefit disbursements	\$ 9,100,697	\$ 9,100,697
(b) Expenses and fees	<u>892,296</u>	<u>892,296</u>
(c) Disbursements for 2007 [(a) + (b)]	\$ 9,992,993	\$ 9,992,993
6. Investment return for 2007	\$ 14,072,988	\$ 10,449,902
7. Asset value as of January 1, 2008 [1(c) + 2(c) + 3 + 4 - 5(c) + 6]	\$ 163,782,748	\$ 168,651,246
8. Approximate rate of investment return, net of expenses	11.06%	7.66%

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL CONTRIBUTION REQUIREMENT

A. Development of Actuarially Required Funding Rate	January 1, 2008
1. Actuarial present value of benefits	
(a) Active members	\$ 274,926,819
(b) Inactive members	10,300,889
(c) Retired members, disabilities and beneficiaries	<u>7,374,536</u>
(d) Total	\$ 292,602,244
2. Present Value of Future Normal Costs	<u>141,045,058</u>
3. Total Actuarial Accrued Liability [1(d) - 2]	\$ 151,557,186
4. Actuarial Value of Assets	<u>163,782,748</u>
5. Unfunded Actuarial Accrued Liability [3 - 4]	\$ (12,225,562)
6. 25-Year Amortization of the Unfunded Actuarial Accrued Liability	
(a) Amount	\$ (1,079,855)
(b) Amount as % of Total Pay	(0.77%)
7. Normal Cost	
(a) Amount	\$ 13,408,129
(b) Amount as % of Total Pay	9.50%
8. Total Actuarially Required Contribution	
(a) Amount [6(a) + 7(a)]	\$ 12,328,274
(b) Amount as % of Total Pay	8.74%

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL CONTRIBUTION REQUIREMENT

B. Development of Additional State Contribution for 2009/2010	Annual Amount as a % of Pay
1. Actuarially Required Contribution	
(a) Total Contribution Amount	\$ 12,328,274
(b) Amount as % of Pay	8.74%
2. Statutory Contribution Rates	
(a) Employee Contribution Rate	4.50%
(b) Employer Contribution Rate	<u>6.75%</u>
(c) Total Employee/Employer Contribution Rate [2(a) + 2(b)]	11.25%
3. Additional Required State Contribution	
(a) Additional Required State Contribution Rate [1(b) - 2(c), not less than 0.00%]	0.00%
(b) Additional Required State Contribution Amount for the 2008 plan year	\$ 0
4. Additional Required State Contribution Amount for the 2009/2010 fiscal year [item 3(b) with interest]	\$ 0
C. Development of Excess Contribution Rate Available for Benefit Improvements	Annual Amount as a % of Pay
1. Total Statutory Contribution Rate	11.25%
2. Benefit Improvement Threshold Rate [90% of 1]	10.13%
3. Actuarially Required Contribution Rate	8.74%
4. Funding Excess Available for Benefit Improvement	
(a) As a Rate of Total Pay [2 - 3, not less than 0%]	1.39%
(b) Annual Amount	\$ 1,961,434

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
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ACTUARIAL CONTRIBUTION REQUIREMENT

D. Schedule of Amortization Bases	January 1, 2008 Remaining Payments	Date of Last Payment	Outstanding Balance as of January 1, 2008	Annual Contribution
1. 2008 Unfunded Actuarial Accrued Liability base	25	07/01/2032	\$ (12,225,562)	\$ (1,079,855)
Total			\$ (12,225,562)	\$ (1,079,855)

NOTE: Per Section 23-2517(4)(b) of the Nebraska Revised Statutes, since the unfunded actuarial accrued liability on the valuation date is less than \$0, all prior amortization bases are considered fully amortized and the 2008 amortization base is set equal to the unfunded actuarial accrued liability at January 1, 2008, and amortized over 25 years on a level dollar basis.

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ACTUARIAL GAIN/(LOSS)

The actuarial gain/(loss) is comprised of both the liability gain/(loss) and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of January 1, 2008.

1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability as of January 1, 2007	\$ 110,630,278
b. Normal Cost during 2007	10,932,093
c. Benefit Payments for Plan Year Ending December 31, 2007	9,100,697
d. Interest on a, b, and c to End of Year	<u>8,476,220</u>
e. Expected Actuarial Accrued Liability Before Changes [a + b - c + d]	\$ 120,937,894
f. Change in Actuarial Accrued Liability at January 1, 2008 Due to Change in Actuarial Assumptions	(1,457,384)
g. Change in Actuarial Accrued Liability at January 1, 2008 Due to 2.73% Dividend Paid in 2007	3,091,951
h. Change in Actuarial Accrued Liability at January 1, 2008 Due to new DC members	<u>27,518,738</u>
i. Expected Actuarial Accrued Liability at January 1, 2008	\$ 150,091,199
2. Actuarial Accrued Liability at January 1, 2008	<u>151,557,186</u>
3. Liability Gain/(Loss) [1i - 2]	\$ (1,465,987)
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets as of January 1, 2007	\$ 116,379,465
b. Contributions and Transfers In During Plan Year	14,709,307
c. Benefit Payments During Plan Year	9,100,697
d. Interest on a, b, and c to End of Year	9,054,064
e. Receivable transfer from Defined Contribution Benefit Fund	<u>28,613,981</u>
f. Expected Actuarial Value of Assets at January 1, 2008 [a + b - c + d + e]	\$ 159,656,120
5. Actuarial Value of Assets as of January 1, 2008	<u>163,782,748</u>
6. Actuarial Asset Gain/(Loss) [5 - 4f]	\$ 4,126,628
7. Actuarial Gain/(Loss) [3 + 6]	\$ 2,660,641

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ACTUARIAL BALANCE SHEET

A. Financial Resources		January 1, 2008
1.	Actuarial Value of Assets	\$ 163,782,748
2.	Present Value of Future Normal Cost Contributions	
	(a) Member	\$ 61,030,769
	(b) Employer	<u>80,014,289</u>
	(c) Total	141,045,058
3.	Unfunded Actuarial Accrued Liability	(12,225,562)
4.	Total Assets [1 + 2(c) + 3]	\$ 292,602,244

B. Benefit Obligations		January 1, 2008
1.	Present Value of Future Benefits	
	(a) Active members	\$ 274,926,819
	(b) Inactive members	10,300,889
	(c) Retirees, disabilities and beneficiaries	<u>7,374,536</u>
	(d) Total	\$ 292,602,244

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ACCOUNTING INFORMATION

A. Pension Benefit Obligation under the Projected Unit Credit Cost Method.

	January 1, 2007	January 1, 2008
Pension Benefit Obligation (PBO)		
Vested PBO		
(a) members currently receiving payments	\$ 5,804,793	\$ 7,374,536
(b) other members		
i) accumulated member contributions	45,072,456	62,070,282
ii) employer financed vested	<u>60,200,074</u>	<u>80,936,207</u>
Total Vested PBO	\$ 111,077,323	\$ 150,381,025
Nonvested PBO	<u>1,373,366</u>	<u>2,180,114</u>
Total PBO	\$ 112,450,689	\$ 152,561,139
Actuarial Value of Assets	<u>116,379,465</u>	<u>163,782,748</u>
Unfunded Pension Benefit Obligation	\$ (3,928,776)	\$ (11,221,609)
Funded Percentage		
(a) on vested PBO	104.8%	108.9%
(b) on total PBO	103.5%	107.4%

B. Change in Pension Benefit Obligation from January 1, 2007 to January 1, 2008.

Pension Benefit Obligation at January 1, 2007	\$ 112,450,689
Increase/(Decrease) during Period	
Plan Provision Changes	\$ 2,873,560
Assumption Changes	(2,596,639)
Transfers from DC	27,132,065
Benefits Accumulated	10,236,379
Benefits Paid	(9,100,697)
Interest Cost	9,203,114
Plan Experience	<u>2,362,668</u>
Total Change	\$ 40,110,450
Pension Benefit Obligation at January 1, 2008	\$ 152,561,139

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

ACCOUNTING INFORMATION

Exhibits 9 and 10 provide a more detailed summary of the underlying actuarial methods and assumptions used in the calculations of the Pension Benefit Obligation. The benefits valued are those in effect on January 1, 2008, as outlined in Exhibit 8. The determination of the Pension Benefit Obligation has been made in accordance with generally accepted actuarial principles and practices.

C. Schedule of Employer Contributions – Disclosure Requirements Under GASB No. 25

Plan Year Ending	Annual Required Contributions	Percentage Contributed
December 31, 2003	\$ 4,083,840	100%
December 31, 2004	\$ 4,845,003	100%
December 31, 2005	\$ 5,513,254	100%
December 31, 2006	\$ 6,251,727	100%
December 31, 2007	\$ 8,194,607	100%

D. Actuarial Assumptions, Method and Additional Information under GASB No. 25

Valuation Date	December 31, 2007
Actuarial Cost Method	Entry Age
Amortization Method	Level dollar amount, closed
Amortization period	25 years
Asset Valuation Method	5 year smoothing of market value
Actuarial Assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	5.5 – 15.0%
*Includes inflation at	3.5%
Cost-of-living adjustment	None

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

ACCOUNTING INFORMATION

E. Schedule of Funding Progress Under GASB No. 25

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued Liabilities (UAL) (b) – (a)	Funded Ratio (a) ÷ (b)	Covered Payroll (c)	UAL as a % of Covered Payroll [(b) – (a) / (c)]
December 31, 2003	\$ 69,761,178	\$ 63,270,991	\$ (6,490,187)	110.3%	\$ 60,626,584	(10.7%)
December 31, 2004	\$ 83,869,272	\$ 73,913,434	\$ (9,955,838)	113.5%	\$ 67,810,140	(14.7%)
December 31, 2005	\$ 99,464,149	\$ 84,817,488	\$ (14,646,661)	117.3%	\$ 88,144,293	(16.6%)
December 31, 2006	\$ 116,379,465	\$ 110,630,278	\$ (5,749,187)	105.2%	\$ 113,468,303	(5.1%)
December 31, 2007	\$ 163,782,748	\$ 151,557,186	\$ (12,225,562)	108.1%	\$ 141,110,390	(8.7%)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND

SUMMARY OF MEMBER DATA

A. Active Members	January 1, 2007	January 1, 2008
1. Number of active members		
(a) Before assumed retirement age	3,974	4,893
(b) Beyond assumed retirement age	<u>182</u>	<u>211</u>
(c) Total	4,156	5,104**
2. Annual considered compensation		
(a) Before assumed retirement age	\$ 109,999,228	\$ 137,236,448
(b) Beyond assumed retirement age	<u>3,469,075</u>	<u>3,873,942</u>
(c) Total	\$ 113,468,303	\$ 141,110,390
3. Accumulated contributions		
(a) Employee Cash Balance Account	\$ 42,854,642	\$ 57,849,666
(b) Employer Cash Balance Account	<u>63,378,186</u>	<u>86,082,008</u>
(c) Total Cash Balance Account	\$ 106,232,828	\$ 143,931,674
4. Active member averages		
(a) Age	47.2	47.4
(b) Service	6.6	6.8
(c) Compensation	\$ 27,302	\$ 27,647
(d) Cash Balance Account	\$ 25,561	\$ 28,200
B. Inactive Members		
1. Number of inactive members	540*	766***
2. Total vested Cash Balance Account	\$ 5,209,662	\$ 10,300,889
3. Inactive member averages		
(a) Age	45.6	45.2
(b) Vested Cash Balance Account	\$ 9,648	\$ 13,448
C. Retired and Disabled Members and Beneficiaries		
1. Number of members		
(a) Retired	116	153
(b) Disabled	0	0
(c) Beneficiaries	<u>6</u>	<u>7</u>
(d) Total	122	160
2. Annual benefits		
(a) Retired	\$ 709,579	\$ 981,257
(b) Disabled	0	0
(c) Beneficiaries	<u>22,851</u>	<u>43,263</u>
(d) Total	\$ 732,430	\$ 1,024,520

* Includes an additional 162 members who received a dividend in 2006.

** Includes 351 members who transferred from defined contribution.

*** Includes 68 members who transferred from defined contribution.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF MEMBER DATA

D. Distribution of Retired and Disabled Members and Beneficiaries as of January 1, 2008.

Age Range	Number	Annual Benefit	Average Annual Benefit
Under 50	1	\$ 3,620	\$ 3,620
50 – 54	0	0	0
55 – 59	5	46,985	9,397
60 – 64	23	114,864	4,994
65 – 69	67	467,530	6,678
70 – 74	32	214,003	6,688
75 – 79	24	130,545	5,439
80 and Over	8	<u>46,973</u>	5,872
Total	160	1,024,520	6,403

E. Member Data Reconciliation

	Active Members	Inactive Members				Total
		Terminated With Vested Employer Balances	Terminated With Non-Vested Employer Balances	Retired and Disabled Members	Bene-ficiaries	
As of January 1, 2007	4,156	313	227	116	6	4,818
Changes in status						
a) Normal & early retirements	(20)	(6)	0	26	0	0
b) Became payable	0	0	0	0	0	0
c) Deaths	0	(1)	0	(2)	(1)	(4)
d) Nonvested terminations	(160)	0	160	0	0	0
e) Vested terminations	(177)	177	0	0	0	0
f) Contribution refund	(238)	(138)	(61)	0	0	(437)
g) Beneficiaries in receipt	0	0	0	0	2	2
h) Disability retirements	0	0	0	0	0	0
i) DC retirements	0	0	0	12	0	12
j) Return to active service	13	(8)	(5)	0	0	0
k) Data Change	0	1	(1)	1	0	1
Total changes in status	(582)	25	93	37	1	(426)
New entrants*	1,530	73	35	0	0	1,638
Net change	948	98	128	37	1	1,212
As of January 1, 2008	5,104	411	355	153	7	6,030

* Includes members who transferred from defined contribution.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND

SUMMARY OF MEMBER DATA

F. Age and Service Distribution of Active Members as of January 1, 2008.

Age Last Birthday	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Grand Total
20-24	Number 286	0	0	0	0	0	0	0	0	286
	Total Salary \$6,155,236	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,155,236
	Average Sal. \$21,522	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,522
25-29	Number 442	12	1	0	0	0	0	0	0	455
	Total Salary \$12,446,243	\$330,300	\$29,072	\$0	\$0	\$0	\$0	\$0	\$0	\$12,805,615
	Average Sal. \$28,158	\$27,525	\$29,072	\$0	\$0	\$0	\$0	\$0	\$0	\$28,144
30-34	Number 364	49	9	0	0	0	0	0	0	422
	Total Salary \$10,646,398	\$1,836,079	\$371,646	\$0	\$0	\$0	\$0	\$0	\$0	\$12,854,123
	Average Sal. \$29,248	\$37,471	\$41,294	\$0	\$0	\$0	\$0	\$0	\$0	\$30,460
35-39	Number 390	59	17	7	0	0	0	0	0	473
	Total Salary \$10,306,476	\$2,180,699	\$718,284	\$206,892	\$0	\$0	\$0	\$0	\$0	\$13,412,351
	Average Sal. \$26,427	\$36,961	\$42,252	\$29,556	\$0	\$0	\$0	\$0	\$0	\$28,356
40-44	Number 315	70	28	28	6	0	0	0	0	447
	Total Salary \$7,989,129	\$2,199,050	\$942,900	\$1,184,736	\$239,736	\$0	\$0	\$0	\$0	\$12,555,551
	Average Sal. \$25,362	\$31,415	\$33,675	\$42,312	\$39,956	\$0	\$0	\$0	\$0	\$28,088
45-49	Number 402	82	33	67	56	0	0	0	0	640
	Total Salary \$10,193,805	\$2,483,206	\$1,009,932	\$2,551,762	\$2,045,736	\$0	\$0	\$0	\$0	\$18,284,441
	Average Sal. \$25,358	\$30,283	\$30,604	\$38,086	\$36,531	\$0	\$0	\$0	\$0	\$28,569
50-54	Number 343	114	57	67	66	46	0	0	0	693
	Total Salary \$8,424,452	\$3,318,426	\$1,662,633	\$2,229,559	\$2,489,916	\$2,202,986	\$0	\$0	\$0	\$20,327,972
	Average Sal. \$24,561	\$29,109	\$29,169	\$33,277	\$37,726	\$47,891	\$0	\$0	\$0	\$29,333
55-59	Number 306	98	63	87	103	32	17	0	0	706
	Total Salary \$7,558,726	\$2,727,438	\$1,974,861	\$3,044,391	\$3,333,286	\$1,281,952	\$759,543	\$0	\$0	\$20,680,197
	Average Sal. \$24,702	\$27,831	\$31,347	\$34,993	\$32,362	\$40,061	\$44,679	\$0	\$0	\$29,292
60-64	Number 187	61	50	71	113	15	16	7	0	520
	Total Salary \$4,069,579	\$1,605,642	\$1,354,400	\$2,348,467	\$3,693,744	\$563,175	\$552,528	\$261,275	\$0	\$14,448,810
	Average Sal. \$21,762	\$26,322	\$27,088	\$33,077	\$32,688	\$37,545	\$34,533	\$37,325	\$0	\$27,786
65-69	Number 92	47	30	29	54	9	7	3	0	271
	Total Salary \$1,510,314	\$835,848	\$895,440	\$804,170	\$1,460,808	\$238,563	\$204,407	\$114,918	\$0	\$6,064,468
	Average Sal. \$16,416	\$17,784	\$29,848	\$27,730	\$27,052	\$26,507	\$29,201	\$38,306	\$0	\$22,378
70 & Up	Number 64	30	32	18	37	4	6	0	0	191
	Total Salary \$1,025,864	\$550,020	\$548,768	\$330,228	\$785,288	\$116,848	\$164,610	\$0	\$0	\$3,521,626
	Average Sal. \$16,029	\$18,334	\$17,149	\$18,346	\$21,224	\$29,212	\$27,435	\$0	\$0	\$18,438
Total	Number 3,191	622	320	374	435	106	46	10	0	5,104
	Total Salary \$80,326,222	\$18,066,708	\$9,507,936	\$12,700,205	\$14,048,514	\$4,403,524	\$1,681,088	\$376,193	\$0	\$141,110,390
	Average Sal. \$25,173	\$29,046	\$29,712	\$33,958	\$32,295	\$41,543	\$36,546	\$37,619	\$0	\$27,647

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

FORECAST OF EXPECTED DISBURSEMENTS

Plan Year Ending December 31	Active Employees	Retired and Disabled Members and Beneficiaries	Total
2008	\$ 6,147,282	\$ 1,003,583	\$ 7,150,865
2009	7,165,928	949,510	8,115,438
2010	8,412,072	914,395	9,326,467
2011	9,416,119	863,890	10,280,009
2012	10,156,650	811,906	10,968,556
2013	11,317,264	699,507	12,016,771
2014	12,806,157	680,601	13,486,758
2015	14,203,929	649,374	14,853,303
2016	15,670,832	628,203	16,299,035
2017	17,113,109	615,654	17,728,763

Note: These amounts are based on the assumption members terminating before reaching retirement eligibility will elect a lump sum distribution of their cash balance account. Members eligible for retirement will elect a monthly annuity, payable for life with five years certain. Deferred vested and nonvested members are excluded from the disbursements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND

SUMMARY OF PLAN PROVISIONS

Membership

All permanent full-time employees of a participating County shall begin immediate participation in the County Employees' Retirement System as of January 1, 2007, or date of hire if later, and all permanent part-time employees who have attained the age of 25, may exercise the option to begin immediate participation in the County Employees' Retirement System. Full-time elected officials shall begin participation upon taking office.

Existing members of the County Employees' Retirement System may elect, during the period beginning November 1, 2007 and ending December 31, 2007 to participate in the Cash Balance benefit. If no election is made by December 31, 2007, the member shall be treated as though he or she elected to continue participating in the defined contribution benefit as provided in the County Employees' Retirement Act.

Existing members of the County Employees' Retirement System may elect, during the period beginning October 1, 2002, and ending December 31, 2002, to participate in the Cash Balance benefit. If no election is made by January 1, 2003, the member shall be treated as though he or she elected to continue participating in the defined contribution benefit as provided in the County Employees' Retirement Act. For a member who first participates in the retirement system on or after January 1, 2003, he or she shall automatically participate in the Cash Balance benefit subject to plan eligibility requirements.

Compensation Considered

Compensation means gross wages or salaries payable to the member for personal services performed during the plan year, overtime pay, member retirement contributions, and amounts contributed by the member to plans under sections 125, 403(b) and 457 of the Internal Revenue Code or any other section of the code which defers or excludes such amounts from income.

Member Contributions

Members of the County retirement system shall contribute an amount equal to four and one-half percent (4.5%) of annual compensation to the fund. The member contribution shall be credited to the employee cash balance account.

Employer Contributions

The participating counties shall contribute at a rate of 150% of the members' contributions to the fund. The County contribution shall be credited to the employer cash balance account.

Interest Credit Rate

Interest credit rate means the greater of (a) five percent or (b) the applicable federal mid-term rate as published by the Internal Revenue Service as of the first day of the calendar quarter for which interest credits are credited, plus one and one-half percent, such rate to be compounded annually.

Interest Credits

Interest credits means the amount credited to the employee cash balance account and the employer cash balance account at the end of each day. Such interest credit for each account shall

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF PLAN PROVISIONS

be determined by applying the daily portion of the interest credit rate to the account balance at the end of the previous day.

Retirement Age

A member is eligible for retirement after attaining age 55.

Service

Service is defined to mean the actual total length of employment with a participating County and is not interrupted by a) temporary or seasonal suspension of service that does not terminate the member's employment, b) leave of absence authorized by the state for no longer than twelve months, c) leave of absence due to disability or d) leave due to military service.

Retirement Allowance

Upon attainment of age 55, regardless of service, the retirement allowance, shall be equal to the accumulated employee and employer cash balance accounts including interest credit, annuitized for payment in the normal form. Also available are additional forms of payment allowed under the plan which are actuarially equivalent to the normal form including the option of a lump sum or partial lump sum.

Normal Form of Payment

The normal form of payment under the Cash Balance benefit is a single life annuity with five-year certain, payable monthly. Members will have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually. This monthly benefit and all other options allowed under the Plan will be of actuarial equivalence to the accumulated employee and employer cash balance accounts including interest credits.

Optional Form of Payment

Optional forms of payment include a lump sum and the following annuities (with or without a 2.5% COLA): life annuity, modified cash refund, certain and life annuity (5, 10 or 15 years), certain only annuity (5, 10, 15 or 20 years) and joint and survivor annuity (50%, 75% or 100%).

Deferred Vested Allowance

A member who terminates with at least 3 years of participation in the system, including eligibility and vesting credit, may choose to leave his employee and employer cash balance accounts in the fund and be eligible to receive a vested monthly allowance at retirement age or request a distribution of his employee and employer cash balance accounts plus interest credit, with no future benefit payable from the plan.

Severance Benefits

A member who terminates with less than 3 years of participation in the system, including eligibility and vesting credit, may elect to receive a distribution of his/her employee cash balance account including interest credit, with no future benefit payable from the plan.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF PLAN PROVISIONS

Disability Allowance

If a member becomes disabled prior to retirement, the member shall receive the total amount of his/her accumulated employee and employer cash balance accounts including interest credit, as a lump sum or converted into a monthly annuity, as defined under the retirement allowance.

Pre-retirement Death Allowance

If a member dies prior to retirement, the surviving spouse, designated beneficiary (if different), or estate shall receive the total amount of his/her accumulated employee and employer cash balance accounts including interest credit, as a lump sum or converted into a monthly annuity, as defined under the retirement allowance.

Defined Contribution Transfers at Retirement

Upon retirement, members participating in the Defined Contribution Benefit Fund may elect to annuitize their accumulated account balance and receive a monthly benefit payment from the Cash Balance Benefit Fund. The accumulated account balance is transferred from the Defined Contribution Benefit Fund to the Cash Balance Benefit Fund upon the retirement of a DC member electing an annuity. The actuarial assumptions used to convert the accumulated account balance are (i) the 1994 Group Annuity Mortality Table with a 50% male / 50% female mix, and (ii) the PBGC Table 2 rate at the beginning of the year plus 0.75%.

Benefit Improvements

In accordance with Section 23-2317 of the Nebraska State Statutes, the Public Employees' Retirement Board may grant benefit improvements, but in no event will such improvement result in an actuarially required contribution rate in excess of 90% of the total statutory contribution rate.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL METHODS AND PROCEDURES AS OF JANUARY 1, 2008

A. ACTUARIAL METHODS

- 1. Calculation of Normal Cost and Actuarial Accrued Liability:** The method used to determine the normal cost and actuarial accrued liability was the Entry Age Actuarial Cost Method described below.

Entry Age Actuarial Cost Method

Projected pension benefits were determined for all active members under age 70. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members under age 70 and determining an average normal cost rate which is then related to the total payroll of active members under age 70. The actuarial assumptions shown in Exhibit 9 were used in determining the projected benefits and cost factors. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members and their beneficiaries currently receiving benefits, active members age 70 and over, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No normal costs are now payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date. The unfunded actuarial accrued liability is funded with a level dollar payment amount over 25 years from January 1, 2008.

Under this method, experience gains or losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL METHODS AND PROCEDURES AS OF JANUARY 1, 2008

- 2. Calculation of the Actuarial Value of Assets:** Effective January 1, 2003, the actuarial value of assets was initialized at Market Value and equals the sum of the employee and employer cash balance accounts. In future years, the actuarial value of assets will be based on a five-year smoothing method with phase-in and is determined by spreading the effect of each year's investment return in excess of or below the expected return. The Market Value of assets at the valuation date is reduced by the sum of the following, each determined after January 1, 2003:
- (i) 80% of the return to be spread during the first year preceding the valuation date.
 - (ii) 60% of the return to be spread during the second year preceding the valuation date.
 - (iii) 40% of the return to be spread during the third year preceding the valuation date.
 - (iv) 20% of the return to be spread during the fourth year preceding the valuation date.

The return to be spread is the difference between (1) the actual investment return on Market Value and (2) the expected return on Actuarial Value. The expected return on Actuarial Value includes interest on the previous year's unrecognized return.

- 3. Calculation of Pension Benefit Obligation:** The method used to determine the Pension Benefit Obligation was the Projected Unit Credit Actuarial Cost Method with service proration. Under this method, the benefit is based on salary projected to assumed termination or retirement and service as of the valuation date.

B. VALUATION PROCEDURES

No actuarial liability is included for participants who terminated without being vested prior to the valuation date, except those due a refund of the cash balance account.

The compensation amounts used in the projection of benefits and liabilities for active members were prior plan year compensations.

Projected benefits were limited by the dollar limitation required by the Internal Revenue Code Section 415 as it applies to governmental plans and compensation limited by Section 401(a)(17).

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JANUARY 1, 2008

ECONOMIC ASSUMPTIONS

- | | |
|---|--|
| 1. Investment Return | 7.75% per annum, compounded annually, net of expenses. |
| 2. Inflation | 3.5% per annum, compounded annually. |
| 3. Interest Credit Rate on Cash Balance Accounts | 7.0% per annum, compounded annually. |
| 4. Annuitization Rate of Member & Employer Accumulated Balances | 7.75% per annum, compounded annually. |
| 5. Salary Scale | Graduated rates by service. |

Service	Annual Increase in Salary		
	Merit & Productivity	Inflation	Total
0	11.1%	3.5%	15.0%
1	8.2%	3.5%	12.0%
2	5.8%	3.5%	9.5%
3	4.3%	3.5%	8.0%
4	3.1%	3.5%	6.8%
5	2.7%	3.5%	6.3%
6	2.2%	3.5%	5.8%
≥7	1.9%	3.5%	5.5%

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JANUARY 1, 2008

DEMOGRAPHIC ASSUMPTIONS

1. Mortality

- a. Active members 1994 Group Annuity Mortality Table, projected to 2010 (65% of male rates for males, 50% of female rates for females).
- b. Retired members and beneficiaries 1994 Group Annuity Mortality Table, projected to 2010.
- c. Mortality rates under the mortality table for active members are shown below at sample ages:

Sample Age	Active Mortality Rate	
	Males	Females
30	.05%	.02%
40	.07	.04
50	.17	.07
60	.52	.22
70	1.54	.69
80	4.03	1.97

- d. Life expectancies under the mortality table for active members are shown below at sample ages:

Sample Age	Life Expectancy (Years)	
	Males	Females
30	55.3	61.3
40	45.6	51.4
50	35.9	41.6
60	26.6	32.0
70	18.2	23.0
80	11.1	14.9

- e. Mortality for Annuitization of Employee and Employer Cash Balance Accounts 1994 Group Annuity Mortality Table, with 50% Male, 50% Female blending.

Sample Age	Mortality Rate	Life Expectancy (Years)
55	.34%	28.0
60	.62%	23.5
65	1.16%	19.4
70	1.87%	15.7
75	2.99%	12.2
80	5.07%	9.3

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JANUARY 1, 2008

2. Retirement

Graduated rates by retirement age.

Age	Annual Rates
55	3.0%
56	3.0%
57	3.0%
58	3.0%
59	3.0%
60	3.0%
61	5.0%
62	7.0%
63	10.0%
64	15.0%
65	20.0%
66	10.0%
67	10.0%
68	10.0%
69	15.0%
70	100.0%

3. Termination

Graduated rates by age and service.

Age	Annual Rate Per 100 Members					
	<1	1-<2	2-<3	3-<4	4-<5	5+
20	12.0	11.0	9.5	8.3	7.5	7.2
25	12.0	11.0	9.5	8.3	7.5	6.7
30	12.0	11.0	9.5	8.3	7.5	5.3
35	12.0	11.0	9.5	8.3	7.5	4.2
40	12.0	11.0	9.5	8.3	7.5	3.7
45	12.0	11.0	9.5	8.3	7.5	2.6
50	12.0	11.0	9.5	8.3	7.5	2.2
55	12.0	11.0	9.5	8.3	7.5	3.0

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JANUARY 1, 2008

4. Disability

Graduated rates for all disabilities by age.

Age	Annual Rate Per 1,000 Members
20	0.20
25	0.30
30	0.40
35	0.80
40	1.80
45	3.50
50	6.30
55	10.30
60	15.60
65	21.70
70	25.70

OTHER ASSUMPTIONS

1. Payment Assumptions

As shown in the table below, 100% of all members eligible for retirement are assumed to be paid in the form of an annuity and 100% of members eligible for all other types of benefits are assumed to be paid in the form of a lump sum. Deferred vested and nonvested members are assumed to take a refund of their account balance as of the valuation date.

Benefit	Assumed Form of Payment
Retirement	Annuity*
Vested	Lump Sum
Nonvested	Lump Sum
Disability	Lump Sum
Death	Lump Sum

*Five-year certain and life annuity.

2. Cost of Living Adjustment

None assumed.

CHANGES IN ASSUMPTIONS SINCE THE PRIOR YEAR

- Investment return and the annuitization rate of member and employer accumulated balances was changed to 7.75% per annum.
- Salary scale was changed from age-based to service-based, grading from 15.0% with less than one year of service to 5.5% with 7 or more years of service.
- Retirement rates were decreased at ages 60 through 63, increased at age 64 and decreased at ages 65 through 69.
- The select period for withdrawal rates was extended to five years with general decrease in select and ultimate rates prior to age 30 and increased thereafter.
- Pre- and post-retirement mortality assumptions were changed from the 1994 Group Annuity Mortality (GAM) table with a one-year setback to the 1994 GAM table, projected to 2010.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES' RETIREMENT SYSTEM
CASH BALANCE BENEFIT FUND**

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability</i>	Total accumulated cost to fund pension benefits arising from service in all prior years.
<i>Actuarial Cost Method</i>	Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension plan for a group of participants to the years of service that give rise to that cost.
<i>Actuarial Present Value of Future Benefits</i>	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
<i>Actuarial Valuation</i>	Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.
<i>Actuary</i>	Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.
<i>Annual Required Contribution</i>	Disclosure measure of annual pension cost.
<i>GASB 25 and GASB 27</i>	Governmental Accounting Standards Board Statement numbers 25 and 27 which specify how the Net Pension Obligation and Annual Required Contribution are to be calculated.
<i>Normal Cost</i>	That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the plan as a whole.
<i>Unfunded Actuarial Accrued Liability</i>	The portion of the actuarial accrued liability not offset by plan assets.
<i>Vested Benefits</i>	Benefits which are unconditionally guaranteed regardless of employment status.