NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
2010

County Employees' Retirement System Cash Balance Benefit Fund

Actuarial Valuation Results
as of January 1, 2010
for State Fiscal Year Ending June 30, 2012

April 2010

buckconsultants

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LETTER OF CERTIFICATION

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buckconsultants A Xerox Company

May 6, 2010

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, 2010, performed by Buck Consultants, Inc.

The actuarial valuation is based on member data provided to us by the UNIFI Companies, 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, 2010.

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 and additional contributions for commissioned law enforcement officials 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 2011-2012 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. Slishinsky

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SUMMARY OF ACTUARIAL REPORT FOR CONTRIBUTION REQUIREMENTS AND FUNDED STATUS FOR THE 2010 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, 2012 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 compare actual and expected experience under the plan year beginning January 1, 2009 and ending December 31, 2009; and
4. To quantify the contribution rate available for benefit improvements, if any.

The 2010 actuarial valuation is based upon the plan provisions as of January 1, 2010, as described in Exhibit 8. The actuarial methods and assumptions are described in Exhibits 9 and 10.

Highlights from the current valuation:

1. No additional State contribution is required for the 2011-2012 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, 2010, is $9,530,939.

2. For the 2010 plan year, the actuarially required contribution is under 90% of the actual contributions. Therefore, a funding excess exists to provide benefit improvements during the 2010 plan year of 0.20% of payroll.

3. For the January 1, 2010 valuation, data was provided regarding commissioned law enforcement personnel who, by statute, contribute an additional 1% or 2% of their annual compensation. This additional contribution is matched by each county. These contributions were taken into account in the valuation and increased the actuarial accrued liability by $2,533,336.

4. 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, 2010, the funded percentage on Actuarial Value of Assets is 94.7%.

Summary of Actuarial Report for Contribution Requirements and Funded Status for the 2010 Plan Year

5. A loss was experienced on the Actuarial Value of Assets during the 2009 plan year. The rate of return on Actuarial Value of 1.69% fell short of the 7.75% assumed asset return rate by 6.06%, resulting in a decrease to the Actuarial value by $10,897,507. A decremental gain of $830,177 was experienced on the actuarial accrued liability due to salary increases less than expected, fewer retirements than expected, and the actual interest credit rate of 5.0% which was less than the assumed interest credit rate of 7.0%. The net actuarial loss for the year was $10,067,330. As a result, the actuarial funding ratio declined from 100.3% as of January 1, 2009 to 95.1% as of January 1, 2010.

6. A gain was experienced on the Market Value of Assets during the 2009 plan year. The annual rate of return on Market Value was 21.01% for the year, exceeding the assumed investment return of 7.75% by 13.26%. As a result of this gain and the gain due to a lower interest credit rate than expected, the Market Value funded ratio on the Accumulated Benefit Obligation increased from 70.1% as of January 1, 2009 to 82.0% as of January 1, 2010.

EXECUTIVE SUMMARY

Basic Actuarial Valuation Results

The 2010 actuarial valuation results are based upon the plan provisions as of January 1, 2010, 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 2010 plan year is $12,316,843. Member contributions and matching County contributions are expected to exceed the total actuarially required funding.

Assets do not exceed the actuarial accrued liability as of the valuation date. As a result, the unfunded actuarial accrued liability is $9,663,486. No additional payment from the State is required for the 2010 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
2009	$ 11,156,102	$ 0	$ 11,156,102
2010	$ 12,316,843	$ 0	$ 12,316,843

EXECUTIVE SUMMARY

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, 2009	January 1, 2010	Annual Rate of Return
(a) Market value	$ 129,754,220	$ 166,189,946	21.01%
(b) Actuarial value, an adjusted value intended to reduce the effect of market fluctuations (See Exhibit 9)	$ 175,765,930	$ 187,109,554	1.69%

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, 2009	January 1, 2010
(a) Present value of future benefits	$ 342,884,960	$ 378,869,559
(b) Actuarial value of assets	175,765,930	187,109,554
(c) Present value of future member contributions	72,305,681	81,234,788
(d) Present value of matching County contributions	108,458,522	120,056,156
(e) Actuarial liability/(reserve) [(a) – (b) – (c) – (d)]	$ (13,645,173)	$ (9,530,939)

EXECUTIVE SUMMARY

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, 2009	January 1, 2010
(a) Pension Benefit Obligation		
i) retirees, disabled members and beneficiaries receiving benefits and deferred vested members not yet receiving benefits	$ 19,448,920	$ 22,400,263
ii) active members	160,323,486	175,193,495
iii) total pension benefit obligation	$ 179,772,406	$ 197,593,758
(b) Assets available for benefits (actuarial value)	175,765,930	187,109,554
(c) Unfunded Pension Benefit Obligation	$ 4,006,476	$ 10,484,204
(d) Funded percentage on actuarial value of assets [(b) ÷ (a)(iii)]	97.8%	94.7%

EXECUTIVE SUMMARY

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, 2009	January 1, 2010
(a) Cash Balance Accounts		
i) Actives	$ 165,620,203	$ 180,355,488
ii) Inactives	10,297,562	10,730,710
iii) Total	$ 175,917,765	$ 191,086,198
(b) Retirees, disabilities, and beneficiaries	9,151,358	11,669,553
(c) Total accumulated benefit obligation	$ 185,069,123	$ 202,755,751
(d) Market Value of Assets	129,754,220	166,189,946
(e) Deficit/(Reserve) [(c) – (d)]	$ 55,314,903	$ 36,565,805
(f) Funded percentage on Market Value of Assets [(d) ÷ (c)]	70.1%	82.0%

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, 2009	January 1, 2010
(a) Benefit accrual cost amount	$ 15,695,194	$ 17,372,847
(b) Annual compensation before assumed retirement age	$ 160,530,470	$ 172,813,975
(c) Benefit accrual cost rate [(a) ÷ (b)]	9.78%	10.05%

EXECUTIVE SUMMARY

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.

9. Changes Since the Last Actuarial Valuation

There have been no changes in the actuarial cost method, plan provisions, or actuarial assumptions since the last actuarial valuation as of January 1, 2009. We have received information this year identifying commissioned law enforcement officials and have considered the additional contributions made for these members.

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

SYSTEM ASSETS

A. Summary of Market Value of Assets	Market Value as of December 31, 2008	Market Value as of December 31, 2009
1. Cash and Equivalents	$ 74,797	$ 62,910
2. Investments	133,588,936	167,121,844
3. Receivables and Prepaids	14,767,012	4,268,122
4. Accounts Payable	(18,676,525)	(5,262,930)
5. Net Assets Available for Pension Benefits Considered [1 + 2 + 3 + 4]	**$ 129,754,220**	**$ 166,189,946**

B. Development of Actuarial Value of Assets	Amount
1. Actuarial Value of Assets as of January 1, 2009	$ 175,765,930
2. Unrecognized return as of January 1, 2009	$ (46,011,710)
3. Contributions	
(a) Employee	$ 7,131,324
(b) Employer	10,555,174
(c) Total	$ 17,686,498
4. Transfers In	$ 348,350
5. Disbursements	
(a) Distributions	$ 8,221,247
(b) Benefit Payments	1,510,088
(c) Total	$ 9,731,335
6. Expected Return at 7.75% on:	
(a) Item 1	$ 13,621,860
(b) Item 2	(3,565,908)
(c) Item 3(c)	672,564
(d) Item 4	13,247
(e) Item 5 (c)	(370,053)
(f) Total [(a) + (b) + (c) + (d) + (e)]	$ 10,371,710
7. Actual Return on Market Value for 2009 Plan Year, net of expenses*	$ 28,132,213
8. Return to be Spread for 2009 Plan Year [7 - 6(f)]	$ 17,760,503

* Includes adjustment on the Market Value of Assets of $32,992.

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

SYSTEM ASSETS

B. Development of Actuarial Value of Assets (continued)	**Amount**
9. Total Market Value of Assets as of January 1, 2010	$ 166,189,946
10. Return to be Spread:	

Plan Year	Return to be Spread	Unrecognized Percent	Unrecognized Return
2009	$ 17,760,503	80%	$ 14,208,402
2008	(61,257,161)	60%	(36,754,297)
2007	74,536	40%	29,814
2006	7,982,363	20%	1,596,473
		Total	**$ (20,919,608)**

11. Total Actuarial Value of Assets at January 1, 2010 [9 – 10]	**$ 187,109,554**
12. Asset Ratios	
(a) Actuarial Value to Market Value [11 ÷ 9]	**112.6%**
(b) Market Value to Actuarial Value [9 ÷ 11]	**88.8%**

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

SYSTEM ASSETS

C. Change in Asset Values During 2009	Actuarial Value	Market Value
1. Asset value as of January 1, 2009		
(a) Reported last year	$ 175,765,930	$ 129,754,220
(b) Adjustment	n/a	32,992
(c) Reported this year [(a) + (b)]	$ 175,765,930	$ 129,787,212
2. Contributions for 2009		
(a) Employee contributions paid	$ 7,131,324	$ 7,131,324
(b) Employer contributions collected	10,555,174	10,555,174
(c) Contributions for 2009 [(a) + (b)]	$ 17,686,498	$ 17,686,498
3. Transfers In	$ 348,350	$ 348,350
4. Disbursements for 2009		
(a) Benefit disbursements	$ 9,731,335	$ 9,731,335
(b) Expenses	743,796	743,796
(c) Disbursements for 2009 [(a) + (b)]	$ 10,475,131	$ 10,475,131
5. Investment return for 2009	$ 3,783,907	$ 28,843,017
6. Asset value as of January 1, 2010 [1(c) + 2(c) + 3 - 4(c) + 5]	$ 187,109,554	$ 166,189,946
7. Approximate rate of investment return, net of expenses	1.69%	21.01%

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

ACTUARIAL CONTRIBUTION REQUIREMENT

A. Development of Actuarially Required Funding Rate		January 1, 2010
1. Actuarial present value of benefits		
(a) Active members	$	356,469,296
(b) Inactive members		10,730,710
(c) Retired members, disabilities and beneficiaries		11,669,553
(d) Total	$	378,869,559
2. Present Value of Future Normal Costs		182,096,519
3. Total Actuarial Accrued Liability [1(d) - 2]	$	196,773,040
4. Actuarial Value of Assets		187,109,554
5. Unfunded Actuarial Accrued Liability [3 – 4]	$	9,663,486
6. 25-Year Amortization of the Unfunded Actuarial Accrued Liability		
(a) Amount	$	853,553
(b) Amount as % of Total Pay		0.48%
7. Normal Cost		
(a) Amount	$	17,372,847
(b) Amount as % of Total Pay		9.77%
8. Total Actuarially Required Contribution		
(a) Amount [6(a) + 7(a)]	$	18,226,400
(b) Amount as % of Total Pay		10.25%

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

ACTUARIAL CONTRIBUTION REQUIREMENT

B.	**Development of Additional State Contribution for 2011/2012**	**Annual Amount as a % of Pay**
1.	Actuarially Required Contribution	
	(a) Total Contribution Amount	$ 18,226,400
	(b) Amount as % of Pay	10.25%
2.	Statutory Contribution Rates*	
	(a) Employee Contribution Rate	4.68%
	(b) Employer Contribution Rate	6.93%
	(c) Total Employee/Employer Contribution Rate [2(a) + 2(b)]	11.61%
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 2010 plan year	$ 0
4.	Additional Required State Contribution Amount for the 2011/2012 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	11.61%
2.	Benefit Improvement Threshold Rate [90% of 1]	10.45%
3.	Actuarially Required Contribution Rate	10.25%
4.	Funding Excess Available for Benefit Improvement	
	(a) As a Rate of Total Pay [2 - 3, not less than 0%]	0.20%
	(b) Annual Amount	$ 355,464

*Includes additional member and county contribution rates of 1% or 2% of compensation for commissioned law enforcement officials.

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

ACTUARIAL CONTRIBUTION REQUIREMENT

D. Schedule of Amortization Bases	January 1, 2010 Remaining Payments	Date of Last Payment	Outstanding Balance as of January 1, 2010	Annual Contribution
1. 2010 Unfunded Actuarial Accrued Liability base	25	07/01/2034	$ 9,663,486	$ 853,553
Total			**$ 9,663,486**	**$ 853,553**

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

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, 2010.

1.	Expected Actuarial Accrued Liability		
	a.	Actuarial Accrued Liability as of January 1, 2009	$ 175,293,953
	b.	Normal Cost during 2009	15,695,194
	c.	Benefit Payments for Plan Year Ending December 31, 2009	9,731,335
	d.	Interest on a, b, and c to End of Year	13,812,069
	e.	Expected Actuarial Accrued Liability Before Changes [a + b – c + d]	$ 195,069,881
	f.	Change Due to Commissioned Law Enforcement Officers	2,533,336
	g.	Expected Actuarial Accrued Liability at January 1, 2010 [e + f]	197,603,217
2.	Actuarial Accrued Liability at January 1, 2010		196,773,040
3.	**Liability Gain / (Loss) [1g – 2]**		**$ 830,177**
4.	Expected Actuarial Value of Assets		
	a.	Actuarial Value of Assets as of January 1, 2009	$ 175,765,930
	b.	Contributions and Transfers In During Plan Year	18,034,848
	c.	Benefit Payments During Plan Year	9,731,335
	d.	Interest on a, b, and c to End of Year	13,937,618
	e.	Expected Actuarial Value of Assets at January 1, 2010 [a + b – c + d]	$ 198,007,061
5.	Actuarial Value of Assets as of January 1, 2010		187,109,554
6.	**Actuarial Asset Gain / (Loss) [5 – 4e]**		**$ (10,897,507)**
7.	**Actuarial Gain / (Loss) [3 + 6]**		**$ (10,067,330)**

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

ACTUARIAL BALANCE SHEET

A.	Financial Resources		January 1, 2010
1.	Actuarial Value of Assets		$ 187,109,554
2.	Present Value of Future Normal Cost Contributions		
	(a) Member	$ 81,234,788	
	(b) Employer	100,861,731	
	(c) Total		182,096,519
3.	Unfunded Actuarial Accrued Liability		9,663,486
4.	Total Assets [1 + 2(c) + 3]		$ 378,869,559

B.	Benefit Obligations		January 1, 2010
1.	Present Value of Future Benefits		
	(a) Active members	$ 356,469,296	
	(b) Inactive members	10,730,710	
	(c) Retirees, disabilities and beneficiaries	11,669,553	
	(d) Total		$ 378,869,559

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

ACCOUNTING INFORMATION

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

	January 1, 2009	January 1, 2010
Pension Benefit Obligation (PBO)		
Vested PBO		
(a) members currently receiving payments	$ 9,151,358	$ 11,669,553
(b) other members		
i) accumulated member contributions	70,777,384	76,900,357
ii) employer financed vested	97,667,109	104,709,178
Total Vested PBO	$ 177,595,851	$ 193,279,088
Nonvested PBO	2,176,555	4,314,670
Total PBO	$ 179,772,406	$ 197,593,758
Actuarial Value of Assets	175,765,930	187,109,554
Unfunded Pension Benefit Obligation	$ 4,006,476	$ 10,484,204
Funded Percentage		
(a) on vested PBO	99.0%	96.8%
(b) on total PBO	97.8%	94.7%

B. Change in Pension Benefit Obligation from January 1, 2009 to January 1, 2010

Pension Benefit Obligation at January 1, 2009	$ 179,772,406
Increase/(Decrease) during Period	
Plan Provision Changes	$ 0
Change Due to Commissioned Law Enforcement Officers	(273,822)
Benefits Accumulated	14,464,538
Benefits Paid	(9,731,335)
Interest Cost	14,683,310
Plan Experience	(1,321,339)
Total Change	$ 17,821,352
Pension Benefit Obligation at January 1, 2010	$ 197,593,758

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, 2010, 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, 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%
December 31, 2008	$ 9,839,409	100%
December 31, 2009	$ 10,555,174	100%

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

Valuation Date	December 31, 2009
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, 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%)
December 31, 2008	$ 175,765,930	$ 175,293,953	$ (471,977)	100.3%	$ 165,275,589	(0.3%)
December 31, 2009	$ 187,109,554	$ 196,773,040	$ 9,663,486	95.1%	$ 177,732,220	5.4%

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

SUMMARY OF MEMBER DATA

A. Active Members	January 1, 2009	January 1, 2010
1. Number of active members		
(a) Before assumed retirement age	5,199	5,403
(b) Beyond assumed retirement age	247	242
(c) Total	5,446	5,645*
2. Annual considered compensation		
(a) Before assumed retirement age	$ 160,530,470	$ 172,813,975
(b) Beyond assumed retirement age	4,745,119	4,918,245
(c) Total	$ 165,275,589	$ 177,732,220
3. Accumulated contributions		
(a) Employee Cash Balance Account	$ 66,538,091	$ 72,422,443
(b) Employer Cash Balance Account	99,082,112	107,933,045
(c) Total Cash Balance Account	$ 165,620,203	$ 180,355,488
4. Active member averages		
(a) Age	47.2	47.5
(b) Service	7.0	7.2
(c) Compensation	$ 30,348	$ 31,485
(d) Cash Balance Account	$ 30,411	$ 31,950
B. Inactive Members		
1. Number of inactive members	905	794
2. Total vested Cash Balance Account	$ 10,297,562	$ 10,730,710
3. Inactive member averages		
(a) Age	44.6	43.4
(b) Vested Cash Balance Account	$ 11,379	$ 13,515
C. Retired and Disabled Members and Beneficiaries		
1. Number of members		
(a) Retired	179	212
(b) Disabled	0	0
(c) Beneficiaries	11	11
(d) Total	190	223
2. Annual benefits		
(a) Retired	$ 1,186,758	$ 1,493,052
(b) Disabled	0	0
(c) Beneficiaries	68,394	68,427
(d) Total	$ 1,255,152	$ 1,561,479

*Includes 510 commissioned law enforcement officials that contribute an additional 1% and 80 that contribute an additional 2% of compensation.

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, 2010

Age Range	Number	Annual Benefit	Average Annual Benefit
Under 50	1	$ 9879	$ 9,879
50 – 54	1	3,620	3,620
55 – 59	7	42,263	6,038
60 – 64	24	208,311	8,680
65 – 69	70	569,175	8,131
70 – 74	62	391,555	6,315
75 – 79	32	201,244	6,289
80 and Over	26	135,432	5,209
Total	223	$ 1,561,479	$ 7,002

E. Member Data Reconciliation

	Active Members	Inactive Members: Terminated With Vested Employer Balances	Terminated With Non-Vested Employer Balances	Retired and Disabled Members	Bene-ficiaries	Total
As of January 1, 2009	5,446	443	462	179	11	6,541
Changes in status						
a) Normal & early retirements	(31)	(4)	0	35	0	0
b) Became payable	0	0	0	0	0	0
c) Deaths	(16)	0	0	(1)	0	(17)
d) Nonvested terminations	(152)	0	152	0	0	0
e) Vested terminations	(72)	72	0	0	0	0
f) Contribution refund	(347)	(178)	(156)	0	0	(681)
g) Beneficiaries in receipt	0	2	0	0	0	2
h) Disability retirements	0	0	0	0	0	0
i) DC retirements	0	0	0	2	0	2
j) Return to active service	11	(6)	(5)	0	0	0
k) Data Change	0	0	0	(3)	0	(3)
Total changes in status	(607)	(114)	(9)	33	0	(697)
New entrants	806	3	9	0	0	818
Net change	199	(111)	0	33	0	121
As of January 1, 2010	5,645	332	462	212	11	6,662

EXHIBIT 6
(cont'd)

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, 2010

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	263	2	0	0	0	0	0	0	0	265
	Total Salary	$7,218,975	$9,190	$0	$0	$0	$0	$0	$0	$0	$7,228,165
	Average Sal.	$27,449	$4,595	$0	$0	$0	$0	$0	$0	$0	$27,276
25-29	Number	507	43	0	0	0	0	0	0	0	550
	Total Salary	$16,639,209	$1,485,908	$0	$0	$0	$0	$0	$0	$0	$18,125,117
	Average Sal.	$32,819	$34,556	$0	$0	$0	$0	$0	$0	$0	$32,955
30-34	Number	350	112	8	0	0	0	0	0	0	470
	Total Salary	$11,674,350	$4,231,248	$259,632	$0	$0	$0	$0	$0	$0	$16,165,230
	Average Sal.	$33,355	$37,779	$32,454	$0	$0	$0	$0	$0	$0	$34,394
35-39	Number	369	125	31	5	0	0	0	0	0	530
	Total Salary	$11,817,471	$4,639,500	$1,525,045	$228,825	$0	$0	$0	$0	$0	$18,210,841
	Average Sal.	$32,026	$37,116	$49,195	$45,765	$0	$0	$0	$0	$0	$34,360
40-44	Number	328	106	37	22	10	0	0	0	0	503
	Total Salary	$9,724,210	$3,707,350	$1,491,877	$843,810	$440,600	$0	$0	$0	$0	$16,207,847
	Average Sal.	$29,647	$34,975	$40,321	$38,355	$44,060	$0	$0	$0	$0	$32,222
45-49	Number	382	158	42	44	46	0	0	0	0	672
	Total Salary	$11,341,130	$5,284,626	$1,625,652	$1,750,540	$2,018,020	$0	$0	$0	$0	$22,019,968
	Average Sal.	$29,635	$33,447	$38,706	$39,785	$43,870	$0	$0	$0	$0	$32,768
50-54	Number	348	175	54	63	82	42	0	0	0	764
	Total Salary	$10,017,051	$5,056,975	$1,722,654	$2,197,755	$3,331,578	$2,014,236	$0	$0	$0	$24,340,249
	Average Sal.	$28,785	$28,897	$31,901	$34,885	$40,629	$47,958	$0	$0	$0	$31,859
55-59	Number	334	151	64	74	99	37	25	0	0	784
	Total Salary	$9,053,090	$4,904,631	$2,033,536	$2,842,488	$3,567,861	$1,660,190	$1,262,225	$0	$0	$25,324,021
	Average Sal.	$27,105	$32,481	$31,774	$38,412	$36,039	$44,870	$50,489	$0	$0	$32,301
60-64	Number	198	91	58	56	108	29	11	8	1	560
	Total Salary	$5,181,066	$2,670,122	$1,774,916	$2,035,488	$3,691,548	$1,099,506	$575,619	$322,912	$30,590	$17,381,767
	Average Sal.	$26,167	$29,342	$30,602	$36,348	$34,181	$37,914	$52,329	$40,364	$30,590	$31,039
65-69	Number	86	73	27	29	78	14	9	4	1	321
	Total Salary	$1,590,428	$1,487,156	$732,267	$833,083	$2,558,166	$503,692	$350,379	$127,968	$10,606	$8,193,745
	Average Sal.	$18,493	$20,372	$27,121	$28,727	$32,797	$35,978	$38,931	$31,992	$10,606	$25,526
70 & Up	Number	71	51	31	17	43	5	7	0	1	226
	Total Salary	$1,302,595	$809,829	$678,435	$387,328	$1,012,435	$87,450	$223,664	$0	$33,534	$4,535,270
	Average Sal.	$18,346	$15,879	$21,885	$22,784	$23,545	$17,490	$31,952	$0	$33,534	$20,068
Total	Number	3,236	1,087	352	310	466	127	52	12	3	5,645
	Total Salary	$95,559,575	$34,286,535	$11,844,014	$11,119,317	$16,620,208	$5,365,074	$2,411,887	$450,880	$74,730	$177,732,220
	Average Sal.	$29,524	$31,542	$33,648	$35,869	$35,666	$42,245	$46,382	$37,574	$24,910	$31,485

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

SUMMARY OF MEMBER DATA

G. Reconciliation of Data Submitted By NPERS and Valuation Data

	Active Members	Inactive Members	Retired Members, Beneficiaries, and Disabled	Total
Number of Data Records Submitted By NPERS	5,673	1,111	223	7,007
a) Deaths	(14)	0	0	(14)
b) Active/Inactive Death – Benefit Payable	(2)	2	0	0
c) Retiree Death – Assumed Beneficiary	0	0	0	0
d) Assumed Inactive	0	0	0	0
e) Assumed Refunded	(5)	(226)	0	(231)
f) Null Balance	(5)	(65)	0	(70)
g) Not a Member	0	0	0	0
h) Also Listed as Retired	(2)	(29)	0	(31)
i) Represents Dividend	0	0	0	0
j) QDRO Spouse	0	0	0	0
k) DC Member with Balance	0	1	0	1
Net change	(28)	(317)	0	(345)
Number of Members Included in the Valuation as of January 1, 2010	5,645	794	223	6,662

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
2010	$ 7,754,361	$ 1,532,802	$ 9,287,163
2011	9,122,294	1,480,999	10,603,293
2012	10,324,730	1,412,693	11,737,423
2013	11,877,017	1,257,585	13,134,602
2014	13,454,323	1,199,751	14,654,074
2015	14,816,125	1,144,082	15,960,207
2016	16,578,071	1,119,583	17,697,654
2017	18,308,581	1,104,283	19,412,864
2018	20,219,194	1,042,922	21,262,116
2019	22,172,675	948,580	23,121,255

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. In addition, commissioned law enforcement personnel shall contribute an extra amount equal to one percent (1%) of annual compensation if their county's population is less than 85,000 and an extra two percent (2%) of annual compensation if their county's population is more than 85,000.

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. The participating counties will also match the additional contribution amount made by commissioned law enforcement personnel at a rate of 100%.

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

SUMMARY OF PLAN PROVISIONS

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 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%).

SUMMARY OF PLAN PROVISIONS

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.

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, 2010

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, 2010.

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.

SUMMARY OF ACTUARIAL METHODS AND PROCEDURES AS OF JANUARY 1, 2010

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, 2010

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, 2010

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, 2010

2. Retirement

Graduated rates by retirement age after 5 years of service.

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.

	Annual Rate Per 100 Members					
Age	<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

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JANUARY 1, 2010

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.

GLOSSARY OF TERMS

Actuarial Accrued Liability	Total accumulated cost to fund pension benefits arising from service in all prior years.
Actuarial Cost Method	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.
Actuarial Present Value of Future Benefits	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
Actuarial Valuation	Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.
Actuary	Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.
Annual Required Contribution	Disclosure measure of annual pension cost.
GASB 25 and GASB 27	Governmental Accounting Standards Board Statement numbers 25 and 27 which specify how the Net Pension Obligation and Annual Required Contribution are to be calculated.
Normal Cost	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.
Unfunded Actuarial Accrued Liability	The portion of the actuarial accrued liability not offset by plan assets.
Vested Benefits	Benefits which are unconditionally guaranteed regardless of employment status.