



County of Orange  
C a l i f o r n i a

**Thomas G. Mauk**  
County Executive Officer

September 20, 2007

Julie Wyne  
Interim CEO  
OCERS  
2223 Wellington Avenue  
Santa Ana, CA 92701

Dear Julie,

Re: Past Service Liability – 3%@50

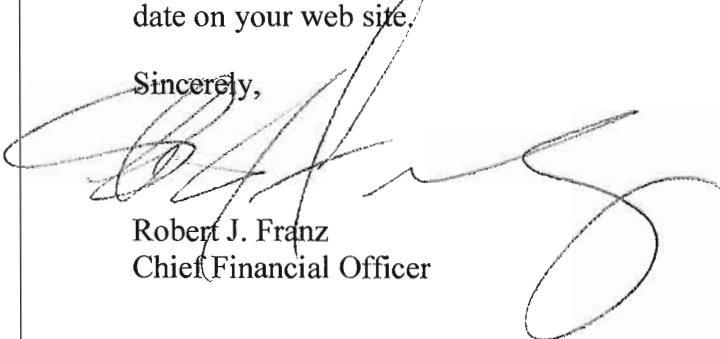
Thank you for obtaining the Segal actuarial data on this subject that was posted on your website on Sept. 7, 2007. The County needs some additional follow-up data from Segal in order to clarify the impact of the Past Service Liabilities on the County budget. Our consulting actuary, Bartel Associates, has advised that The Segal Company can probably provide answers to the following questions without significant additional research.

The questions are as follows:

1. What would the Annual Required Contribution (ARC) be for the Oct. 1, 2007 AAL of \$187 million? ARC expressed in \$'s and % of payroll.
2. How much would the liability for benefits (pre 3%@50 past service benefit improvement) be reduced if later retirement were anticipated?
  - a. How would this impact the ARC in question 1?
3. Does the first bullet on page 2 of Segal's September 8<sup>th</sup> letter imply that the \$187 million would be higher (or lower) if benefit payments since 2002 were taken into account?
  - a. How would this impact the ARC in question 1?

Please let me know the estimated time frame for posting this additional date on your web site.

Sincerely,

  
Robert J. Franz  
Chief Financial Officer

cc: Thomas G. Mauk, CEO

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