County of Saginaw
State of Michigan
Amended and Restated
Comprehensive Financial Plan for
Pension and Other Postemployment
Employment Benefits

February 19, 2013

T A B L E   O F   C O N T E N T S

Executive Summary

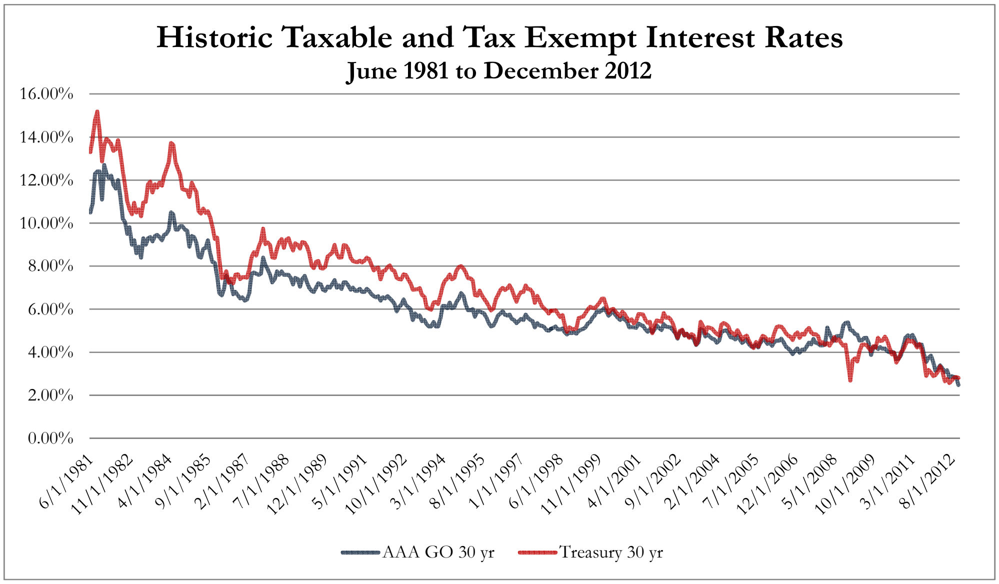
Saginaw County has a both a defined contribution and a defined benefit plan for both pension and post-employment healthcare benefits for eligible employees. The County closed its defined benefit plan requiring all employees hired after January 1, 1994 to participate in the defined contribution pension plan. As noted in the Summary of Unfunded Accrued Liability – Pension Report contained within Tab I of this Financial Plan, the County's defined benefit total accrued actuarial liability is $138,842,567. The unfunded accrued liability, as shown on page one of the Michigan Employee Retirement System ("MERS") report dated February 8, 2013, based on the market value of assets as of December 31, 2012 was $63,800,000. (For purposes of demonstrating that the Bond proceeds, coupled with other legally available funds, are sufficient to eliminate the unfunded accrued liability, the unfunded accrued liability of $64,100,000, based upon December 31, 2011 valuation results and found on page four of the February 8, 2013 MERS Report, was used.) Although the unfunded accrued liability was updated to reflect the December 31, 2012 data, the detail regarding each plan was not updated. Accordingly, both the February 8, 2013 report and the Fall 2012 reports are included within Tab I.

The annual payment for the County's defined benefit pension plan has increased by 53% from 2010 to 2012 and is expected to continue to increase, as highlighted below, based upon the February 8, 2013 MERS Option B calculations sized for the market value of assets, as shown in Tab I.

	Defined Benefit Retirement Payments
2010 Actual	$3,042,603
2011 Actual	$3,957,850
2012 Actual	$4,660,687
2013 Budget	$5,288,550
2014 Estimate	$6,242,445
2015 Estimate	$6,300,000
2016 Estimate	$6,600,000

In order to provide better budgetary certainty, the County would like to issue Pension Obligation Bonds, as authorized under Act 34, Public Acts of Michigan, 2001, as amended ("PA 34"). PA 34 allows the County to issue bonds and use the proceeds to pay all or part of the costs of the "unfunded pension liability" for the County's defined benefit pension plan and to pay costs of issuance of the bonds. "Unfunded pension liability" means the amount the defined benefit pension plan's liabilities exceed its assets according to the most recent governmental accounting standards board's applicable standards. It is the County's intent to issue Pension Obligation Bonds in an amount not to exceed the cost of its unfunded pension liability (plus costs of bond issuance), thereby funding the unfunded accrued liability described in the first paragraph of this Executive Summary. The County would then have an annual bond payment rather than the annual unfunded accrued liability payment. The County is aware that as the value of the assets and liabilities change, the liability could grow requiring additional contributions. Likewise, the County understands that the change in the value of the assets and liabilities could result in the plan becoming overfunded.

Given the historically low interest rates, as shown on the following page, the County anticipates receiving favorable interest rates for the Pension Obligation Bonds it intends to issue.



Assuming the Pension Obligation Bonds are issued for 20 years under current interest rates, the estimated annual bond payment is expected to be approximately $4,599,000. Provided below is a comparison of the annual unfunded accrued liability amortization payment provided by MERS to the estimated annual bond payments.

20 Year Bond Amortization				
Fiscal Year Ending September 30	Pension Payment Based on MERS *	Bond Payments **	Difference	Present Value @ 3.60%
2014	$6,242,445	$4,596,998	$1,645,447	$1,564,498
2015	6,300,000	4,597,535	1,702,465	1,561,973
2016	6,600,000	4,600,308	1,999,693	1,770,366
2017	6,900,000	4,599,948	2,300,053	1,964,907
2018	7,200,000	4,601,233	2,598,768	2,142,280
2019	7,500,000	4,597,453	2,902,548	2,308,833
2020	7,900,000	4,599,598	3,300,403	2,533,288
2021	8,200,000	4,597,038	3,602,963	2,668,590
2022	8,600,000	4,600,718	3,999,283	2,858,305
2023	9,000,000	4,601,358	4,398,643	3,033,540
2024	9,400,000	4,596,963	4,803,038	3,196,329
2025	9,800,000	4,601,643	5,198,358	3,338,151
2026	10,300,000	4,601,483	5,698,518	3,531,069
2027	2,500,000	4,597,558	(2,097,558)	(1,254,188)
2028	600,000	4,599,353	(3,999,353)	(2,307,506)
2029	600,000	4,600,945	(4,000,945)	(2,227,513)
2030	0	4,601,545	(4,601,545)	(2,472,099)
2031	0	4,597,260	(4,597,260)	(2,383,228)
2032	0	4,599,500	(4,599,500)	(2,300,815)
2033	0	4,598,820	(4,598,820)	(2,219,841)
	$107,642,445	**$91,987,250**	**$15,655,195**	**$17,306,941**

* Assumes Option B calculation, sized for market value of assets

** Estimate only based on market conditions on February 8, 2013.

Based on the preceding analysis, the County has determined that it is financially beneficial to pursue the issuance of Pension Obligation Bonds in an aggregate principal amount not exceed $75,000,000.

As outlined in PA 34, the Amended and Restated Comprehensive Financial Plan contains the following elements:

- An analysis of the current and future obligations with respect to each retirement program of the County. The County has both a defined benefit and a defined contribution pension plan. Information regarding the defined benefit plan was obtained by MERS while information regarding the defined contribution pension plan was provided by the County. Information for both plans is contained within Tab I.

- An analysis of the current and future obligations with respect to each postemployment health care plan of the County. The County has both a defined benefit and a defined contribution post-employment healthcare plan. Information regarding the defined benefit plan was obtained by the actuarial firm, Gabriel Roeder Smith & Company while information regarding the defined contribution postemployment healthcare plan was provided by the County. Information for both plans is contained within Tab II.

- Evidence that the issuance of Pension Obligation Bonds, coupled with any other legally available funds, is sufficient to eliminate the unfunded pension liability. The unfunded pension liability provided by MERS, assuming payment option B, is $64,100,000. The Sources and Uses of Funds provided by Public Financial Management demonstrates that the bond proceeds will fully cover the liability of $64,100,000 Both schedules are provided under Tab III. Note that the actual principal amount of Pension Obligation Bonds issued will be based upon the unfunded pension liability in existence on the date of issuance of the Pension Obligation Bonds.

- The debt service amortization schedule. The preliminary debt service amortization schedule for the Pension Obligation Bonds provided by Public Financial Management can be found under Tab IV.

- A description of actions required to satisfy the debt service amortization schedule. The Pension Obligation Bonds are a limited obligation of the County, paid from various County funds. A description of actions the County takes to allocate costs to its various funds, create the annual budget and obtain budget approval from the County Board of Commissioners is contained under Tab V.

- Certification that the Amended and Restated Comprehensive Financial Plan is complete and accurate. A certification from the County Controller / CAO attesting that the Plan is complete with information provided by reliable sources is contained under Tab VI.

PA 34 requires that Amended and Restated Comprehensive Financial Plan be prepared and made publically available. Accordingly, the County has prepared this Amended and Restated Comprehensive Financial Plan for Pension and Other Post-Employment Benefits, as required by PA 34.

Analysis of Current and Future Retirement Program Obligations for Saginaw County

February 8, 2013

Saginaw County

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

Re: Saginaw County (7303) – Unfunded Accrued Liability Projections as of December 31, 2012

As requested by Saginaw County (7303), we prepared this letter to estimate the unfunded accrued liability (UAL) as of December 31, 2012. We understand that the purpose of this estimate is to satisfy certain provisions of Public Act 329 of 2012.

Please note this letter and the accompanying table and chart should be distributed to any interested parties only in its entirety.

These calculations were based on the results of the December 31, 2011 annual actuarial valuation, adjusted to December 31, 2012, to reflect the following:

- additional benefit accruals for active members,
- actual employer and member contributions made during calendar year 2012,
- actual benefit payments made during calendar year 2012,
- an interest rate assumption of 8% per annum (this is the interest rate assumption that was used by MERS to calculate accrued liabilities in the December 31, 2011 annual actuarial valuation),
- an estimated 2012 valuation asset adjustment factor of 1.16, and
- a preliminary market value of assets as of December 31, 2012 provided by the MERS Finance department.

For purposes of determining the annual funding contribution the UAL is calculated using an actuarial (smoothed) value of assets, which phases in investment gains and losses over a 10 year period. The actuarial value of assets as of December 31, 2012 reflects an implicit future investment return rate which includes both an 8% annual market return, plus making up of the 16% current difference between market value and the smoothed actuarial value of assets. Because the UAL based on the actuarial value of assets is particularly sensitive to the investment rate used, we have calculated the UAL in two ways:

1. Based on the preliminary December 31, 2012 actuarial value of assets, and
2. Based on the preliminary December 31, 2012 market value of assets.

The estimated total County UAL in MERS, based on the actuarial (smoothed) value of assets as of December 31, 2012, is $51.5 million. The estimated total County UAL in MERS, based on the market value of assets as of December 31, 2012, is $63.8 million.

At the County's request, we projected the annual amortization payments, starting in the fiscal year beginning October 1, 2013, under the Option B amortization policy. The results are shown in the attached table and chart. Because the County is considering funding the UAL in a lump sum using pension obligation bonds, the table and chart were developed using an amortization period decreasing (to zero) after reaching 5 years, instead of resetting at 5 years each subsequent year.

Note that the chart and the table only show the amortization payments of the UAL. Any normal cost payments are in addition to the amortization payment.

These results are for illustration purposes only. The actual amortization payments will depend on the results of future annual actuarial valuations.

A discussion of pension obligation bonds is beyond the scope of this letter. However, it is important to note that the calculated UAL and the projected amortization payments are based on estimates of future events. Actual experience will be different than assumed experience (except by coincidence), so the employer contribution requirements will differ from the projections.

Please note it is important for the County to understand and acknowledge the following implications of funding the UAL using pension obligation bonds:

1. **The County will continue to be responsible for funding the employer normal cost as long as there are active members in the plan, and**
2. **If future financial or demographic experience is less favorable than assumed, additional UAL may emerge which would require additional County contributions.**
3. **Fully funding the current UAL does not guarantee that there will be no employer contribution requirements in the future.**

The undersigned actuaries are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. Please see page 3 of this document for additional disclosures required by the Actuarial Standards of Practice.

If you have any questions or need additional information, do not hesitate to contact us.

Sincerely,

Cathy Nagy

Cathy Nagy, FSA, MAAA

Actuary

W. James Koss, ASA, MAAA

Actuary

Additional Disclosures Required by Actuarial Standards of Practice

Future actuarial measurements may differ significantly from the current measurements presented in this letter due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This letter should not be relied on for any purpose other than the purpose described in the primary communication. Determination of the financial results associated with the benefits described in this letter in a manner other than the intended purpose may produce significantly different results.

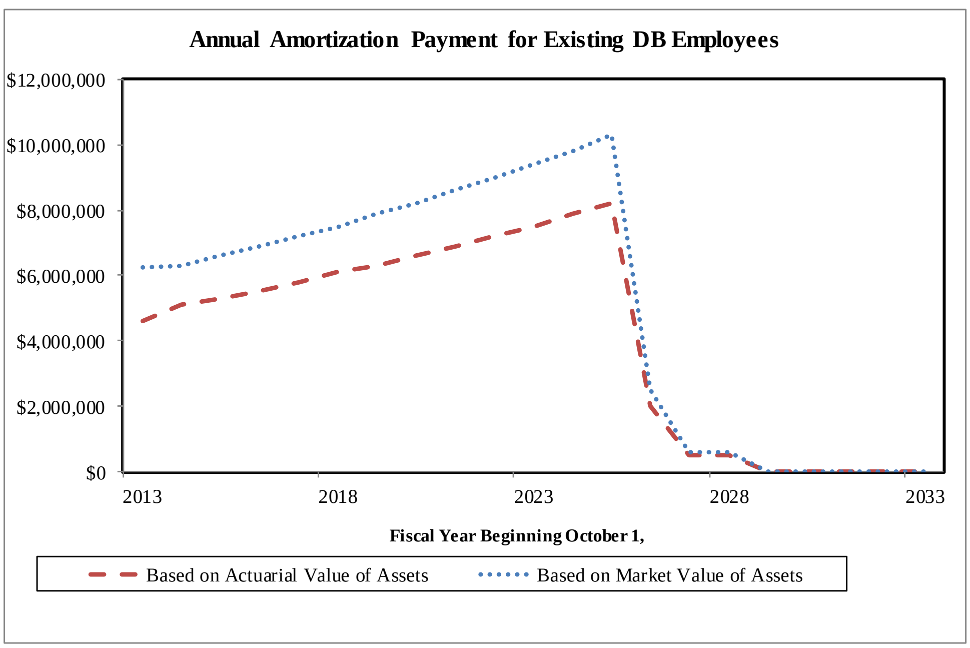
The signing actuaries are employees of MERS.

The calculation was based upon information furnished by the Municipality, concerning Retirement System benefits and member information. MERS is not responsible for the accuracy or completeness of the information provided to us for these calculations.

The developed findings included in this report consider data or other information through December 31, 2012.

Saginaw County (7303) - Total of All Divisions
Projected Amortization Payments Based on December 31, 2012 Estimated Valuation Results
Closed Amortization Policy Option B - Modified After Reaching 5-Year Amortization Period

Fiscal Year Beginning October 1	Based on the Actuarial Value of Assets: Beginning of Year UAL Balance	Based on the Actuarial Value of Assets: Amortization Payment	Based on the Market Value of Assets: Beginning of Year UAL Balance	Based on the Market Value of Assets: Amortization Payment
2013	51,000,000	4,590,114	64,100,000	6,242,445
2014	50,300,000	5,100,000	62,700,000	6,300,000
2015	49,100,000	5,300,000	61,100,000	6,600,000
2016	47,500,000	5,500,000	59,200,000	6,900,000
2017	45,500,000	5,800,000	56,700,000	7,200,000
2018	43,100,000	6,100,000	53,700,000	7,500,000
2019	40,300,000	6,300,000	50,200,000	7,900,000
2020	36,900,000	6,600,000	46,000,000	8,200,000
2021	33,000,000	6,900,000	41,100,000	8,600,000
2022	28,500,000	7,200,000	35,500,000	9,000,000
2023	23,300,000	7,500,000	29,000,000	9,400,000
2024	17,300,000	7,900,000	21,500,000	9,800,000
2025	10,500,000	8,200,000	13,100,000	10,300,000
2026	2,700,000	2,000,000	3,400,000	2,500,000
2027	900,000	500,000	1,100,000	600,000
2028	500,000	500,000	600,000	600,000
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-



Note: Amortization payment for fiscal year beginning October 1, 2013 is based on 2011 valuation results.
All other figures are based on estimated December 31, 2012 results reported as of February 8, 2013.

Saginaw County
Summary of Unfunded Accrued Liability - Pension
Based on MERS Fall 2012 Report
Information as of December 31, 2011

Group	Total Actuarial Accrued Liability
General (01)	$20,294,019
Sheriff POAM (02)	$18,461,481
UAW Managers (09)	$34,545,933
UAW Professional (10)	$11,280,242
General Local 486 (11)	$3,067,062
Sheriff / Cooks (13)	$1,226,506
Nurses (14)	$2,928,508
Health Department (15)	$8,636,783
Elected Commissioners (16)	$1,520,974
Animal Control (17)	$982,208
Judges (18)	$879,354
District Judges (19)	$1,192,004
Sheriff FOP (20)	$7,424,929
Sheriff / Lieutenants / Captains (21)	$5,020,206
P.O.A.M. Non 312 (23)	$8,097,500
Juvenile Probation (91)	$1,310,998
District Court Probate (92)	$1,262,745
Prosecuting Attorneys Union (93)	$2,720,200
Upper Management (94)	$6,173,163
NonUnion Management (95)	$653,894
UAW Para Prf (96)	$1,163,858
	$138,842,567

Fall 2012

Saginaw Co

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

Subject: Saginaw Co (7303) – December 31, 2011 Annual Actuarial Valuation Results Summary

This letter includes the determination of liabilities and contribution rates resulting from participation by the above-named municipality in the Municipal Employees' Retirement System of Michigan ("MERS").

Please note this letter is a summary of the final December 31, 2011 valuation results.

Our calculations were based on the following information:

- Demographic information, financial information and benefit provisions provided to us by MERS administrative staff for the December 31, 2011 annual valuation. Data was checked for internal consistency with the prior year, but was not otherwise audited by us.

- The actuarial assumptions and methods adopted by the Retirement Board for use in the December 31, 2011 annual valuation. Please refer to the division-specific assumptions described in table(s) in this letter, and to the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

The results of our calculations are shown in the table(s) beginning on page 3 of this letter. These are the final results of the December 31, 2011 annual actuarial valuation.

The undersigned actuaries are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. Please see the following page for additional disclosures required by the Actuarial Standards of Practice.

If you have questions, please contact your MERS representative.

Sincerely,

Alan Sonnanstine, MAAA, ASA
Cathy Nagy, MAAA, FSA
Jim Koss, MAAA, ASA

Additional Disclosures Required by Actuarial Standards of Practice

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determination of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The signing actuaries are employees of MERS.

The calculation was based upon information furnished by the employer and MERS administrative staff, concerning Retirement System benefits and member information. The MERS of Michigan Actuarial Services Department is not responsible for the accuracy or completeness of the information provided to us for these calculations.

The developed findings included in this report consider data or other information through December 31, 2011.

Saginaw Co (7303) - General (01)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	50/25
	55/20
	-
Early Retirement (Reduced)	55/15
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
3.88%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/2000

Active Members		
Number		25
Annual Payroll	$	939,216
Retirees and Beneficiaries		
Number		168
Annual Benefits	$	1,680,340
Vested Former Members		
Number		17
Annual Deferred Benefits	$	95,179

Actuarial Accrued Liability		
Active Members	$	4,715,535
Retirees and Beneficiaries		15,091,077
Vested Former Members		479,295
Pending Refunds		8,112
Total	$	20,294,019
Valuation Assets[1]	$	12,758,515
Unfunded Accrued Liability (UAL)	$	7,535,504
Percent Funded		62.9%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	4,050
Amortization of UAL		74,186
Total Employer Contribution	$	78,236
Annual GASB ARC	$	938,832

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Sheriff POAM (02)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	25 and Out
	-
	-
Early Retirement (Reduced)	55/15
	-
Final Average Compensation	5 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
4%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	9/30/2000

Active Members		
Number		9
Annual Payroll	$	575,442
Retirees and Beneficiaries		
Number		62
Annual Benefits	$	1,369,276
Vested Former Members		
Number		7
Annual Deferred Benefits	$	61,239

Actuarial Accrued Liability		
Active Members	$	2,893,859
Retirees and Beneficiaries		15,084,005
Vested Former Members		483,058
Pending Refunds		559
Total	$	18,461,481
Valuation Assets[1]	$	11,607,609
Unfunded Accrued Liability (UAL)	$	6,853,872
Percent Funded		62.9%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	5,389
Amortization of UAL		67,017
Total Employer Contribution	$	72,406
Annual GASB ARC	$	868,872

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - UAW Managers (09)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
3.20%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	3/1/1998

Active Members		
Number		17
Annual Payroll	$	1,055,648
Retirees and Beneficiaries		
Number		76
Annual Benefits	$	2,374,688
Vested Former Members		
Number		4
Annual Deferred Benefits	$	68,155

Actuarial Accrued Liability		
Active Members	$	7,479,208
Retirees and Beneficiaries		26,746,555
Vested Former Members		320,170
Pending Refunds		0
Total	$	34,545,933
Valuation Assets[1]	$	21,684,388
Unfunded Accrued Liability (UAL)	$	12,861,545
Percent Funded		62.8%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	6,779
Amortization of UAL		124,629
Total Employer Contribution	$	131,408
Annual GASB ARC	$	1,576,896

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - UAWProfessional (10)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-3 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	50/25
	55/15
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	3/1/1998

Active Members		
Number		9
Annual Payroll	$	526,168
Retirees and Beneficiaries		
Number		49
Annual Benefits	$	826,842
Vested Former Members		
Number		18
Annual Deferred Benefits	$	95,623

Actuarial Accrued Liability		
Active Members	$	2,714,579
Retirees and Beneficiaries		7,886,317
Vested Former Members		679,346
Pending Refunds		0
Total	$	11,280,242
Valuation Assets[1]	$	7,230,548
Unfunded Accrued Liability (UAL)	$	4,049,694
Percent Funded		64.1%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	3,347
Amortization of UAL		39,856
Total Employer Contribution	$	43,203
Annual GASB ARC	$	518,436

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Gnrl Local486 (11)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-3 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		55/20
		-
		-
Early Retirement (Reduced)		50/25
		55/15
Final Average Compensation		5 years
COLA for Future Retirees		
None		
COLA for Current Retirees		
None		
Member Contributions		
0%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		9/30/2000
Active Members		
Number		5
Annual Payroll	$	198,723
Retirees and Beneficiaries		
Number		11
Annual Benefits	$	212,709
Vested Former Members		
Number		2
Annual Deferred Benefits	$	19,561

Actuarial Accrued Liability		
Active Members	$	826,675
Retirees and Beneficiaries		2,154,864
Vested Former Members		85,523
Pending Refunds		0
Total	$	3,067,062
Valuation Assets[1]	$	1,884,508
Unfunded Accrued Liability (UAL)	$	1,182,554
Percent Funded		61.4%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	1,467
Amortization of UAL		10,103
Total Employer Contribution	$	11,570
Annual GASB ARC	$	138,840
Division-Specific Assumptions		
Withdrawal Rate Scaling Factor		80%
FAC Increase Factor		1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Sheriff/Cooks (13)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		50/25
		55/20
		-
Early Retirement (Reduced)		55/15
		-
Final Average Compensation		5 years
COLA for Future Retirees		
None		
COLA for Current Retirees		
None		
Member Contributions		
1%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		9/30/2000
Active Members		
Number		1
Annual Payroll	$	36,711
Retirees and Beneficiaries		
Number		6
Annual Benefits	$	99,333
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	183,435
Retirees and Beneficiaries		1,043,071
Vested Former Members		0
Pending Refunds		0
Total	$	1,226,506
Valuation Assets[1]	$	630,201
Unfunded Accrued Liability (UAL)	$	596,305
Percent Funded		51.4%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	196
Amortization of UAL		4,948
Total Employer Contribution	$	5,144
Annual GASB ARC	$	61,728
Division-Specific Assumptions		
Withdrawal Rate Scaling Factor		80%
FAC Increase Factor		1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Nurses (14)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked

Benefit Provisions	
Benefit Multiplier	
Benefit B-3 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	50/25 55/20 -
Early Retirement (Reduced)	55/15 -
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/1999

Active Members		
Number		2
Annual Payroll	$	102,584
Retirees and Beneficiaries		
Number		17
Annual Benefits	$	278,255
Vested Former Members		
Number		3
Annual Deferred Benefits	$	31,248

Actuarial Accrued Liability		
Active Members	$	421,236
Retirees and Beneficiaries		2,360,514
Vested Former Members		146,758
Pending Refunds		0
Total	$	2,928,508
Valuation Assets[1]	$	2,091,845
Unfunded Accrued Liability (UAL)	$	836,663
Percent Funded		71.4%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	631
Amortization of UAL		8,354
Total Employer Contribution	$	8,985
Annual GASB ARC	$	107,820

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Hlth Dept (15)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked

Benefit Provisions	
Benefit Multiplier	
Benefit B-3 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	50/25
	55/20
	-
Early Retirement (Reduced)	55/15
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/1999

Active Members		
Number		14
Annual Payroll	$	499,392
Retirees and Beneficiaries		
Number		60
Annual Benefits	$	635,923
Vested Former Members		
Number		11
Annual Deferred Benefits	$	58,820

Actuarial Accrued Liability		
Active Members	$	2,616,389
Retirees and Beneficiaries		5,723,360
Vested Former Members		297,034
Pending Refunds		0
Total	$	8,636,783
Valuation Assets[1]	$	5,571,562
Unfunded Accrued Liability (UAL)	$	3,065,221
Percent Funded		64.5%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	2,735
Amortization of UAL		29,913
Total Employer Contribution	$	32,648
Annual GASB ARC	$	391,776

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Elctd Commsnrs (16)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	3 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	3/1/1998

Active Members		
Number		1
Annual Payroll	$	15,884
Retirees and Beneficiaries		
Number		13
Annual Benefits	$	140,091
Vested Former Members		
Number		4
Annual Deferred Benefits	$	14,039

Actuarial Accrued Liability		
Active Members	$	58,801
Retirees and Beneficiaries		1,340,843
Vested Former Members		121,330
Pending Refunds		0
Total	$	1,520,974
Valuation Assets[1]	$	876,994
Unfunded Accrued Liability (UAL)	$	643,980
Percent Funded		57.7%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	0
Amortization of UAL		6,318
Total Employer Contribution	$	6,318
Annual GASB ARC	$	75,816

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Animal Control (17)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-3 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		50/25
		55/20
		-
Early Retirement (Reduced)		55/15
		-
Final Average Compensation		5 years
COLA for Future Retirees		
None		
COLA for Current Retirees		
None		
Member Contributions		
0%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		1/1/2000

Active Members		
Number		2
Annual Payroll	$	86,834
Retirees and Beneficiaries		
Number		3
Annual Benefits	$	55,050
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	378,867
Retirees and Beneficiaries		603,341
Vested Former Members		0
Pending Refunds		0
Total	$	982,208
Valuation Assets[1]	$	761,323
Unfunded Accrued Liability (UAL)	$	220,885
Percent Funded		77.5%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	591
Amortization of UAL		2,170
Total Employer Contribution	$	2,761
Annual GASB ARC	$	33,132

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Judges (18)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		55/15
		25 and Out
		-
Early Retirement (Reduced)		-
		-
Final Average Compensation		5 years
COLA for Future Retirees		
2.50% (Non-Compound)		
COLA for Current Retirees		
None		
Member Contributions		
0%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		1/1/1999

Active Members		
Number		1
Annual Payroll	$	27,538
Retirees and Beneficiaries		
Number		6
Annual Benefits	$	66,111
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	332,738
Retirees and Beneficiaries		546,616
Vested Former Members		0
Pending Refunds		0
Total	$	879,354
Valuation Assets[1]	$	637,313
Unfunded Accrued Liability (UAL)	$	242,041
Percent Funded		72.5%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	64
Amortization of UAL		2,071
Total Employer Contribution	$	2,135
Annual GASB ARC	$	25,620

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Dist Judges (19)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/1999

Active Members		
Number		3
Annual Payroll	$	82,614
Retirees and Beneficiaries		
Number		4
Annual Benefits	$	50,451
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	799,590
Retirees and Beneficiaries		392,414
Vested Former Members		0
Pending Refunds		0
Total	$	1,192,004
Valuation Assets[1]	$	906,515
Unfunded Accrued Liability (UAL)	$	285,489
Percent Funded		76.0%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	391
Amortization of UAL		2,411
Total Employer Contribution	$	2,802
Annual GASB ARC	$	33,624

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Sheriff FOP (20)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/2000

Active Members		
Number		5
Annual Payroll	$	367,338
Retirees and Beneficiaries		
Number		14
Annual Benefits	$	522,197
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	1,856,820
Retirees and Beneficiaries		5,568,109
Vested Former Members		0
Pending Refunds		0
Total	$	7,424,929
Valuation Assets[1]	$	5,643,842
Unfunded Accrued Liability (UAL)	$	1,781,087
Percent Funded		76.0%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	3,351
Amortization of UAL		14,349
Total Employer Contribution	$	17,700
Annual GASB ARC	$	212,400

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Shrff/Lts/Capts (21)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/1999

Active Members		
Number		3
Annual Payroll	$	222,991
Retirees and Beneficiaries		
Number		8
Annual Benefits	$	304,333
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	1,273,605
Retirees and Beneficiaries		3,746,601
Vested Former Members		0
Pending Refunds		0
Total	$	5,020,206
Valuation Assets[1]	$	3,121,737
Unfunded Accrued Liability (UAL)	$	1,898,469
Percent Funded		62.2%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	2,181
Amortization of UAL		17,023
Total Employer Contribution	$	19,204
Annual GASB ARC	$	230,448

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - P.O.A.M. Non 312 (23)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		25 and Out
		-
		-
Early Retirement (Reduced)		55/15
		-
Final Average Compensation		5 years
COLA for Future Retirees		
2.50% (Non-Compound)		
COLA for Current Retirees		
None		
Member Contributions		
4%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		9/30/2000
Active Members		
Number		5
Annual Payroll	$	306,129
Retirees and Beneficiaries		
Number		17
Annual Benefits	$	515,719
Vested Former Members		
Number		1
Annual Deferred Benefits	$	9,062

Actuarial Accrued Liability		
Active Members	$	1,621,996
Retirees and Beneficiaries		6,441,405
Vested Former Members		34,099
Pending Refunds		0
Total	$	8,097,500
Valuation Assets[1]	$	4,756,597
Unfunded Accrued Liability (UAL)	$	3,340,903
Percent Funded		58.7%
Amortization Period		
For Positive UAL		12 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	2,081
Amortization of UAL		28,631
Total Employer Contribution	$	30,712
Annual GASB ARC	$	368,544
Division-Specific Assumptions		
Withdrawal Rate Scaling Factor		80%
FAC Increase Factor		1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Juvenile Probtn (91)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/20
	25 and Out
	-
Early Retirement (Reduced)	55/15
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
3.45%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	9/30/2000

Active Members		
Number		1
Annual Payroll	$	51,702
Retirees and Beneficiaries		
Number		4
Annual Benefits	$	104,311
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	313,760
Retirees and Beneficiaries		997,238
Vested Former Members		0
Pending Refunds		0
Total	$	1,310,998
Valuation Assets[1]	$	865,255
Unfunded Accrued Liability (UAL)	$	445,743
Percent Funded		66.0%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	203
Amortization of UAL		4,370
Total Employer Contribution	$	4,573
Annual GASB ARC	$	54,876

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Dist Court Prob (92)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		55/20 25 and Out -
Early Retirement (Reduced)		55/15 -
Final Average Compensation		5 years
COLA for Future Retirees		
None		
COLA for Current Retirees		
None		
Member Contributions		
3.84%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		1/1/2000

Active Members		
Number		2
Annual Payroll	$	105,580
Retirees and Beneficiaries		
Number		2
Annual Benefits	$	66,722
Vested Former Members		
Number		1
Annual Deferred Benefits	$	4,713

Actuarial Accrued Liability		
Active Members	$	550,447
Retirees and Beneficiaries		692,088
Vested Former Members		20,210
Pending Refunds		0
Total	$	1,262,745
Valuation Assets[1]	$	947,183
Unfunded Accrued Liability (UAL)	$	315,562
Percent Funded		75.0%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	630
Amortization of UAL		3,123
Total Employer Contribution	$	3,753
Annual GASB ARC	$	45,036

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Pros Attys Union (93)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-3 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	50/25
	55/20
	-
Early Retirement (Reduced)	55/15
	-
Final Average Compensation	5 years
COLA for Future Retirees	
None	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	1/1/1999

Active Members		
Number		5
Annual Payroll	$	412,512
Retirees and Beneficiaries		
Number		3
Annual Benefits	$	72,873
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	2,097,772
Retirees and Beneficiaries		622,428
Vested Former Members		0
Pending Refunds		0
Total	$	2,720,200
Valuation Assets[1]	$	2,235,267
Unfunded Accrued Liability (UAL)	$	484,933
Percent Funded		82.2%
Amortization Period		
For Positive UAL		10 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	2,168
Amortization of UAL		4,655
Total Employer Contribution	$	6,823
Annual GASB ARC	$	81,876

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - Upper Management (94)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		55/15
		25 and Out
		-
Early Retirement (Reduced)		-
		-
Final Average Compensation		3 years
COLA for Future Retirees		
2.50% (Non-Compound)		
COLA for Current Retirees		
None		
Member Contributions		
0%		
RS50% Percentage		50%
D-2		-
DC Plan for New Hires		6/20/2006

Active Members		
Number		4
Annual Payroll	$	436,254
Retirees and Beneficiaries		
Number		6
Annual Benefits	$	277,988
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	2,801,942
Retirees and Beneficiaries		3,371,221
Vested Former Members		0
Pending Refunds		0
Total	$	6,173,163
Valuation Assets[1]	$	4,072,092
Unfunded Accrued Liability (UAL)	$	2,101,071
Percent Funded		66.0%
Amortization Period		
For Positive UAL		17 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	3,596
Amortization of UAL		14,589
Total Employer Contribution	$	18,185
Annual GASB ARC	$	233,688

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - NonUnion Mgmnt (95)
December 31, 2011 Actuarial Valuation Results

Division Status	Closed
Division Link Status	Not Linked
Benefit Provisions	
Benefit Multiplier	
Benefit B-4 (80% max)	
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/15
	25 and Out
	-
Early Retirement (Reduced)	-
	-
Final Average Compensation	5 years
COLA for Future Retirees	
2.50% (Non-Compound)	
COLA for Current Retirees	
None	
Member Contributions	
0%	
RS50% Percentage	-
D-2	-
DC Plan for New Hires	6/20/2006

Active Members		
Number		0
Annual Payroll	$	0
Retirees and Beneficiaries		
Number		1
Annual Benefits	$	50,157
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	0
Retirees and Beneficiaries		653,894
Vested Former Members		0
Pending Refunds		0
Total	$	653,894
Valuation Assets[1]	$	289,480
Unfunded Accrued Liability (UAL)	$	364,414
Percent Funded		44.3%
Amortization Period		
For Positive UAL		17 years
For Negative UAL		10 years

Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	0
Amortization of UAL		2,436
Total Employer Contribution	$	2,436
Annual GASB ARC	$	31,824

Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	0%
FAC Increase Factor	0%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.

2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw Co (7303) - UAW Para prof. (96)
December 31, 2011 Actuarial Valuation Results

Division Status		Closed
Division Link Status		Not Linked
Benefit Provisions		
Benefit Multiplier		
Benefit B-4 (80% max)		
Normal Retirement Age		60
Vesting		6 years
Early Retirement (Unreduced)		50/25
		55/15
		-
Early Retirement (Reduced)		-
		-
Final Average Compensation		5 years
COLA for Future Retirees		
None		
COLA for Current Retirees		
None		
Member Contributions		
4.34%		
RS50% Percentage		-
D-2		-
DC Plan for New Hires		6/20/2006

Active Members		
Number		2
Annual Payroll	$	102,928
Retirees and Beneficiaries		
Number		3
Annual Benefits	$	53,288
Vested Former Members		
Number		0
Annual Deferred Benefits	$	0

Actuarial Accrued Liability		
Active Members	$	573,288
Retirees and Beneficiaries		590,570
Vested Former Members		0
Pending Refunds		0
Total	$	1,163,858
Valuation Assets[1]	$	911,555
Unfunded Accrued Liability (UAL)	$	252,303
Percent Funded		78.3%
Amortization Period		
For Positive UAL		17 years
For Negative UAL		10 years
Employer Contribution		
For Fiscal Year Beginning		10/1/2013
Percentage of Payroll		
Normal Cost		-
Amortization of UAL		-
Total Employer Contribution		-
Estimated Monthly Contribution[2]		
Normal Cost	$	435
Amortization of UAL		1,446
Total Employer Contribution	$	1,881
Annual GASB ARC	$	24,108

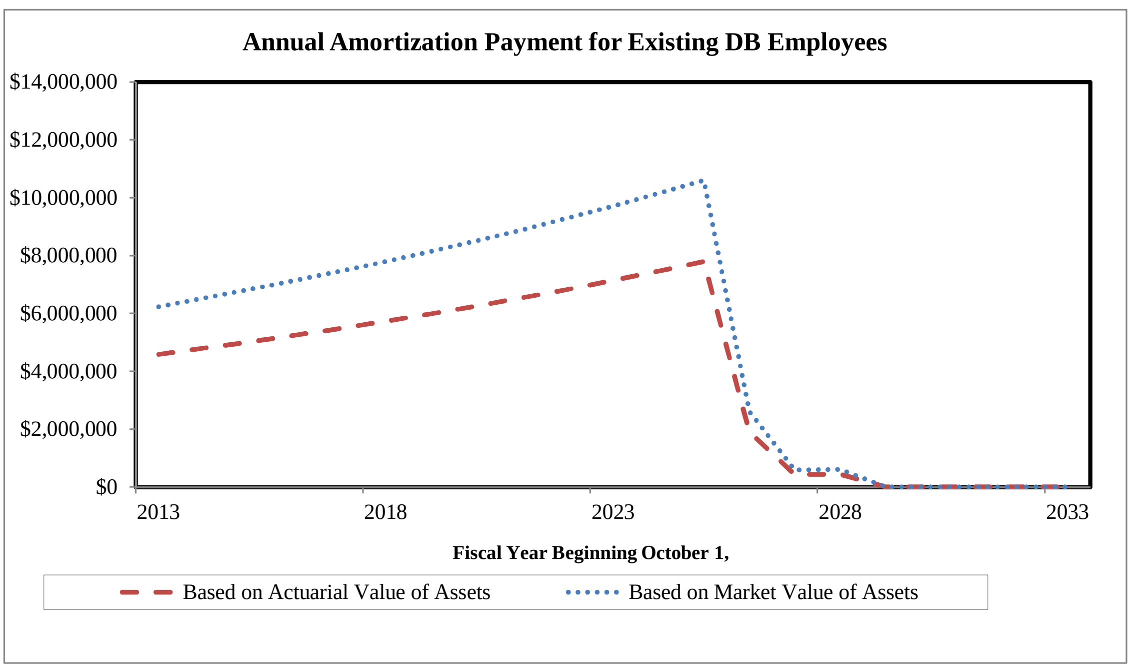
Division-Specific Assumptions	
Withdrawal Rate Scaling Factor	80%
FAC Increase Factor	1%

1 Valuation assets are equal to 1.205815 times the reported market value of assets.
2 For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll.

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix on the MERS website at: http://www.mersofmich.com/Appendix.

Saginaw County (7303) - Total of All Divisions
Projected Amortization Payments Based on December 31, 2011 Actuarial Valuation
Closed Amortization Policy Option B - Modified After Reaching 5-Year Amortization Period

			Based on the Actuarial Value of Assets		Based on the Market Value of Assets	
Fiscal Year Beginning October 1	Amortization Period	Amortization Factor	Beginning of Year UAL Balance	Amortization Payment	Beginning of Year UAL Balance	Amortization Payment
2013			48,549,726	4,590,114	66,035,016	6,242,445
2014			47,662,341	4,808,414	64,828,877	6,539,387
2015			46,477,044	5,024,793	63,217,580	6,833,659
2016			44,972,000	5,250,909	61,171,486	7,141,174
2017			43,111,509	5,487,200	58,642,048	7,462,527
2018			40,856,557	5,734,124	55,576,212	7,798,341
2019			38,164,535	5,992,159	51,916,035	8,149,266
2020			34,988,927	6,261,806	47,598,262	8,515,983
2021			31,278,975	6,543,588	42,553,870	8,899,202
2022			26,979,319	6,838,049	36,707,575	9,299,666
2023			22,029,601	7,145,761	29,977,299	9,718,151
2024			16,364,044	7,467,320	22,273,591	10,155,468
2025			9,910,985	7,803,350	13,499,001	10,612,464
2026			2,592,383	1,907,607	3,547,403	2,613,041
2027			816,841	431,327	1,114,973	588,754
2028			433,829	450,737	592,169	615,248
2029			0	-	0	-
2030			-	-	-	-
2031			-	-	-	-
2032			-	-	-	-
2033			-	-	-	-



See the 11/2/2012 correspondence from Alan Sonnanstine titled "Saginaw County (7303) - Amortization Payment Projections" for information important to understanding the above results.

COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. McGILL
Controller/Chief Administrative Officer

The County of Saginaw Employees Defined Contribution Pension Plan is a single employer defined contribution pension plan, established by the County and administered by an outside third-party administrator. All non-union County employees hired after June 1, 1994 are required to participate in the defined contribution pension plan. This requirement to participate in the defined contribution pension plan for new employees has also been negotiated into all contracts with all bargaining units. Employees vest in the County's contributions on a sliding scale based on the years of service in accordance with the following scale:

Service Time	Percent Vested
Up to 35 months	0%
36 months through 47 months	25%
48 months through 59 months	50%
60 months through 71 months	75%
72 months plus	100%

When the defined contribution pension plan was established, employees had the option of contributing either 0% or 3% of their annual salary. If the members contribute 0%, the County is required to contribute 6%; if the members contribute 3%, the County is required to contribute 9%. Beginning November 2004, the County began the process of negotiating lower contribution rates for new employees with union groups as their contracts expired. These newly hired employees may contribute either 0% or 6% of their annual salary; if the members contribute 0%, the County is required to contribute 3%; if the members contribute 6%, the County is required to contribute 6%. All newly hired County employees currently have these lower contribution rates.

The County has budgeted $1,896,584 in 2013 to contribute towards employees defined contribution pension plans. We estimate this amount to increase by 1.5% per year over the next 5 years as follows:

2014	$1,925,033
2015	$1,953,908
2016	$1,983,217
2017	$2,012,966
2018	$2,043,160

PHONE (989) 790-5210 **FAX (989) 790-5566**

Analysis of Current and Future Post Employment Healthcare Benefit Obligations for Saginaw County

GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

SAGINAW COUNTY OTHER POSTEMPLOYMENT BENEFITS

ACTUARIAL VALUATION REPORT

DECEMBER 31, 2011

TABLE OF CONTENTS

GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

April 30, 2012

Ms. Amy Deford
Retirement Administrator
County of Saginaw
111 S. Michigan
Saginaw, Michigan 48602

Dear Ms. Deford:

Submitted in this report are the results of an Actuarial Valuation of the assets and liabilities associated with the employer financed retiree health benefits provided by Saginaw County. The date of the valuation was December 31, 2011. The annual required contributions have been calculated for the fiscal year beginning October 1, 2012.

This report was prepared at the request of Saginaw County and is intended for use by Saginaw County and those designated or approved by the County. This report may be provided to parties other than Saginaw County only in its entirety and only with the permission of the County.

The actuarial calculations were prepared for purposes of complying with the requirements of Statement No. 45 of the Governmental Accounting Standards Board (GASB). In addition, we have included information which may be helpful if there is a trust requiring a GASB Statement No. 43 disclosure. The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. This report should not be relied on for any other purpose. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying Saginaw County's financial reporting requirements may be significantly different than the values shown in this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation was based upon information furnished by Saginaw County, concerning Retiree Health benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency with the last valuation, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by Saginaw County.

To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of Saginaw County as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

Curtis Powell, EA, MAAA

Sheryl Wroblewski, EA, MAAA

CP/MB:mrb

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Annual Required Contribution

This report presents the annual required contribution calculated in compliance with the accounting requirements of Governmental Accounting Standards Board (GASB) Statement No. 45.

Annual Required Contribution and OPEB Cost

This report presents the Annual Required Contribution (ARC), one component of the annual Other Postemployment Benefits (OPEB) cost required to be recognized by the plan sponsor for purposes of complying with the accounting requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45. In addition, the plan may need to comply with GASB Statement No. 43. Please consult with legal counsel and your auditors to determine whether you have a plan for GASB Statement No. 43 purposes.

We have calculated the Annual Required Contribution (ARC) for the fiscal year beginning October 1, 2012, under a 6.00% discount rate. Below is a summary of the results. In the first year GASB Statement No. 45 is adopted, the annual OPEB cost is equal to the ARC. In subsequent years, if there is a Net OPEB Obligation (NOO, see below), the annual OPEB cost is equal to the ARC for the fiscal year plus one year's interest on the Net OPEB Obligation plus an adjustment to the ARC.

Employer contributions to an OPEB trust act to reduce the NOO. In addition, actual claims paid on behalf of retirees directly from the employer* might be employer contributions in relation to the ARC and act to reduce the NOO. The ARC and estimated retiree claims shown below include an adjustment for any implicit rate subsidy present in your pre-65 rates.

* *Claims/Premiums passed through the trust in the same fiscal year might also be treated as contributions for that year. We recommend all such transactions be discussed with your accounting professional prior to their occurrence.*

For additional details please see the Section titled "Valuation Results."

Annual Required Contribution	6.00% Interest	Estimated Claims and Premiums Paid for Retirees
Fiscal Year Beginning 2012	$11,512,586	$6,373,171

Additional OPEB Reporting Requirements – Net OPEB Obligation

In addition to the annual cost described above, employers will have to disclose a Net OPEB Obligation (or asset). The NOO is the cumulative difference between annual OPEB cost and annual employer contributions in relation to the ARC accumulated from the implementation of Statement No. 45. The NOO is zero as of the beginning of the fiscal year that Statement No. 45 is implemented unless the employer chooses to recognize a beginning balance. The requirements for determining the employer's contributions in relation to the ARC are described in paragraph 13 g. of Statement No. 45. Additional information required to be disclosed in the employer's financial statements is detailed in paragraphs 24 through 27 of Statement No. 45.

Liabilities and Assets

	6.00% Interest
1. Present Value of Future Benefit Payments	$148,469,188
2. Actuarial Accrued Liability	136,884,482
3. Plan Assets	11,913,064
4. Unfunded Actuarial Accrued Liability (2) – (3)	124,971,418
5. Funded Ratio (3)/(2)	8.7%

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service to current members. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan's funding method (see the Section titled "Actuarial Cost Method and Actuarial Assumptions").

SECTION A

VALUATION RESULTS

DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012

Contributions for	Development of the Annual Required Contribution for Fiscal Year Beginning	
	2012	**2011**
Total Normal Cost	$ 1,762,092	$ 1,770,677
Amortization of Unfunded Actuarial Accrued Liabilities*	$ 9,750,494	$ 9,130,557
Annual Required Contribution (ARC)	**$ 11,512,586**	**$ 10,901,234**

* *The unfunded actuarial accrued liabilities were amortized as level dollar amounts over a 26 year period for the fiscal year beginning in 2012 and over a 27 year period for the fiscal year beginning in 2011. The discount rate is 6.00%.*

DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
A. Present Value of Future Benefits		
1. Retirees and Beneficiaries	$ 90,539,560	$ 88,277,033
2. Vested Terminated Members	0	0
3. Active Members	57,929,628	55,783,392
Total Present Value of Future Benefits	$148,469,188	$144,060,425
B. Present Value of Future Employer Normal Costs	$ 11,584,706	$ 12,102,766
C. Actuarial Accrued Liability (A.-B.)	$136,884,482	$131,957,659
D. Actuarial Value of Assets	$ 11,913,064	$ 13,065,654
E. Unfunded Actuarial Accrued Liability (C.-D.)	$124,971,418	$118,892,005
F. Funded Ratio (D./C.)	8.7%	9.9%

The Unfunded Actuarial Accrued Liability (UAAL) is not booked as an expense all in one year and does not appear in the Employer's Statement of Net Assets. Nevertheless, it is reported in the Notes to the Financial Statements and in the Required Supplementary Information. These are information sections within the employer's financial statements.

The results on this page are based on a 6.00% investment return assumption and the trend assumption described on page E-8.

COMMENTS

COMMENT A: One of the key assumptions used in any valuation of the cost of postemployment benefits is the long-term rate of investment return on plan assets. Higher assumed investment returns will result in a lower Annual Required Contribution (ARC). Lower returns will result in a higher ARC. As requested by the plan sponsor, we have calculated the liability and the resulting ARC using an assumed annual investment return of 6.00% per year. GASB requires the use of a rate that reflects the expected return on the assets which will be used to pay benefits. 6.00% may appropriately reflect of the fact that some of the benefits will be paid from OPEB trust assets invested in a diversified portfolio (expected to return somewhat higher than 6.00%), and others will be paid from general county assets held in short-term devices.

COMMENT B: If paid from outside of the fund established for OPEB, actual claims and/or premiums paid on behalf of retirees might be treatable as employer contributions in relation to the ARC and act to reduce the NOO. For the fiscal year ending September 30, 2013, the total projected amount of claims paid by the employer on behalf of retirees is $6,373,171.

COMMENT C: The ARC for 2012 of $11,512,586 is approximately equal to the $11,500,000 projected. There is upward pressure due to assets being depleted instead of partially funding the ARC. The trend was re-set to 9.0% in the first year in order to reflect higher expected premium in the short-term; this is consistent with regional increase patterns. The change in trend assumption also increased the ARC from the prior year. Lower than anticipated starting premium amounts and data experience offset the investment and assumption losses.

COMMENT D: Legislative changes due to the Patient Protection and Affordable Care Act relating to retiree health care benefits have been reflected to the extent they have already been implemented in the plan.

COMMENTS

COMMENT E: The Actuarial Standards of Practice with regard to the mortality assumption has recently been revised. ASOP No. 35 Disclosure 4.1.1 now states *"The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement."* As such, there is currently no margin for future mortality improvement in the current mortality assumption. We anticipate updated mortality rates including a margin for mortality improvements will be recommended for the next valuation. This will likely put upward pressure on liabilities.

SECTION B

FINANCIAL PROJECTION

EMPLOYER FINANCED OTHER POSTEMPLOYMENT BENEFITS PROJECTION ASSUMING FULL PRE-FUNDING OF THE ARC

The column titled “Expected Health Care Benefits” is the amount that we estimate can be applied to the funding of retiree health insurance premiums in various years. At least in the first few years this amount will exceed the amount actually charged by your Health Care Provider for retirees because your Health Care Provider does not provide separate rates by age and sex. In our opinion, the difference can be applied to the normal active member portion of your Health Care Provider charges. This matter should be reviewed by the auditor and possibly legal counsel if a trust is involved. The projections are based on the health care cost trend increase rates shown on page E-8.

Year Ending September 30,	Projected Covered Member Payroll*	Asset Value BOY	Annual Required Contribution	Expected Health Care Benefits	Investment Income	Asset Value EOY
2013	$13,293,729	$15,002,187	$11,512,586	$6,373,171	$1,052,068	$21,193,670
2014	12,503,359	21,193,670	11,375,273	7,020,857	1,400,350	26,948,436
2015	11,741,269	26,948,436	11,263,850	7,650,613	1,723,724	32,285,397
2016	11,000,259	32,285,397	11,161,876	8,249,053	2,023,236	37,221,456
2017	10,280,107	37,221,456	11,065,657	8,734,269	2,302,210	41,855,054
2018	9,565,872	41,855,054	10,970,809	9,136,736	2,565,524	46,254,651
2019	8,852,519	46,254,651	10,878,980	9,465,882	2,817,054	50,484,803
2020	8,107,722	50,484,803	10,788,173	9,757,708	3,059,552	54,574,820
2021	7,301,479	54,574,820	10,698,128	10,015,380	3,294,673	58,552,241
2022	6,465,115	58,552,241	10,604,242	10,272,409	3,522,944	62,407,018
2023	5,675,588	62,407,018	10,504,768	10,470,071	3,745,447	66,187,162
2024	4,952,323	66,187,162	10,405,108	10,677,625	3,963,173	69,877,818
2025	4,275,134	69,877,818	10,314,607	10,887,454	4,175,734	73,480,705
2026	3,661,060	73,480,705	10,235,026	11,032,514	4,385,266	77,068,483
2027	3,119,802	77,068,483	10,163,131	11,172,480	4,594,270	80,653,404
2028	2,632,505	80,653,404	10,099,977	11,307,023	4,803,520	84,249,878

**This payroll is for the members included in the retiree health care plan and excludes member payroll for those only eligible for life insurance.*

This projection assumes the County will contribute an amount equal to the ARC each year, assets will earn 6.00% annually, and all other assumptions are met. In addition, the payment to reduce the unfunded liability is based on an amortization period of 26 years the first year, decreasing by 1 each year, which is consistent with a financing policy aimed at eventually fully-funding the plan’s liabilities.

SECTION C

RETIREE PREMIUM RATE DEVELOPMENT

RETIREE PREMIUM RATE DEVELOPMENT

Initial premium rates were developed separately for each class (pre-65 and post-65). The rates were calculated by using actual incurred retiree claims and exposure data for the period of January 2010 to December 2011, adjusted for catastrophic claims, plus the load for administration, network access fees, and stop loss premiums. The self-insured Medical and prescription drug retiree data were provided by Saginaw County. The Medical data was analyzed for the pre-65 and post-65 participants separately since Medicare is available for the post-65 participants and has a significant impact on the claim experience. We estimated the split between Medicare and Non-Medicare claims since they were not provided separately. Furthermore, since the prescription drug claims and the medical claims exhibit different trends and claim payment patterns, we analyzed these claims separately as well. The initial per capita costs are based on a weighted average of 2010 and 2011 claims. The 2011 retiree medical claims dropped by about 25% even though there were no plan changes or significant changes in enrollment. We gave more weight to the 2010 claims than we normally would due to the unexplained drop in 2011 medical claims in case 2011 was an anomaly.

Age graded and sex distinct premiums are utilized in this valuation. The premiums developed by the preceding process are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process "distributes" the average premium over all age/sex combinations and assigns a unique premium for each specific age/sex combination. The age/sex specific premiums more accurately reflect the health care utilization and cost at that age.

The County indicated that most future retirees get a Community Blue Plan with a $5/40, drug benefit, $20 office visit co pay and $50 Emergency Room co-pay. We developed different rates for future retirees based on this information.

RETIREE PREMIUM RATE DEVELOPMENT (CONCLUDED)

The tables below show the resulting medical and prescription drug one-person monthly premiums at select ages. The premium (or per capita costs) rates shown below reflect the use of age grading.

For Those Not Eligible for Medicare (Pre-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
45	$485.47	$635.57	$513.46	$672.21
50	656.80	744.19	694.66	787.09
55	858.42	882.38	907.91	933.25
60	1,078.42	1,036.60	1,140.59	1,096.36

For Those Eligible for Medicare (Post-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
65	$460.03	$423.62	$534.90	$492.57
70	530.64	477.15	617.00	554.81
75	589.10	522.81	684.98	607.91

The undersigned is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Actuarial Certification
John Mallows

SECTION D

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA

SAGINAW COUNTY OTHER POSTEMPLOYMENT BENEFITS
SUMMARY OF BENEFITS AS OF DECEMBER 31, 2011

PLAN PARTICIPANTS

Members of the County of Saginaw Retirement System hired prior to March 1, 2005 who satisfy the following requirements are eligible to receive retiree health care.

RETIREMENT ELIGIBILITY

Eligibility conditions for health care benefits are:

OPEIU (A), SCDPH COA (D), Pub. H. Nurses (E), Animal (J), TPOAM (O), and Pros. (R):

Age 50 with 25 years of service, or
at age 55 with 20 years of service, or
at age 60 with 6 years of service.

POLC Unit II Sgt's (C), POAM Unit III Cpt & Lt's (F), UAW Mgr's (U), Non-Union (*blank*), Upper Mgmt. (*blank*), Elec. (*blank*), and Judges (*blank*):

Age 55 with 15 years of service, or
at age 60 with 6 years of service, or
at any age with 25 years of service.

POAM Unit I (G), and POAM Non-312(Y):

Age 60 with 6 years of service, or
at any age with 25 years of service.

Juv. Dent. & Supr. (I & T):

Age 50 with 25 years of service, or
at age 55 with 15 years of service, or
at age 60 with 6 years of service.

Juv. Prob. (P), and Dist. Ct. Prob. Office (Q):

Age 55 with 20 years of service, or
at age 60 with 6 years of service, or
at any age with 25 years of service.

UAW Prof. (V), and UAW Tech's (W):

Age 50 with 25 years of service, or
at age 55 with 15 years of service, or
at age 60 with 6 years of service.

EARLY RETIREMENT ELIGIBILITY

Members retiring with a reduced pension are not eligible for retiree health care coverage through Saginaw County.

DEFERRED RETIREMENT ELIGIBILITY

Members retiring under deferred retirement conditions are not eligible for retiree health care coverage through Saginaw County.

DISABILITY RETIREMENT ELIGIBILITY

Members retiring under a disability (duty or non-duty) with 6 or more years of service are immediately eligible for subsidized retiree health care coverage under the schedule on page D-4.

DEATH-IN-SERVICE RETIREMENT ELIGIBILITY

Surviving spouses of active members who die while in active employment with the County are not eligible for retiree health care coverage through Saginaw County.

SPOUSE COVERAGE ELIGIBILITY

Subsidized retiree health care coverage is provided to the beneficiary of retirees hired prior to the dates shown below. Beneficiaries of deceased retirees hired prior to the dates shown below are eligible for subsidized retiree health care. Spouses of retirees hired on or after the dates shown below are not eligible for retiree health care coverage.

Date of Change	Division
3/31/1996	OPEIU (A)
1/1/1999	POLC Unit II (C), Pub. H. Nurses (E), POAM Unit I (G), TPOAM (O), Dist. Ct. Prob. Office (Q), and POAM Non-312(Y)
1/1/1998	SCDPH COA (D)
1/1/2001	POAM Unit III Cpt & Lt's (F)
1/1/1996	Juv. Dent. & Supr. (I & T)
1/1/1997	Animal (J)
10/1/1999	Juv. Prob. (P), and Pros. (R)
1/1/1993	UAW Mgr's (U), UAW Prof. (V), UAW Tech's (W), Non-Union (*blank*), Upper Mgmt. (*blank*), Elec. (*blank*), and Judges (*blank*)

MEDICARE ENROLLMENT

The County of Saginaw provides complementary retiree health care benefits at age 65 when a member becomes Medicare eligible. Member and spouse are required to enroll in Medicare parts A and B when eligible. Member is responsible for payment of Medicare B premiums.

RETIREE HEALTH SAVINGS PLAN

Employees hired on or after March 1, 2005 will not be eligible for retirement health insurance. They will be offered an employer sponsored health benefit savings plan. The County will contribute 1% of employee's gross wages to this Plan, while participants of the union enrolled in the plan have an option of not contributing or agreeing to a certain percentage. This decision is irrevocable and can only be changed at time of labor agreement negotiations.

PAYMENT IN LIEU OF RETIREE HEALTH INSURANCE

Employees hired prior to March 1, 2005 may make an irrevocable election to refuse retirement health insurance and choose the employer sponsored health benefit savings plan. They will be offered a one-time incentive of $15,000 by the County, and will not be eligible for retiree health insurance or a stipend in lieu of retiree health insurance. Once opting out of retiree health insurance, the County will contribute 1% of the employee's gross wages to this Plan.

Members who retire are eligible to receive a monthly cash benefit in place of County subsidized retiree health care coverage ($150 monthly for all divisions except POLC Unit II - C whom receive $75 monthly). If a retiree chooses the cash dollar monthly benefit, they are not eligible to opt back into the County's retiree health care plan.

Cash benefits are not considered OPEB benefits and are not valued in this valuation.

SERVICE RELATED MEDICAL SUBSIDY

The tables on the next page illustrate the service-related medical subsidy for members retiring after January 1, 1991 in the retiree health care program depending on the group. The County provides fully subsidized retiree health care for members who retired prior to January 1, 1991. OPEIU (A) members hired prior to March 29, 1986 follow the chart on the following page except that members with over 20 years of service receive 100% County paid retiree health care coverage. Pub. H. Nurses (E) members follow slightly different service-related medical subsidy tables depending on their date of retirement.

SAGINAW COUNTY OTHER POSTEMPLOYMENT BENEFITS
SUMMARY OF BENEFITS AS OF DECEMBER 31, 2011 (CONTINUED)

	A	C	D	E	E	F	G	I & T	J	O
Years of Service	OPEIU	POLC Unit II Sgt's.	SCDPH COA	Pub. H. Nurses ret bf 10/1/04	Pub. H. Nurses ret aft 10/1/04	COAM Unit III Cpt & Lt's	POAM Unit I	Juv., Dent. & Supr.	Animal	TPOAM
0-5	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	25	25	25	25	20	20	20	20	20	20
7	30	30	30	30	25	25	25	25	25	25
8	35	35	35	35	30	30	30	30	30	30
9	40	40	40	40	35	35	35	35	35	35
10	45	45	45	45	40	40	40	40	40	40
11	50	50	50	50	45	45	45	45	45	45
12	55	55	55	55	50	50	50	50	50	50
13	60	60	60	60	55	55	55	55	55	55
14	65	65	65	65	60	60	60	60	60	60
15	70	70	70	70	65	65	65	65	65	65
16	75	75	75	75	70	70	70	70	70	70
17	80	80	80	80	75	75	75	75	75	75
18	85	85	85	85	80	80	80	80	80	80
19	90	90	90	90	85	85	85	85	85	85
20 +	95	95	95	95	90	90	90	90	90	90

	P	Q	R	U	V	W	Y				
Years of Service	Juv. Prob.	Dist. Ct. Prob. Office	Pros.	UAW Mgr's	UAW Prof.	UAW Tech's	POAM	Non-Union	Upper Mgmt	Elec.	Judges
0-5	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	20	20	25	25	25	25	20	25	25	25	25
7	25	25	30	30	30	30	25	30	30	30	30
8	30	30	35	35	35	35	30	35	35	35	35
9	35	35	40	40	40	40	35	40	40	40	40
10	40	40	45	45	45	45	40	45	45	45	45
11	45	45	50	50	50	50	45	50	50	50	50
12	50	50	55	55	55	55	50	55	55	55	55
13	55	55	60	60	60	60	55	60	60	60	60
14	60	60	65	65	65	65	60	65	65	65	65
15	65	65	70	70	70	70	65	70	70	70	70
16	70	70	75	75	75	75	70	75	75	75	75
17	75	75	80	80	80	80	75	80	80	80	80
18	80	80	85	85	85	85	80	85	85	85	85
19	85	85	90	90	90	90	85	90	90	90	90
20 +	90	90	95	95	95	95	90	95	95	95	95

Note: OPEIU hired before 1996 with 20+ years of service pay nothing for retiree coverage.

LIFE INSURANCE

Members retiring on or after January 1, 1986 and fulfilling the requirements for retiree health care benefits as indicated in the "Retirement Eligibility" are eligible to receive retiree life insurance benefits through Saginaw County. Members retiring on or after January 1, 1986 and prior to January 1, 1993 are eligible for coverage of $2,000. Members retiring on or after January 1, 1993 are eligible for coverage of $4,000.

This is a brief summary of the Saginaw County Retiree Health Care Plan provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

ACTIVE MEMBERS AS OF DECEMBER 31, 2011
BY AGE AND YEARS OF SERVICE

Age	Years of Service to Valuation Date							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
25-29		2						2	$ 85,803
30-34		7	4					11	515,628
35-39		4	20	4				28	1,346,500
40-44		1	15	24	2			42	2,114,067
45-49		5	18	14	16	2		55	2,551,093
50-54		6	20	10	16	11	5	68	3,328,000
55-59		1	14	12	10	11	7	55	2,575,144
60-64		1	8	9	8	2	9	37	1,812,620
65 & Over		1	3	4	3	1	5	17	780,903
Totals		**28**	**102**	**77**	**55**	**27**	**26**	**315**	**$15,109,758**

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	50.5	years
Service:	18.1	years

569 Active members were valued with the life insurance benefit.

RETIRED MEMBERS AS OF DECEMBER 31, 2011
BY AGE

RETIRED MEMBERS

Age	Number of Retirees		
	Female	**Male**	**Total**
Under 50	5	3	8
50-54	22	10	32
55-59	29	29	58
60-64	44	33	77
65-69	41	30	71
70-74	30	17	47
75-79	34	9	43
80-84	36	13	49
85-89	14	9	23
90 & Over	15	4	19
Totals	**270**	**157**	**427**

The above totals include only those retirees and surviving spouses currently in the County's Retiree Health Care Plan.

355 Retiree members were valued with the life insurance benefit.

SECTION E

ACTUARIAL COST METHOD
AND ACTUARIAL ASSUMPTIONS

ACTUARIAL METHODS FOR
SAGINAW COUNTY
AS OF DECEMBER 31, 2011

Actuarial Cost Method. Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities. Unfunded actuarial accrued liabilities (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level dollar. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

Actuarial Value of Assets. The Actuarial Value of Assets is set equal to the reported market value of assets.

The following amortization factor was used in developing the Annual Required Contribution for the fiscal year shown:

6.00% Interest	Fiscal Year Beginning October 01, 2012
Total (Level Dollar)	13.3895

ACTUARIAL ASSUMPTIONS FOR SAGINAW COUNTY AS OF DECEMBER 31, 2011

The rate of investment return was 6.0% a year, compounded annually net after investment expenses.

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which future contributions will be based.

Sample Ages	% Increase in Salary at Sample Ages		
	Merit & Seniority	Base (Economic)	Increase Next Year
20	8.40 %	4.50 %	12.90 %
25	5.33	4.50	9.83
30	3.26	4.50	7.76
35	2.05	4.50	6.55
40	1.30	4.50	5.80
45	0.81	4.50	5.31
50	0.52	4.50	5.02
55	0.30	4.50	4.80

The rates of post retirement mortality used for individual members are in accordance with the following tables.

For healthy retirees, mortality rates are based on the 1994 Group Annuity Mortality Tables blended 50% male/50% female. Sample rates are as follows:

Sample Attained Ages	Probability of Dying Next Year (Healthy)	Future Life Expectancy (years)
50	0.20%	32.60
55	0.34	27.98
60	0.62	23.53
65	1.16	19.40
70	1.87	15.66
75	2.99	12.24
80	5.07	9.25

For disabled retirees, mortality rates are based on the healthy life table above, but set forward ten years. Sample rates are as follow:

Sample Attained Ages	Probability of Dying Next Year (Disabled)	Future Life Expectancy (years)
50	0.62%	23.53
55	1.16	19.40
60	1.87	15.66
65	2.99	12.24
70	5.07	9.25
75	8.25	6.81
80	13.46	4.85

These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

The same mortality tables are used for active members with 90% of active deaths assumed non-duty and 10% assumed duty related.

There is currently no margin for future mortality improvements in the valuation.

Retirement Rates

A schedule of retirement rates is used to measure the probability of eligible members retiring during the next year. Certain Retirement ages may not apply, depending on the benefit age of first eligibility.

Normal Retirement - Age Based Benefit Provisions

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year*
50	20%
51	20
52	20
53	20
54	20
55	20
56	20
57	21
58	21
59	21
60	21
61	22
62	22
63	22
64	23
65	25
66	25
67	26
68	28
69	30
70	100

* *For those eligible prior to age 50, the retirement rate is 22% per year. Members in a defined contribution plan follow the retirement pattern of those with a defined benefit of less than or equal 2.50% per year.*

Early Retirement - Reduced Pension Benefit

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year
50	2%
51	2
52	3
53	5
54	8
55	4
56	4
57	4
58	6
59	8

In the case of a member's eligibility for pension retirement precedes eligibility for OPEB retirement, the percent of eligible active members retiring within the next year is as described in the table above or 4%, whichever is smaller.

Rates of separation from active membership are used to estimate the number of employees at each age that are expected to terminate employment before qualifying for retirement benefits. The rates of separation from active membership do not apply to members eligible to retire, and do not include separation on account of death or disability. The assumed rates of separation applied in the current valuation are based on years of service, and scaled up or down according to each group's experience.

Group	Separation Rate Scaling Factor
All Divisions	90%

The base separation rates (see the table below) are multiplied by the scaling factor to obtain the assumed withdrawal rates. Sample rates of separation from active employment, before application of the scaling factor, are shown below.

Sample Years of Service	% of Active Members Separating Within the Next Year
0	20.00%
1	17.00
2	14.00
3	11.00
4	9.00
5	6.50
10	5.00
15	3.70
20	3.00
25	2.70
30	2.60
34 and over	2.40

Disability Rates

Disability rates are used in the valuation to estimate the incidence of member disability in future years.

The assumed rates of disablement at various ages are shown below.

Sample Ages	Percent Becoming Disabled Within the Next Year
20	0.02%
25	0.02
30	0.02
35	0.06
40	0.06
45	0.11
50	0.24
55	0.41
60	0.41
65	0.41

85% of the disabilities are assumed to be non-duty and 15% of the disabilities are assumed to be duty related.

Health care cost trend rates are displayed in the following table:

Year Beginning January 1,	Medical and Prescription Drugs
2013	9.00 %
2014	8.50
2015	8.00
2016	7.50
2017	7.00
2018	6.50
2019	6.00
2020	5.50
2021	5.00
2022 & Later	4.50

GASB STATEMENTS NO. 43 AND NO. 45
REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date	December 31, 2011
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Dollar Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	6.00% Per Year
Projected Salary Increases	12.90% - 4.50%
Valuation Health Care Cost Trend Rate	9.00% in 2013, grading to 4.50% in 2022

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Administrative Expenses: No explicit assumption has been made for administrative expenses.

Decrement Operation: Disability and withdrawal do not operate during retirement eligibility.

Eligibility Testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Incidence of Contributions Contributions are assumed to be received continuously throughout the year based upon the computed contribution rate shown in this report.

Marriage Assumption: 70% of males and 70% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

Medicare Coverage: Assumed to be available for all covered employees on attainment of age 65.

Election Percentage: 60% of males and 60% of females were assumed to elect two-person coverage, if eligible. 40% of males and 40% of females were assumed to elect one-person coverage. For those that elect two-person coverage, it was assumed that coverage would continue to the spouse upon death of the retiree.

Non-Investment Administration Expenses: None.

Opt-Out Assumption: It is assumed that 0% of the current active population will elect to opt-out of retiree health coverage.

APPENDIX A

OVERVIEW

GASB BACKGROUND

The purpose of this valuation is to provide information on the cost associated with providing postemployment benefits other than pensions, or OPEB, to current and former employees. The information is designed to assist you in complying with Governmental Accounting Standards Board (GASB) Statements No. 43 and No. 45. OPEB benefits are most often associated with postemployment health care, but cover almost any benefit not provided through a pension plan, including life insurance, dental and vision benefits. It is important to note that OPEB benefits, by definition, do not include benefits *currently* being provided to active employees – however, this report includes the liabilities for benefits expected to be paid to current active employees in the future when they retire.

GASB Statements No. 43 and No. 45 were released in the spring of 2004. GASB Statement No. 43 covers the accounting rules for OPEB *plans* while GASB Statement No. 45 describes the rules for *employers* sponsoring OPEB plans. Your auditor can assist you in determining which statements apply to your particular situation.

The specific items required to be disclosed on an OPEB sponsor's financial statements are described in detail in GASB Statements No. 43 and No. 45.

GASB Statement No. 45

Among the requirements of Statement No. 45 are recognition each year of an expense called the Annual OPEB Cost, and the accumulation of a liability to be disclosed on the employer's Statement of Net Assets called the Net OPEB Obligation (NOO).

The fundamental items required to determine the Annual OPEB Cost and the NOO are:

- the Annual Required Contribution (ARC)
- the Employer's Contributions in relation to the ARC

Although GASB does not require OPEB contributions, it has chosen to call the base component of the annual OPEB cost the Annual Required Contribution. The ARC is provided in this report.

Paragraph 13g. of Statement No. 45 states:

> "An employer has made a contribution in relation to the ARC if the employer has:
>
> 1. made payments of benefits directly to or on behalf of a retiree or beneficiary,
> 2. made premium payments to an insurer, or
> 3. irrevocably transferred assets to a trust, or equivalent arrangement in which Plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the Plan and are legally protected from creditors of the employer(s) or plan administrator.

For each fiscal year shown in this report, we have provided the ARC and the estimated benefits and/or premiums (based on valuation assumptions).

The NOO is the cumulative difference between the Annual OPEB Cost each year and the Employer's Contribution in relation to the ARC. The Annual OPEB Cost for a year is equal to:

- the ARC, plus
- interest on the prior year's NOO, plus
- amortization of the prior year's NOO.

The Annual OPEB Cost and NOO are generally developed by the Plan Sponsor's auditor based on information contained herein and elsewhere.

GASB Statement No. 43

If the Plan has assets for Statement No. 43 purposes, then certain additional information useful in complying with the Statement is contained in this report.

OPEB PRE-FUNDING

Many employers fund retiree health care benefits using the pay-as-you-go (or cash disbursement) method. Under this method, the employer's annual contribution is equal to the actual disbursements during the year for OPEB for retired employees. This method of funding will result in increasing contributions over time. First, per capita cash disbursements will tend to increase from year to year as the cost of health care services, or the utilization of these services, increases. Second, the number of retired members is likely to increase for years to come. The more retirees, the greater the disbursements as a percentage of employee payroll.

A retiree health care plan is similar to a defined benefit pension plan in that promises are made to employees to provide them with a benefit payable at some future date. For defined benefit pension plan sponsors, a common funding objective is to contribute to a fund, annual amounts which will i) remain level as a percentage of active member payroll, and ii) when combined with present assets and future investment return be sufficient to meet the financial obligations of the Plan to current and future retirees.

The GASB statements are not funding requirements. They are accounting standards that require plan sponsors to calculate the annual expense associated with OPEB using certain methods.

The ultimate determination as to the level of pre-funding will be the result of decisions made in an attempt to support benefit security for members and the fiscal management needs of the employer.

APPENDIX B

GLOSSARY

GLOSSARY

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability".

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

GLOSSARY

Annual Required Contribution (ARC). The ARC is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The ARC is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. It is common practice for employers to allow retirees to continue in the employer's group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.

Medical Trend Rate (Health Care Inflation). The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

GLOSSARY

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes.

GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

April 30, 2012

Ms. Amy Deford
Retirement Administrator
County of Saginaw
111 S. Michigan
Saginaw, Michigan 48602

Re: Saginaw County Other Postemployment Benefits Valuation

Dear Ms. Deford:

Enclosed are 6 copies of our report of the actuarial valuation of the Saginaw County Other Postemployment Benefits.

Respectfully submitted,

Curtis Powell, EA, MAAA

CP:mrb
Enclosures

COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. McGILL
Controller/Chief Administrative Officer

New employees hired after December 1, 2005 are not eligible for health insurance provided by the County upon retirement. In lieu of retiree health care, new employees will be offered an employer-sponsored Health Care Savings Program (HCSP) per the agreement with MERS or its equivalent. The County will contribute 1% of employees annual salary to the HCSP and those enrolled are mandated to contribute a percentage of their salary which varied depending upon union contracts.

The County has budgeted $133,493 in 2013 to contribute towards employees HCSP's and we estimate this amount to increase by 1.5% per year over the next 5 years as follows:

2014	$135,495
2015	$137,527
2016	$139,590
2017	$141,684
2018	$143,809

PHONE (989) 790-5210 **FAX (989) 790-5566**

Evidence that the Pension Obligation Bonds will Eliminate the Unfunded Pension Liability

The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

SOURCES AND USES OF FUNDS

County of Saginaw
State of Michigan
Pension Obligation Bonds, Series 2013
(Limited Tax General Obligation)
Assumes UAL is Calculated Based Upon Current Market Value of Assets
Assumes Taxable Interest Rate as of February 8, 2013
Assumes Credit Rating of Aa3 by Moody's

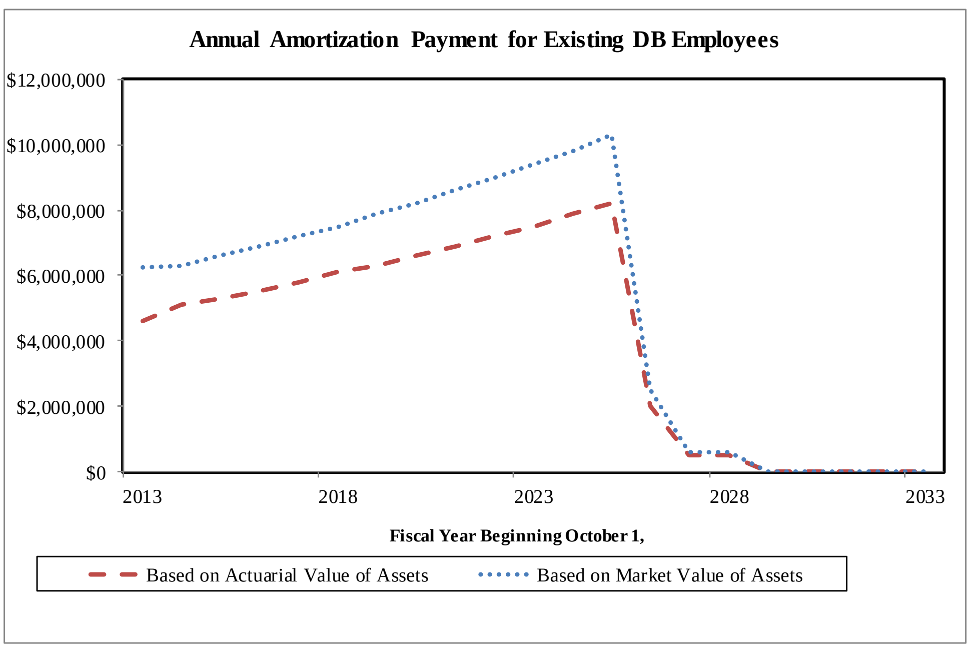
Sources:		
Bond Proceeds:		
Par Amount		64,755,000.00
		64,755,000.00

Uses:		
Project Fund Deposits:		
UAL Funding Amount		64,100,000.00
Delivery Date Expenses:		
Cost of Issuance		451,342.35
Underwriter's Discount		201,076.50
		652,418.85
Other Uses of Funds:		
Additional Proceeds		2,581.15
		64,755,000.00

Note: All amounts in this Sources and Uses of Funds are estimates only.

Saginaw County (7303) - Total of All Divisions
Projected Amortization Payments Based on December 31, 2012 Estimated Valuation Results
Closed Amortization Policy Option B - Modified After Reaching 5-Year Amortization Period

	Based on the Actuarial Value of Assets		Based on the Market Value of Assets	
Fiscal Year Beginning October 1	Beginning of Year UAL Balance	Amortization Payment	Beginning of Year UAL Balance	Amortization Payment
2013	51,000,000	4,590,114	64,100,000	6,242,445
2014	50,300,000	5,100,000	62,700,000	6,300,000
2015	49,100,000	5,300,000	61,100,000	6,600,000
2016	47,500,000	5,500,000	59,200,000	6,900,000
2017	45,500,000	5,800,000	56,700,000	7,200,000
2018	43,100,000	6,100,000	53,700,000	7,500,000
2019	40,300,000	6,300,000	50,200,000	7,900,000
2020	36,900,000	6,600,000	46,000,000	8,200,000
2021	33,000,000	6,900,000	41,100,000	8,600,000
2022	28,500,000	7,200,000	35,500,000	9,000,000
2023	23,300,000	7,500,000	29,000,000	9,400,000
2024	17,300,000	7,900,000	21,500,000	9,800,000
2025	10,500,000	8,200,000	13,100,000	10,300,000
2026	2,700,000	2,000,000	3,400,000	2,500,000
2027	900,000	500,000	1,100,000	600,000
2028	500,000	500,000	600,000	600,000
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-



Note: Amortization payment for fiscal year beginning October 1, 2013 is based on 2011 valuation results.
All other figures are based on estimated December 31, 2012 results reported as of February 8, 2013.

Debt Service Amortization Schedule

BOND DEBT SERVICE

County of Saginaw
State of Michigan
Pension Obligation Bonds, Series 2013
(Limited Tax General Obligation)
Assumes UAL is Calculated Based Upon Current Market Value of Assets
Assumes Taxable Interest Rate as of February 8, 2013
Assumes Credit Rating of Aa3 by Moody's

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2013			1,000,998.75	1,000,998.75	
05/01/2014	2,595,000	0.750%	1,000,998.75	3,595,998.75	
09/30/2014					4,596,997.50
11/01/2014			991,267.50	991,267.50	
05/01/2015	2,615,000	0.850%	991,267.50	3,606,267.50	
09/30/2015					4,597,535.00
11/01/2015			980,153.75	980,153.75	
05/01/2016	2,640,000	1.150%	980,153.75	3,620,153.75	
09/30/2016					4,600,307.50
11/01/2016			964,973.75	964,973.75	
05/01/2017	2,670,000	1.450%	964,973.75	3,634,973.75	
09/30/2017					4,599,947.50
11/01/2017			945,616.25	945,616.25	
05/01/2018	2,710,000	1.800%	945,616.25	3,655,616.25	
09/30/2018					4,601,232.50
11/01/2018			921,226.25	921,226.25	
05/01/2019	2,755,000	2.100%	921,226.25	3,676,226.25	
09/30/2019					4,597,452.50
11/01/2019			892,298.75	892,298.75	
05/01/2020	2,815,000	2.400%	892,298.75	3,707,298.75	
09/30/2020					4,599,597.50
11/01/2020			858,518.75	858,518.75	
05/01/2021	2,880,000	2.650%	858,518.75	3,738,518.75	
09/30/2021					4,597,037.50
11/01/2021			820,358.75	820,358.75	
05/01/2022	2,960,000	2.850%	820,358.75	3,780,358.75	
09/30/2022					4,600,717.50
11/01/2022			778,178.75	778,178.75	
05/01/2023	3,045,000	3.100%	778,178.75	3,823,178.75	
09/30/2023					4,601,357.50
11/01/2023			730,981.25	730,981.25	
05/01/2024	3,135,000	3.200%	730,981.25	3,865,981.25	
09/30/2024					4,596,962.50
11/01/2024			680,821.25	680,821.25	
05/01/2025	3,240,000	3.400%	680,821.25	3,920,821.25	
09/30/2025					4,601,642.50
11/01/2025			625,741.25	625,741.25	
05/01/2026	3,350,000	3.550%	625,741.25	3,975,741.25	
09/30/2026					4,601,482.50
11/01/2026			566,278.75	566,278.75	
05/01/2027	3,465,000	3.700%	566,278.75	4,031,278.75	
09/30/2027					4,597,557.50
11/01/2027			502,176.25	502,176.25	
05/01/2028	3,595,000	3.850%	502,176.25	4,097,176.25	
09/30/2028					4,599,352.50
11/01/2028			432,972.50	432,972.50	

The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

BOND DEBT SERVICE

County of Saginaw
State of Michigan
Pension Obligation Bonds, Series 2013
(Limited Tax General Obligation)
Assumes UAL is Calculated Based Upon Current Market Value of Assets
Assumes Taxable Interest Rate as of February 8, 2013
Assumes Credit Rating of Aa3 by Moody's

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2029	3,735,000	4.000%	432,972.50	4,167,972.50	
09/30/2029					4,600,945.00
11/01/2029			358,272.50	358,272.50	
05/01/2030	3,885,000	4.100%	358,272.50	4,243,272.50	
09/30/2030					4,601,545.00
11/01/2030			278,630.00	278,630.00	
05/01/2031	4,040,000	4.400%	278,630.00	4,318,630.00	
09/30/2031					4,597,260.00
11/01/2031			189,750.00	189,750.00	
05/01/2032	4,220,000	4.400%	189,750.00	4,409,750.00	
09/30/2032					4,599,500.00
11/01/2032			96,910.00	96,910.00	
05/01/2033	4,405,000	4.400%	96,910.00	4,501,910.00	
09/30/2033					4,598,820.00
	64,755,000		27,232,250.00	91,987,250.00	91,987,250.00

Description of Actions Required to Satisfy the Debt Service Requirements

Description of Actions Required to Satisfy Debt Service Requirements

Saginaw County allocates pension costs to the various funds that receive pension benefits. Similarly, the annual debt service for the Pension Obligation Bonds will be allocated proportionately to the funds receiving pension benefits. The County has 15 funds which are allocated pension costs and will be allocated proportionate amounts of annual debt service for the Pension Obligation Bonds. Revenue sources for the funds that will be allocated portions of the annual Pension Obligation Bond debt service include annual operating levies, special millages, grants, and other sources of annual revenue.

Saginaw County's Administration completes an annual budget for each fund and presents it the County Board of Commissioners for approval. The annual debt service amounts for each fund within the budget will be included in the annual budget process to be presented and approved by the Board of Commissioners annually. The Pension Obligation Bonds will carry the County's full faith and credit pledge; therefore, the annual debt service will be legally required to be part of the County's total budget.

Certification

COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. McGILL
Controller/Chief Administrative Officer

CERTIFICATION

The County has prepared this Amended and Restated Comprehensive Financial Plan for Pension and Other Post-Employment Benefits as required under Act 34, Public Acts of Michigan, 2001, as amended, for the issuance of Pension Obligation Bonds. In preparing this plan, information has been obtained from the Michigan Employees Retirement System, Gabriel Roeder Smith & Company, and Public Financial Managment. The County believes the information provided by these firms to be reliable.

I certify that this Amended and Restated Comprehensive Financial Plan is complete and accurate.

/S/

Marc McGill
Controller / CAO
Saginaw County

Dated: Feburary 19, 2013

PHONE (989) 790-5210 **FAX (989) 790-5566**