

**NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS
2013**

County Equal Retirement Benefit Fund
Actuarial Valuation Results
as of January 1, 2013
for Fiscal Year Ending June 30, 2014

May 2013

buckconsultants®

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Suite 1200
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May 6, 2013

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

**Certification of Actuarial Valuation
County Equal Retirement Benefit Fund**

Ladies and Gentlemen:

This report summarizes the results of the actuarial valuation of the County Equal Retirement Benefit Fund as of January 1, 2013, performed by Buck Consultants, Inc.

The actuarial valuation is based on unaudited financial and member data provided to us by the Ameritas Life Insurance Corporation, recordkeeper for the plan, as summarized in this report. The benefits considered are those delineated in Nebraska State Statutes, effective as amended January 1, 2013.

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

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the fund and reasonable expectations, and represent our best estimate of anticipated future experience. A summary of the actuarial assumptions used in this actuarial valuation are shown in Exhibit 6.

Funding required from each participating County for current plan members, as approved by the Retirement Board, is equal to an amount necessary to fully fund the benefit obligation. For the 2013 - 2014 fiscal year, the payments required for each participating county is shown in Exhibit 4. The total payment required from all counties is \$0.00.

The undersigned are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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

Respectfully submitted,



David H. Sliskinsky, ASA, EA, MAAA, FCA
Principal and Consulting Actuary



Randy E. Halper, EA, MAAA, FCA, MBA
Senior Consultant, Retirement Actuary

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013

Summary of Member Data

Age Range	Data	Gender		Total
		Male	Female	
35-40	Count of Members	0	0	0
	Average Balance	\$ 0	\$ 0	\$ 0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
40-44	Count of Members	0	0	0
	Average Balance	\$ 0	\$ 0	\$ 0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
45-49	Count of Members	0	0	0
	Average of Total Balance	\$ 0	\$ 0	\$ 0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
50-54	Count of Members	1	2	3
	Average of Total Balance	\$ 1,777	\$ 1,182	\$ 1,380
	Sum of Total Balance	\$ 1,777	\$ 2,364	\$ 4,141
55-59	Count of Members	61	44	105
	Average of Total Balance	\$ 24,408	\$ 17,456	\$ 21,495
	Sum of Total Balance	\$ 1,488,876	\$ 768,074	\$ 2,256,950
60-64	Count of Members	67	47	114
	Average of Total Balance	\$ 34,653	\$ 23,884	\$ 30,213
	Sum of Total Balance	\$ 2,321,718	\$ 1,122,548	\$ 3,444,266
65-69	Count of Members	31	26	57
	Average of Total Balance	\$ 47,285	\$ 34,523	\$ 41,464
	Sum of Total Balance	\$ 1,465,843	\$ 897,596	\$ 2,363,439
70-74	Count of Members	12	14	26
	Average of Total Balance	\$ 55,958	\$ 27,719	\$ 40,752
	Sum of Total Balance	\$ 671,495	\$ 388,059	\$ 1,059,554
75-79	Count of Members	7	3	10
	Average of Total Balance	\$ 57,422	\$ 17,005	\$ 45,297
	Sum of Total Balance	\$ 401,955	\$ 51,016	\$ 452,971
80+	Count of Members	4	2	6
	Average of Total Balance	\$ 44,517	\$ 18,993	\$ 36,009
	Sum of Total Balance	\$ 178,069	\$ 37,985	\$ 216,054
Total Members		183	138	321
Total Average Balance		\$ 35,682	\$ 23,679	\$ 30,521
Grand Total Balance		\$ 6,529,733	\$ 3,267,642	\$ 9,797,375

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013**

Summary of Member Data by County

County*	Data	Gender		Total
		Male	Female	
Adams	Count of Members	5	7	12
	Sum of Total Balance	\$ 218,060	\$ 149,348	\$ 367,408
Box Butte	Count of Members	4	4	8
	Sum of Total Balance	\$ 99,046	\$ 118,886	\$ 217,932
Buffalo	Count of Members	13	10	23
	Sum of Total Balance	\$ 403,669	\$ 202,051	\$ 605,720
Cass	Count of Members	2	0	2
	Sum of Total Balance	\$ 58,221	\$ 0	\$ 58,221
Cedar	Count of Members	0	3	3
	Sum of Total Balance	\$ 0	\$ 18,791	\$ 18,791
Cheyenne	Count of Members	1	2	3
	Sum of Total Balance	\$ 23,845	\$ 24,264	\$ 48,109
Cuming	Count of Members	0	2	2
	Sum of Total Balance	\$ 0	\$ 18,992	\$ 18,992
Custer	Count of Members	9	5	14
	Sum of Total Balance	\$ 230,927	\$ 79,707	\$ 310,634
Dawson	Count of Members	9	3	12
	Sum of Total Balance	\$ 265,528	\$ 179,072	\$ 444,600
Dodge	Count of Members	6	5	11
	Sum of Total Balance	\$ 285,287	\$ 209,982	\$ 495,269
Gage	Count of Members	6	8	14
	Sum of Total Balance	\$ 192,310	\$ 202,732	\$ 395,042
Gosper	Count of Members	3	2	5
	Sum of Total Balance	\$ 21,338	\$ 64,374	\$ 85,712
Hall	Count of Members	9	8	17
	Sum of Total Balance	\$ 201,405	\$ 140,827	\$ 342,232
Harlan	Count of Members	2	4	6
	Sum of Total Balance	\$ 123,436	\$ 45,246	\$ 168,682
Hitchcock	Count of Members	2	2	4
	Sum of Total Balance	\$ 48,212	\$ 65,211	\$ 113,423
Jefferson	Count of Members	4	2	6
	Sum of Total Balance	\$ 154,790	\$ 44,652	\$ 199,442
Kimball	Count of Members	1	5	6
	Sum of Total Balance	\$ 57,331	\$ 67,857	\$ 125,188

* Banner, Franklin, Frontier, Kearney, Otoe and Phelps Counties no longer have any members covered by the Fund.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013

Exhibit 2
(CONTINUED)

Summary of Member Data by County

County*	Data	Gender		Total
		Male	Female	
Lincoln	Count of Members	4	4	8
	Sum of Total Balance	\$ 78,904	\$ 34,056	\$ 112,960
Madison	Count of Members	7	6	13
	Sum of Total Balance	\$ 153,248	\$ 131,338	\$ 284,586
Morrill	Count of Members	3	1	4
	Sum of Total Balance	\$ 203,724	\$ 13,274	\$ 216,998
Phelps	Count of Members	0	0	0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
Platte	Count of Members	15	7	22
	Sum of Total Balance	\$ 509,677	\$ 197,237	\$ 706,914
Polk	Count of Members	6	2	8
	Sum of Total Balance	\$ 123,885	\$ 15,178	\$ 139,063
Red Willow	Count of Members	2	2	4
	Sum of Total Balance	\$ 6,359	\$ 37,885	\$ 44,244
Richardson	Count of Members	4	1	5
	Sum of Total Balance	\$ 112,548	\$ 20,605	\$ 133,153
Saline	Count of Members	7	3	10
	Sum of Total Balance	\$ 200,013	\$ 56,965	\$ 256,978
Sarpy	Count of Members	26	10	36
	Sum of Total Balance	\$ 1,378,713	\$ 252,544	\$ 1,631,257
Saunders	Count of Members	10	7	17
	Sum of Total Balance	\$ 401,712	\$ 236,898	\$ 638,610
Scotts Bluff	Count of Members	12	7	19
	Sum of Total Balance	\$ 655,140	\$ 237,344	\$ 892,484
Seward	Count of Members	6	7	13
	Sum of Total Balance	\$ 203,565	\$ 232,614	\$ 436,179
Washington	Count of Members	3	6	9
	Sum of Total Balance	\$ 40,899	\$ 66,769	\$ 107,668
York	Count of Members	2	3	5
	Sum of Total Balance	\$ 77,941	\$ 102,943	\$ 180,884
	Members			
	Cash Balance	77	62	139
	Defined Contribution	106	76	182
	Total	183	138	321
Grand Total Balance				
	Cash Balance	\$ 2,921,703	\$ 1,325,416	\$ 4,247,119
	Defined Contribution	3,608,030	1,942,226	5,550,256
	Total	\$ 6,529,733	\$ 3,267,642	\$ 9,797,375

* Banner, Franklin, Frontier, Kearney, Otoe and Phelps Counties no longer have any members covered by the Fund.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013

Summary of Fund Assets by County

County Name	Beginning Balance January 1, 2012	Employer Contributions for 2012	Withdrawals	Investment Return	End Balance as of December 31, 2012
1. Adams	\$ 11,334.41	\$ 0.00	\$ 0.00	\$ 1,428.04	\$ 12,762.45
2. Banner*	112.07	0.00	(115.90)	3.83	0.00
3. Box Butte	4,509.29	0.00	0.00	568.13	5,077.42
4. Buffalo	13,546.91	0.00	0.00	1,706.79	15,253.70
5. Cass	749.01	0.00	0.00	94.37	843.38
6. Cedar	826.47	0.00	0.00	104.14	930.61
7. Cheyenne	2,457.48	0.00	0.00	309.63	2,767.11
8. Cuming	8,974.24	0.00	0.00	1,130.69	10,104.93
9. Custer	7,742.44	0.00	0.00	975.48	8,717.92
10. Dawson	17,221.28	0.00	0.00	2,169.75	19,391.03
11. Dodge	14,660.83	0.00	0.00	1,847.17	16,508.00
12. Franklin*	5.62	0.00	(5.89)	0.27	0.00
13. Frontier*	69.51	0.00	(72.84)	3.33	0.00
14. Gage	8,776.13	0.00	(2,316.72)	899.49	7,358.90
15. Gosper	2,230.89	0.00	0.00	281.07	2,511.96
16. Hall	20,184.48	0.00	(65.06)	2,538.86	22,658.28
17. Harlan	2,216.83	140.26	0.00	289.80	2,646.89
18. Hitchcock	5,113.01	0.00	0.00	644.21	5,757.22
19. Jefferson	8,905.30	0.00	0.00	1,121.99	10,027.29
20. Kearney*	126.99	0.00	(133.09)	6.10	0.00
21. Kimball	7,926.92	0.00	0.00	998.73	8,925.65
22. Lincoln	2,861.54	0.00	0.00	360.54	3,222.08
23. Madison	6,568.81	0.00	0.00	827.62	7,396.43
24. Morrill	8,250.45	0.00	0.00	1,039.51	9,289.96
25. Otoe*	0.00	0.00	0.00	0.00	0.00
26. Phelps*	248.73	7.70	0.00	31.94	288.37
27. Platte	18,869.44	0.00	0.00	2,377.40	21,246.84
28. Polk	3,127.88	0.00	0.00	394.09	3,521.97
29. Red Willow	3,170.61	0.00	0.00	399.48	3,570.09
30. Richardson	5,448.00	0.00	0.00	686.39	6,134.39
31. Saline	5,933.84	0.00	0.00	747.62	6,681.46
32. Sarpy	33,017.12	0.00	0.00	4,159.89	37,177.01
33. Saunders	13,247.21	0.00	0.00	1,669.05	14,916.26
34. Scotts Bluff	19,839.65	0.00	(3,542.74)	2,269.26	18,566.17
35. Seward	9,635.08	0.00	0.00	1,213.95	10,849.03
36. Washington	10,451.88	0.00	0.00	1,316.85	11,768.73
37. York	<u>9,244.57</u>	<u>0.00</u>	<u>(2,131.62)</u>	<u>936.04</u>	<u>8,048.99</u>
Totals	\$ 287,604.92	\$ 147.96	\$ (8,383.86)	\$ 35,551.50	\$ 314,920.52

* County no longer has any members covered by the fund.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013

Summary of Actuarial Results and Contribution Requirements

County Name	Number of Members	Projected Benefit Cost**	Assets	2012 Full Contribution	2013 Full Contribution
1. Adams	12	\$ 5,900.83	\$ 12,762.45	\$ 0.00	\$ 0.00
2. Banner*	0	0.00	0.00	0.00	0.00
3. Box Butte	8	3,274.52	5,077.42	0.00	0.00
4. Buffalo	23	9,418.21	15,253.70	0.00	0.00
5. Cass	2	661.92	843.38	0.00	0.00
6. Cedar	3	236.84	930.61	0.00	0.00
7. Cheyenne	3	761.91	2,767.11	0.00	0.00
8. Cuming	2	246.40	10,104.93	0.00	0.00
9. Custer	14	4,475.14	8,717.92	0.00	0.00
10. Dawson	12	7,364.24	19,391.03	0.00	0.00
11. Dodge	11	7,517.50	16,508.00	0.00	0.00
12. Franklin*	0	0.00	0.00	0.00	0.00
13. Frontier*	0	0.00	0.00	0.00	0.00
14. Gage	14	5,528.24	7,358.90	0.00	0.00
15. Gosper	5	1,293.55	2,511.96	0.00	0.00
16. Hall	17	5,309.81	22,658.28	0.00	0.00
17. Harlan	6	2,579.16	2,646.89	140.26	0.00
18. Hitchcock	4	1,949.81	5,757.22	0.00	0.00
19. Jefferson	6	2,787.49	10,027.29	0.00	0.00
20. Kearney*	0	0.00	0.00	0.00	0.00
21. Kimball	6	1,792.11	8,925.65	0.00	0.00
22. Lincoln	8	1,591.87	3,222.08	0.00	0.00
23. Madison	13	4,538.36	7,396.43	0.00	0.00
24. Morrill	4	3,123.35	9,289.96	0.00	0.00
25. Otoe*	0	0.00	0.00	0.00	0.00
26. Phelps*	0	0.00	288.37	7.70	0.00
27. Platte	22	10,239.19	21,246.84	0.00	0.00
28. Polk	8	1,992.39	3,521.97	0.00	0.00
29. Red Willow	4	556.52	3,570.09	0.00	0.00
30. Richardson	5	2,250.74	6,134.39	0.00	0.00
31. Saline	10	4,081.34	6,681.46	0.00	0.00
32. Sarpy	36	23,285.07	37,177.01	0.00	0.00
33. Saunders	17	10,237.25	14,916.26	0.00	0.00
34. Scotts Bluff	19	12,781.60	18,566.17	0.00	0.00
35. Seward	13	5,862.71	10,849.03	0.00	0.00
36. Washington	9	1,446.20	11,768.73	0.00	0.00
37. York	5	2,632.70	8,048.99	0.00	0.00
Totals	321	\$ 145,716.97	\$ 314,920.52	\$ 147.96	\$ 0.00

* County no longer has any members covered by the fund.

** Cost is based on the assumption that 75% of retiring members will choose a lump sum or installment payment instead of an annuity.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013**

Summary of Benefit Provisions

Member	Any person employed by a County participating in either the Defined Contribution or Cash Balance Benefit under the County Employees Retirement System who has an accumulated account balance based on contributions which were made prior to January 1, 1984.
Contributions	Each participating County shall make contributions to the fund on an actuarial basis as approved by the Retirement Board.
Eligibility for Benefits	Any member who retires or terminates service and elects to convert to an annuity using their accumulated account balance, with interest, commencing on or after age 55, is eligible to receive a benefit from the fund.
Benefit Amount	<p>The fund shall provide the Actuarially Equivalent amount required to purchase the additional monthly annuity, if any, which is equal to:</p> <ul style="list-style-type: none"> a. the income provided by the Member's accumulated contributions made prior to January 1, 1984 with interest, based on male annuity conversion factors in effect on the annuity starting date, <li style="text-align: center;">less b. the income provided by the Member's accumulated contributions made prior to January 1, 1984 with interest, which are based on 50% male / 50% female annuity conversion factors in effect on the annuity starting date.
Cash Balance Conversion	Any member who elected to contribute his or her account balance to the Nebraska State and County Cash Balance Plan as of January 1, 2003, will have his or her Benefit Amount determined using the annuity conversion interest rate applicable to the County Employees Retirement System (Cash Balance Benefit), which for 2013 is 7.75%. Any other member will have his or her Benefit Amount determined using the annuity conversion interest rate applicable to the County Employees Retirement System (Defined Contribution Benefit), which for 2013 is 3.42%.

Changes in Benefit Provisions Since the Prior Year

There were no changes made to the benefit provisions since the last actuarial valuation performed January 1, 2012.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013**

Summary of Actuarial Methods and Assumptions

Economic Assumptions

- | | |
|--|--|
| 1. Investment Return | 7.75% per annum, compounded annually, net of expenses. |
| 2. Consumer Price Inflation | 3.25% per annum, compounded annually. |
| 3. Interest on accumulated contribution balances (contributions made before January 1, 1984) | 7.75% per annum, compounded annually. |
| 4. COLA (optional purchase applicable to annuities) | 2.5% per annum, compounded annually. |

Demographic Assumptions

- | | |
|--------------------|--|
| 1. Mortality | |
| a. Pre-retirement | None. |
| b. Post-retirement | 1994 Group Annuity Mortality (based on Actuarial Equivalence definition in statute). |

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
 COUNTY EQUAL RETIREMENT BENEFIT FUND
 AS OF JANUARY 1, 2013**

Summary of Actuarial Methods and Assumptions

2. Retirement

Rates vary by age as follows:

Age	County Annual Rates
55	5%
56	5
57	5
58	5
59	5
60	5
61	5
62	10
63	10
64	10
65	20
66	20
67	15
68	15
69	15
70-79	20
80	100

3. Withdrawal

None.

4. Disability

None.

Other Assumptions

1. Payment election

75% of retiring members were assumed to elect a lump sum distribution or installment payments, and 25% of retiring members were assumed to elect an annuity form of distribution.

2. Form of Annuity Payment

Of members electing an annuity, 80% of those members were assumed to elect a 5-year certain and life annuity without COLA, and 20% of those members were assumed to elect a 5-year certain and life with a 2.5% annual COLA.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EQUAL RETIREMENT BENEFIT FUND
AS OF JANUARY 1, 2013

Summary of Actuarial Methods and Assumptions

Methods

- | | |
|---------------------------|--|
| 1. Funding Method | Aggregate Actuarial Cost Method. The present value of future benefits or Projected Benefit Cost, less the Actuarial Value of Assets, equals the Unfunded Liability or Surplus. The minimum recommended contribution is equal to an annual amount necessary to amortize the Unfunded Liability over ten years from January 1, 1999. |
| 2. Asset Valuation Method | Fair value. |

Changes in Assumptions Since the Prior Year

The retirement rates were updated to the new County Cash Balance rates from the experience analysis performed during 2012 and adopted by the Nebraska Public Employee Retirement Board in August 2012. In addition, consumer price inflation was lowered to 3.25% from 3.5% per year to more accurately reflect expected experience.