



Cochise County, Arizona
Public Safety Pension
Funding Strategies ⁽¹⁾

| Funding Strategy | Date Accrued Liability Is Fully Funded ⁽²⁾ | Years Until Accrued Liability is Fully Funded ⁽²⁾ | Payments in Addition to Requirement ⁽³⁾ | Total Payments Required for Full Funding ⁽⁴⁾ | Savings ⁽⁵⁾ |
|--|---|--|--|---|------------------------|
| Annual Funding (as per Actuarial Report) ("Base Case") | 7/1/2036 | 22 | \$0 | \$64,901,219 | - |
| Semi-annual Funding | 7/1/2037 | 23 | 0 | 67,813,542 | -\$2,912,323 |
| Quarterly Funding | 1/1/2038 | 24 | 0 | 69,362,507 | -4,461,289 |
| Monthly Funding | 5/1/2038 | 24 | 0 | 70,432,431 | -5,531,212 |
| Base Case + Additional \$250M per Year for 2 Years | 7/1/2036 | 22 | 500,000 | 63,045,665 | 1,855,554 |
| Base Case + Additional \$500M per Year for 2 Years | 7/1/2035 | 21 | 1,000,000 | 61,338,597 | 3,562,621 |
| Base Case + Additional \$750M per Year for 2 Years | 7/1/2035 | 21 | 1,500,000 | 59,654,495 | 5,246,723 |
| Base Case + Additional \$1MM per Year for 2 Years | 7/1/2034 | 20 | 2,000,000 | 58,124,637 | 6,776,582 |
| Base Case + Additional \$2MM per Year for 2 Years | 7/1/2032 | 18 | 4,000,000 | 52,598,911 | 12,302,308 |
| Base Case + Additional \$3MM per Year for 2 Years | 7/1/2030 | 16 | 6,000,000 | 48,073,423 | 16,827,796 |
| Base Case + Additional \$4MM per Year for 2 Years | 7/1/2028 | 14 | 8,000,000 | 44,348,713 | 20,552,506 |
| Base Case + Additional \$5MM per Year for 2 Years | 7/1/2027 | 13 | 10,000,000 | 41,349,458 | 23,551,761 |
| Base Case + Additional \$250M per Year until Fully Funded ⁽⁶⁾ | 7/1/2033 | 19 | 4,500,000 | 58,037,414 | 6,863,805 |
| Base Case + Additional \$500M per Year until Fully Funded ⁽⁶⁾ | 7/1/2031 | 17 | 8,000,000 | 53,220,712 | 11,680,507 |
| Base Case + Additional \$750M per Year until Fully Funded ⁽⁶⁾ | 7/1/2029 | 15 | 10,500,000 | 49,674,136 | 15,227,082 |
| Base Case + Additional \$1MM per Year until Fully Funded ⁽⁶⁾ | 7/1/2028 | 14 | 13,000,000 | 46,981,883 | 17,919,336 |
| Base Case + Additional \$2MM per Year until Fully Funded ⁽⁶⁾ | 7/1/2024 | 10 | 18,000,000 | 40,762,526 | 24,138,692 |

Footnotes

⁽¹⁾ Based on 6/30/2014 actuarial valuation of Cochise County Sheriff's Dept. by Gabriel Roeder Smith & Company. Analysis is preliminary and for discussion purposes only.

GRS assumptions are: \$4,989,381 initial payroll, 7.85% investment rate, 39.39% of payroll contributed to plan and 4.00% annual payroll increase.

⁽²⁾ Date is indicative of period in which liability is either perfectly funded or rounded to the period thereafter when over funded.

⁽³⁾ Assumes additional payments begin on 7/1/2015.

⁽⁴⁾ Includes Additional Payment, if any.

⁽⁵⁾ The future value difference in total payments from indicated scenario and base case scenario.

⁽⁶⁾ If Additional payment creates an overpayment in final year, then it is omitted in that year.

