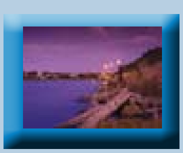
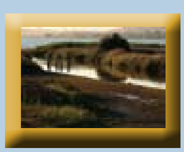
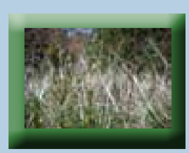
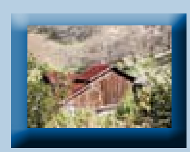
Contra Costa County
Employees' Retirement Association

Comprehensive Annual Financial Report

For The Years Ended December 31, 2008 and 2007

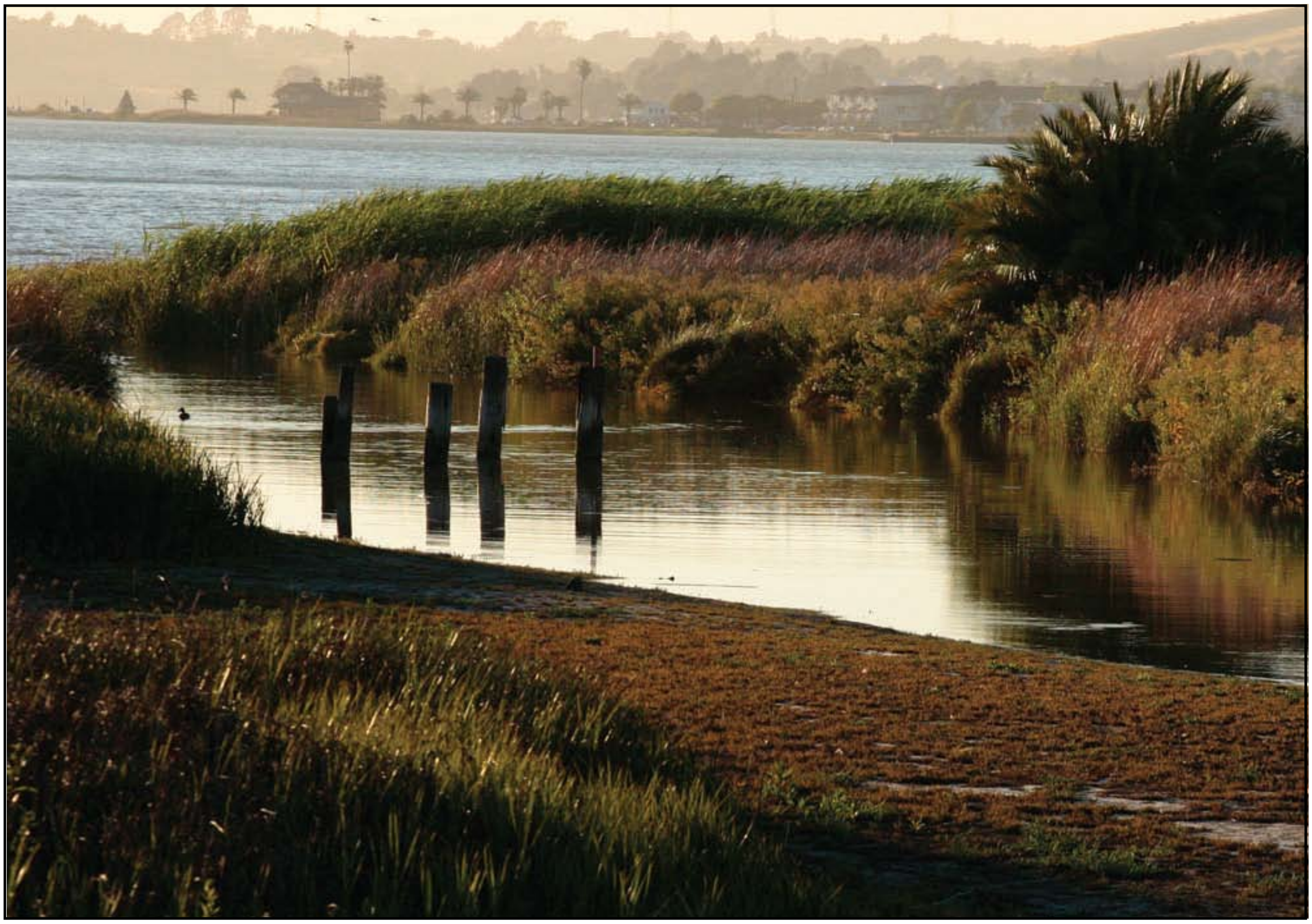



A Component Unit of the
County of Contra Costa, California

On the cover and title page:

Martinez Regional Shoreline Park rims the Carquinez Straits with restored tidal marshes, a pond for migrating birds, and a channel to alleviate flooding from Alhambra Creek. Prior to habitat restoration, this area was a muddy slough punctuated by dilapidated fishing shacks. Cooperative work by several agencies developed the area with native plants, boardwalks through the delicate ecosystem, and a rustic bridge across a wide channel that helps protect downtown Martinez from flood waters.

Contra Costa County has seen its share of large scale development. However, strong community support continues to safeguard and enhance the natural gifts around us.



Comprehensive Annual Financial Report

For The Years Ended December 31, 2008 and 2007

Issued by:

Marilyn Leedom, CEBS	Retirement Chief Executive Officer
Rick Koehler, CPA, CGFM	Retirement Accounting Manager

Contra Costa County Employees' Retirement Association
A Component Unit of the County of Contra Costa, California
1355 Willow Way, Suite 221
Concord, California 94520-5728

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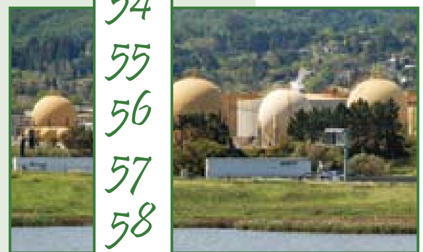
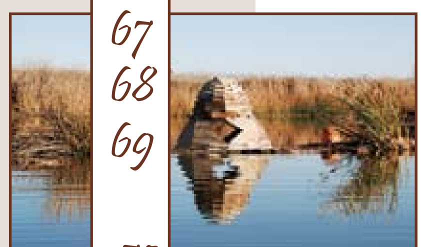


IV. *Actuarial Section*



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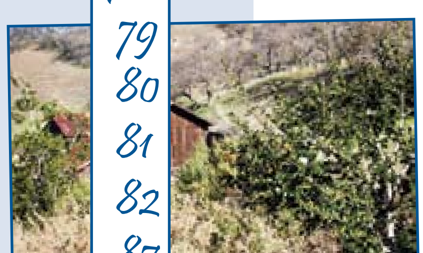
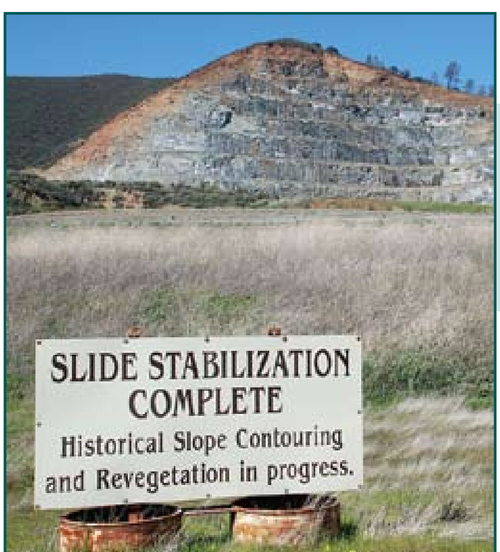




Introductory Section

Contra Costa communities work to balance growth, industry, and habitat protection.

Viewed from North Peak, the quarry on Mt. Zion looms above grassland restored with native plant species.

contra costa county
Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax: 925.646.5747

Letter of Transmittal

May 21, 2009

Board of Retirement
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520-5728

Dear Board Members:

I am pleased to present the Contra Costa County Employees' Retirement Association's (CCCERA) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008, our 63rd year of operation.

The Contra Costa County Employees' Retirement Association is a public employee retirement system that was established by the County of Contra Costa on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death and survivor benefits for County employees and 16 other participating agencies under the California State Government Code, Section 31450 et.seq. (County Employees Retirement Law of 1937).

REPORT CONTENTS

CCCERA management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of financial information within this CAFR, including all disclosures. The Comprehensive Annual Financial Report is divided into five sections:

The INTRODUCTORY SECTION describes the system's management and organizational structure, a letter of transmittal, a listing of the members of The Board of Retirement and a listing of professional consultants.

The FINANCIAL SECTION presents the financial condition and funding status of CCCERA. This section contains the opinion of the independent certified public accountants, Brown Armstrong CPAs, Management's Discussion and Analysis of CCCERA's financial activities, the financial statements, and the related supplementary financial information.

The INVESTMENT SECTION provides an overview of CCCERA's investment program. This section contains reports on investment activity, investment policies, investment results and various investment schedules and charts/graphs.

The ACTUARIAL SECTION communicates CCCERA's funding status and presents other actuarial related information. This section contains the certification of the consulting actuary, The Segal Company, actuarial statistics, and general plan provisions.

The STATISTICAL SECTION presents information on CCCERA's operations on a multi-year basis.

CCCERA AND ITS SERVICES

CCCERA was established on July 1, 1945, to provide retirement allowances and other benefits to the safety and general members employed by Contra Costa County. Currently, Contra Costa County and 16 other participating agencies are members of CCCERA. The participating agencies include:

Bethel Island Municipal Improvement District E
Byron, Brentwood, Knightsen Union Cemetery District
Central Contra Costa Sanitary District E
Contra Costa County Employees' Retirement Association E
Contra Costa Housing Authority E
Contra Costa Mosquito and Vector Control District E
First 5 - Children & Families Commission E
In-Home Supportive Services Authority (IHSS) E
Local Agency Formation Commission (LAFCO) E
Rodeo Sanitary District
Superior Courts of Contra Costa County E
Contra Costa Fire Protection District E
East Contra Costa Fire Protection District E
Moraga-Orinda Fire Protection District E
Rodeo-Hercules Fire Protection District
San Ramon Valley Fire Protection District E

E - Adopted Enhanced Benefits

In addition, CCCERA administers retirement, disability or survivor benefits to retirees or beneficiaries of the following former participating agencies:

Alamo-Lafayette Cemetery District
City of Pittsburg
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Kensington Fire Protection District
Office of Education
Stege Sanitary District

CCCERA is governed by the California Constitution, the County Employees Retirement Law of 1937, and the regulations, procedures and policies adopted by CCCERA's Board of Retirement. The Contra Costa County Board of Supervisors may also adopt resolutions, as permitted by the County Employees Retirement Law of 1937, which may affect benefits of CCCERA members.

The 12 member Board of Retirement is responsible for the general management of CCCERA. Of the twelve members, three are alternates, one for the appointed members, one for safety and one for retirees. Five Board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees, one as an alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

FINANCIAL INFORMATION

The accompanying financial statements are prepared using the accrual basis of accounting. Contributions from employers and members are recognized as revenue when earned. Expenses are recorded when corresponding liabilities are incurred, regardless of when payment is due or made.

An overview of CCCERA's fiscal operations for the year-ended December 31, 2008, is presented in the Management's Discussion and Analysis (MD&A), located in the financial section of the CAFR. This transmittal letter, together with the MD&A, provides an expanded view of the activities of CCCERA.

Brown Armstrong CPAs, CCCERA's independent auditor, has audited the accompanying financial statements. Management believes an adequate system of internal control is in place and the accompanying statements, schedules and tables are fairly presented and free from material misstatement.

ACTUARIAL FUNDING STATUS

CCCERA's funding objective is to meet long-term benefit promises by maintaining a well-funded plan status and obtaining optimum investment returns. Pursuant to provisions in the County Employees Retirement Law of 1937, CCCERA engages an independent actuarial firm to perform an actuarial valuation of the system annually. Every 3 years, a triennial experience study of the members of CCCERA is completed. Both the economic and non-economic assumptions are reviewed and updated, if needed, at the time each triennial experience study is performed. The most recent triennial experience study, which was completed by The Segal Company, was performed as of December 31, 2006. The Segal Company's actuarial valuation as of December

31, 2007, determined the funding status (the ratio of system assets to system liabilities) to be 89.9%, using approved assumptions. A more detailed discussion of funding is provided in the Actuarial Section of this report.

INVESTMENTS

The Board has exclusive control of all retirement system investments and is responsible for establishing investment objectives, strategies and policies. The California Constitution and Government Code Sections 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment objectives and defines the principal duties of the Board, custodian bank and investment managers. The asset allocation is an integral part of the Investment Policy and is designed to provide an optimum mix of asset classes with return expectations that reflect expected liabilities. A summary of the asset allocation can be found in the Investment Section of this report.

On a market value basis, the total net assets held in trust decreased from $5.2 billion at December 31, 2007, to $3.7 billion at December 31, 2008. For the year ended December 31, 2008, CCCERA's investment portfolio returned -26.5%, before investment management fees, reflecting market conditions throughout the year. The Association's annualized rate of return was -3.1% over the last three years, 2.7% over the last five years, and 4.0% over the last 10 years, gross of fees.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CCCERA for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which meet or exceed program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for evaluation.

CCCERA was awarded the Public Pension Coordinating Council's (PPCC) Public Pension Standards Award for 2008. The Public Pension Standards are intended to reflect minimum expectations for public retirement system management and administration, and to serve as a benchmark by which all defined benefit public plans should be measured. CCCERA has met these standards.

SERVICE EFFORTS AND ACCOMPLISHMENTS

Organization Structure - Recruiting plans for the Deputy Retirement Chief Executive Officer were finalized by the close of 2008. Our General Counsel position was filled, as was the Investment Analyst position. A new Retirement Accountant was hired in keeping with CCCERA's interest in raising the professional level of the staff. The Benefits Division hired their first generalist counselor (as opposed to staff primarily trained to support either active or retired members) to handle retiree payroll functions and all-member counseling. Service purchases and basic estimates are now being computed by two Member Services Technicians.

Pension System Project - We are nearing the completion of our pension administration system project. User Acceptance Testing (UAT) has been completed on vital elements, such as basic estimates, wage and contribution reporting, annual statements, and service purchase calculations. All active member service audits have been completed. An important adjunct to the pension system's success is the Imaging Project, which completed all existing active and retiree files in December 2008. Front-end imaging and workflow is the next task under development.

Information Technology - Preliminary planning and research began for the roll-out of the Member Web facet of the Pension Administration system. This function will allow members to access data and perform theoretical retirement estimates based on existing data, on a read-only basis. Archaic telephone and voicemail systems were replaced with new servers and software.

Board of Retirement - One long time Safety Board member retired in 2008. An election was held for this seat. With the resignation of our Board chairperson in early 2008, one alternate moved into a permanent board seat. A new alternate was appointed by the County Board of Supervisors. An audit of our current actuarial consulting services was completed with no data or calculation changes suggested.

Communications - The new Safety Member handbook was completed, an important resource for members with this tier designation. CCCERA developed and posted an entry to the Wikipedia, with general information about the organization. The department completed several *Requests for Letters of Interest*: building space needs assessment, disability medical professionals and analysts for unrepresented staff compensation. *Requests for Proposals* included Actuarial Audit Services, Accounting Division Software, and Outside Counsel. We commenced drafting of Disaster Recovery documentation, with emphasis on business process identification, procedure defnitions, and consideration of effective recovery solutions.

ACKNOWLEDGEMENT

The compilation of this report reflects the combined and dedicated effort of many people on CCCERA's staff. It is intended to provide complete and reliable information as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of CCCERA.

I would like to take this opportunity to express my thanks to the Board of Retirement, the consultants and staff for their commitment to the Association and for their diligent work to assure the continued successful operation of CCCERA.

Respectfully submitted,

Marilyn Leedom

Marilyn Leedom, CEBS
Retirement Chief Executive Officer

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Members of The Retirement Board

As of December 31, 2008

Trustees	Term Expires	Appointed/ Elected by
Brian Hast, Chairperson	June 30, 2010	General Members
William J. Pollacek, County Treasurer Vice-Chairperson		Permanent by Office
Jerry Telles, Secretary	June 30, 2010	Retireees
Richard Cabral	June 30, 2011	General Members
John Gioia	June 30, 2011	Board of Supervisors
Paul Katz	June 30, 2011	Board of Supervisors
Terry Buck	June 30, 2011	Safety Members
Maria Theresa Viramontes	June 30, 2010	Board of Supervisors
Dave Gaynor	June 30, 2011	Board of Supervisors
Jerry Holcombe (alternate)	June 30, 2011	Board of Supervisors
Sharon Naramore (alternate)	June 30, 2010	Retirees
Jim Remick (alternate)	June 30, 2011	Safety Members

List of Professional Consultants

As of December 31, 2008

Actuary

The Segal Company

Actuarial Audit

Milliman USA

Benefit Statement Consultant

The Segal Company

Data Processing

Contra Costa County Department of Information Technology

Auditor

Brown Armstrong CPAs

Legal Counsel

County Counsel of Contra Costa County
Reed Smith LLP
Ice Miller LLP

Investment Consultant

Milliman USA

Master Custodian

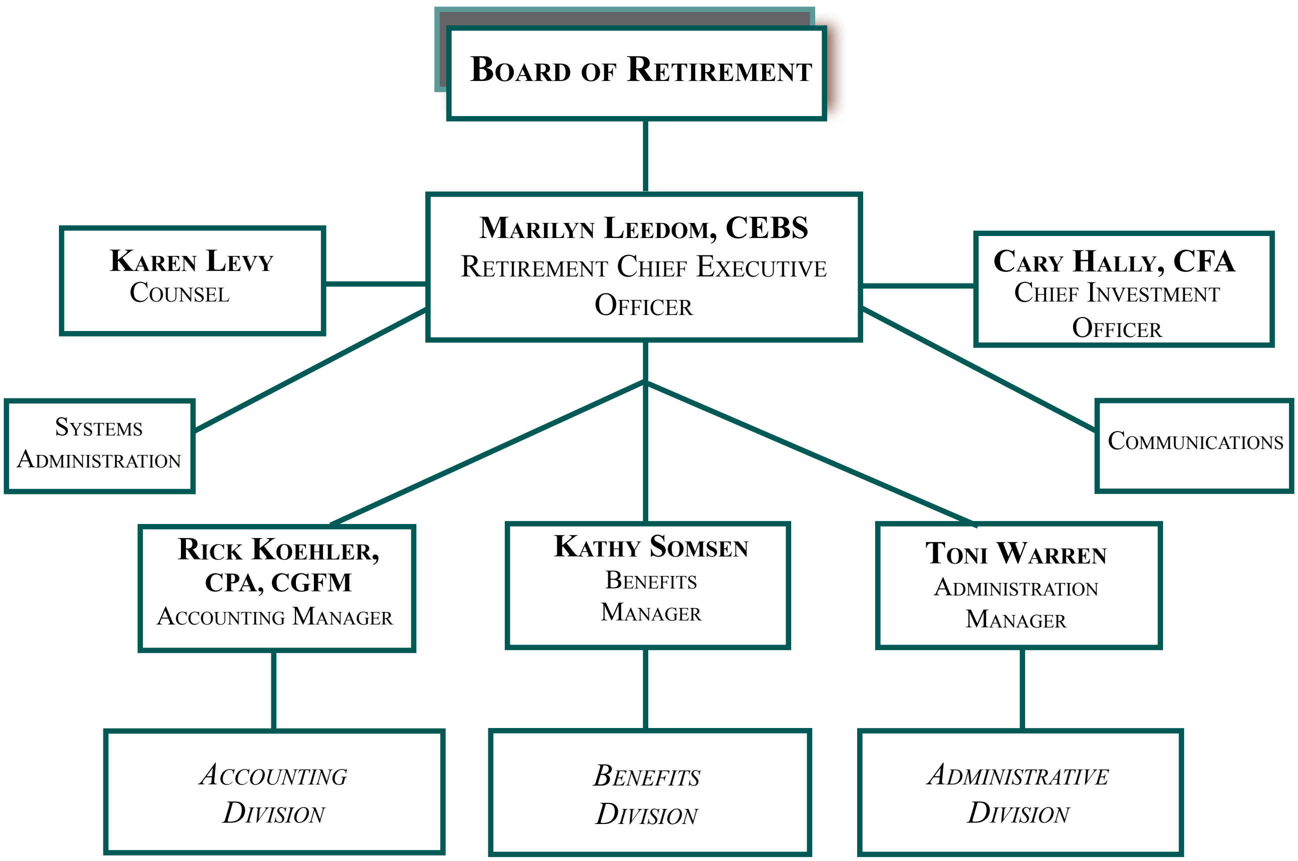
State Street Bank & Trust

Proxy Guideline Voting Agent Service

Risk Metrics Group

Note: List of Investment Professionals is located on page 60 of the Investment Section of this report.

Administrative Organization Chart



GFOA Certificate of Achievement Award

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Contra Costa County Employees' Retirement Association California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Public Pension Coordinating Council

Public Pension Standards Award for Funding and Administration 2008

Presented to

Contra Costa County Employees' Retirement Association

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Alan H. Winkle
Program Administrator

The greenhouse (below) at Mitchell Canyon specializes in nurturing native plants for restoration in Mt. Diablo eco-systems.

Financial Section

Beneath a stunning Spring sky and Valley Oak shade, the professional plant mowers from Goats R Us chow down on invasive species, the better to make room for native grasses.

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

BROWN ARMSTRONG PAULDEN
MCCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

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Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Richard L. Halle, CPA, MST

Harvey J. McCown, MBA, CPA
Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Dias, CPA, MBA
Matthew Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Amanda Dickerson, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA
Adrian Rich, CPA
Craig A. Rickett, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement of the
Contra Costa County Employees' Retirement Association

We have audited the accompanying statement of plan net assets of the Contra Costa County Employees' Retirement Association (CCCERA), a component unit of the County of Contra Costa, California, as of December 31, 2008 and 2007, and the related statement of changes in plan net assets for the years then ended. These financial statements are the responsibility of management of CCCERA. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, in 2008 CCCERA adopted the provisions of GASB Statement No. 50, Pension Disclosures-an amendment of GASB Statement No. 25 and 27.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Contra Costa County Employees' Retirement Association as of December 31, 2008 and 2007 and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants.

The management's discussion and analysis (MD&A) and the schedules designated as required supplementary information in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplementary information (RSI) as listed in the table of contents is presented for purposes of additional analysis, as required by GASB, and is not a required part of the basic financial statements. This information is the responsibility of CCCERA's management. Such information has been subjected to the auditing procedures applied by us in the audit of the 2008 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2008 basic financial statements taken as a whole. The other supplementary information as listed in the table of contents, and the investment, actuarial and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of CCCERA. The other supplementary information as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not audit the information contained in the investment, actuarial, and statistical sections and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2009, on our consideration of CCCERA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
May 21, 2009

Management's Discussion and Analysis

We are pleased to provide this overview and analysis of the financial activities of Contra Costa County Employees' Retirement Association (CCCERA) for the year ended December 31, 2008. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our Letter of Transmittal, as well as the Financial Statements.

Financial Highlights

‡ The net assets of CCCERA at the close of 2008 total $3.7 billion (net assets held in trust for pension benefits), a decrease of $1.5 billion, or -27.9% from 2007, primarily as a result of the net depreciation in the Fair Value of Investments. December 31, 2007 net assets of $5.2 billion represented an increase of $328.1 million over the $4.9 billion balance as of December 31, 2006.

‡ Total Additions as reflected in the Statement of Changes in Plan Net Assets, for the year ended December 31, 2008 were $-1.2 billion, which includes employer and employee contributions of $283 million, an investment loss of -$1.5 billion and net securities lending income of $3.4 million. 2007 investment income and gains were down from 2006 but still contributed to a total addition of $580.2 million for the year ended December 31, 2007.

‡ Employer contributions increased from $196.9 million in 2007 to $206.5 million in 2008 primarily as the result of an increase in contribution rates attributed to a decrease in the actuarial interest assumption from 7.9% to 7.8%. Also included in the 2008 employer contribution total is $4.1 million paid by County departments as a result of employees converting prior Tier 2 service to Tier 3 service. Employer contributions in 2006 totaled $191.4 million, which includes $11.7 million in Pension Obligation Bond proceeds.

‡ Employee contributions increased slightly for 2008 when compared to 2007. For 2008 and 2007, employee contributions were $76.5 million and $75.6 million, respectively. Employee contributions for 2006 totaled $73.5 million.

‡ Total Deductions as reflected in the Statement of Changes in Plan Net Assets increased from $252.1 million to $267.9 million over the prior year, or approximately 6.3%. Benefits paid to retirees and beneficiaries increased from $235.7 million in 2007 to $250.4 million in 2008, or approximately 6.3%. This increase can be attributed to an increase in the number of new retirees and an annual cost of living increase. The increase in the Pension Benefit from 2007 over 2006 was approximately 9.1%, primarily attributed to new retirees.

‡ CCCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of December 31, 2007, the date of our last actuarial valuation, the funded ratio for CCCERA was 89.9%. In general, this indicates that for every dollar of benefits due we have approximately $0.90 to cover it. Market

conditions changed dramatically in 2008 which led to a substantial decline in the value of investments for CCCERA as of December 31, 2008. CCCERA continues to maintain its long-term funding objectives.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to CCCERA's financial statements, which are comprised of these components:

1. Statement of Plan Net Assets
2. Statement of Changes in Plan Net Assets
3. Notes to the Financial Statements
4. Required Supplementary Information
5. Other Supplementary Information

The Statement of Plan Net Assets is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and their beneficiaries and any current liabilities that are owed as of year-end. The net assets, which are the assets less the liabilities, reflect the funds available for future use.

The Statement of Changes in Plan Net Assets, on the other hand, provides a view of current year additions to and deductions from the plan. The trend of additions versus deductions to the plan will indicate whether CCCERA's financial position is improving or deteriorating over time.

Both financial statements and the required disclosures are in compliance with the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB), using the accrual basis of accounting. CCCERA complies with all material requirements of these principles and guidelines.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date. In addition, both realized and unrealized gains and losses are shown on investments, and all Property and Equipment (capital assets) are depreciated over their useful lives.

Other factors, such as market conditions, should be considered in measuring CCCERA's overall financial strength.

The Notes to the Financial Statements are an integral part of the financial report and provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes provide detailed discussion of key policies, programs and activities that occurred during the year.

Required Supplementary Information. In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning CCCERA's progress in funding its obligations to provide pension benefits to members. The Schedule of Funding Progress, a required supplementary schedule, includes historical trend information for the past six years about the actuarially funded status of the plan, and the progress made in accumulating sufficient assets to pay benefits when due. The other required supplementary schedule, the Schedule of Employer Contributions, presents historical trend information about annual required contributions of the employer and the actual contributions made. These schedules provide information to help promote understanding of the changes in the funded status of the plan over time.

Other Supplementary Information. The schedules of administrative expenses and investment expenses are presented following the required supplementary information.

Financial Analysis

Assets and Funding Ratio

As of December 31, 2008, CCCERA has $3.7 billion in net assets, which means that total assets of $4.6 billion exceed total liabilities of $900 million. At December 31, 2007 and 2006, CCCERA's net assets totaled $5.2 billion and $4.9 billion, respectively. The net assets represent funds available for future payments. Of importance and unlike private pension funds, public pension funds are not required to disclose the future liability of obligations owed to retirees. Only current liabilities are reported on the Statement of Plan Net Assets.

As of December 31, 2008, net assets decreased by -27.9% over 2007, and -23.0% over 2006, primarily due to the decrease in the fair market value of investments. Current assets and current liabilities also change by offsetting amounts due to the recording of the security lending cash collateral.

Capital Assets

CCCERA's investment in capital assets decreased from $1,745,371 to $1,578,447 (net of accumulated depreciation and amortization). The investment in capital assets includes servers, equipment, furniture and leasehold improvements. The total decrease in CCCERA's investment in capital assets for the current year is -9.6% over 2007. The increase of 96.5% for 2007 over 2006 is primarily because CCCERA updated its technology infrastructure and purchased computer servers and equipment for its imaging project. CCCERA started the design phase of a Pension Benefit System in early 2006. It is expected that the project will be completed in 2009. In 2008, CCCERA followed Government Code Section 31580.3, which allows expensing of software, hardware, and computer technology consulting services in support of the software or hardware used in the administration of the retirement system. During 2008, CCCERA expensed $238,000 of software, hardware and computer technology consulting services.

PLAN NET ASSETS

	2008	2007	2006	% Change 2008-2007	% Change 2007-2006
Current Assets	$ 861,357,649	$1,109,360,483	$1,037,216,815	-22.4%	7.0%
Investments	3,745,283,103	5,259,341,453	4,917,887,682	-28.8%	6.9%
Capital Assets	1,578,447	1,745,371	888,152	-9.6%	96.5%
Total Assets	4,608,219,199	6,370,447,307	5,955,992,649	-27.7%	7.0%
Total Liabilities	858,520,387	1,171,330,725	1,084,983,018	-26.7%	8.0%
Total Plan Net Assets	**$ 3,749,698,812**	**$5,199,116,582**	**$4,871,009,631**	**-27.9%**	**6.7%**

CCCERA has annual valuations performed by its independent actuary, The Segal Company. The purpose of the valuation is to determine what future contributions by the members and employers are needed to pay all the expected future benefits. Despite variations in the stock market, CCCERA's management and actuary concur that CCCERA remains in a financial position to meet its obligations to the plan participants and beneficiaries. The current financial position is the result of recent market changes and volatility while long-term results are from a strong and successful investment program.

CCCERA's Activities

CHANGES IN CCCERA NET ASSETS

Additions	2008	2007	2006	% Change 2008-2007	% Change 2007-2006
Employer Contributions Pension Obligation Bond Proceeds	$ 206,518,693 0	$196,929,570 0	$179,755,315 11,693,396	4.9% 0.0%	9.6% -100.0%
Total Employer Contributions	206,518,693	196,929,570	191,448,711	4.9%	2.9%
Employee Contributions	76,452,406	75,590,807	73,468,648	1.1%	2.9%
Net Investment Income/(Loss)	-1,467,872,206	306,459,115	614,912,800	-579.0%	-50.2%
Net Security Lending Income	3,391,760	1,208,556	657,577	180.6%	83.8%
Total	**-$1,181,509,347**	**$580,188,048**	**$880,487,736**	**-303.6%**	**-34.1%**

Deductions	2008	2007	2006	% Change 2008-2007	% Change 2007-2006
Pension Benefits	$250,444,562	$235,656,024	$216,057,476	6.3%	9.1%
Refunds	3,730,320	3,113,234	3,231,903	19.8%	-3.7%
Administrative	5,601,126	5,941,814	4,859,287	-5.7%	22.3%
Other Expenses	8,132,415	7,370,025	7,051,691	10.3%	4.5%
Total	**$267,908,423**	**$252,081,097**	**$231,200,357**	**6.3%**	**9.0%**
Increase (Decrease) in Net Assets Held in Trust for Pension Benefits	**-$1,449,417,770**	**$328,106,951**	**$649,287,379**	**-541.8%**	**-49.5%**

Additions to Plan Net Assets
The primary sources to finance the benefits that CCCERA provides to its members are accumulated through the collection of member (employee) and employer contributions and through the earnings on investments (net of investment expenses). The Net Investment income/-loss for the years ended December 31, 2008, 2007 and 2006 totaled -$1.47 billion, $306.5 million and $614.9 million, respectively.

By year end, overall additions had decreased by $1.76 billion over 2007, or, -303.6%, while 2007 decreased by $300 million over 2006, or -34.1% due primarily to investment losses.
The investment section of this report reviews the result of investment activity for the year ended December 31, 2008.

Deductions from Plan Net Assets
The primary uses of CCCERA's assets include the payment of benefits to retirees and their beneficiaries, refund of contributions to terminated employees, and the cost of administering the system. Deductions in the year ended December 31, 2008 totaled $267.9 million, an increase of 6.3% over December 31, 2007. 2007 had an increase of $20.9 million or a 9.0% change from December 31, 2006. The increases are attributed to the additional benefit payments for retirees as well as the growth in the number and average amount of benefits paid to retirees year over year.

The Board of Retirement approves the annual budget for CCCERA. The California Government Code Section 31580.2 limits the annual administrative expense to eighteen one hundredths of one percent (0.18%) of the total assets of the retirement system. CCCERA has consistently met its administrative expense budget for the current year and prior years.

CCCERA's Fiduciary Responsibilities

CCCERA's Board and management staff are fiduciaries of the pension trust fund. Under the California Constitution, the assets can only be used for the exclusive benefit of plan participants and their beneficiaries.

Requests for Information

This financial report is designed to provide the Board of Retirement, members, taxpayers, investment managers and creditors with a general overview of CCCERA's financial condition and to demonstrate CCCERA's accountability for the funds under its stewardship.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

CCCERA
Attn: Accounting Division
1355 Willow Way, Suite 221
Concord, CA 94520-5728

Respectfully submitted,

Rick Koehler, CPA, CGFM
Retirement Accounting Manager
May 1, 2009

Statement of Plan Net Assets

As of December 31, 2008 and 2007

Assets:	**2008**	**2007**
Cash equivalents	$ 166,275,122	$ 218,170,938
Cash collateral - securities lending	280,747,586	420,834,135
Total cash & cash equivalents	447,022,708	639,005,073
Receivables:		
Contributions	7,619,110	8,195,756
Investment trades	361,930,772	418,536,394
Investment income	19,313,653	16,697,511
Installment contracts - Paulson (see Note 12)	24,835,080	25,636,100
Other	105,531	729,959
Total receivables	413,804,146	469,795,720
Investments at fair value:		
Stocks	1,584,443,392	2,622,477,662
Bonds	1,569,704,942	1,997,853,713
Real estate	372,959,638	449,530,954
Alternative investments	218,175,131	189,479,124
Total investments	3,745,283,103	5,259,341,453
Other assets:		
Prepaid expenses/deposits	530,795	559,690
Capital assets, net of accumulated depreciation of $853,755	1,578,447	1,745,371
Total assets	4,608,219,199	6,370,447,307
Liabilities:		
Investment trades	481,267,131	649,189,678
Security lending	280,747,586	420,834,135
Employer contributions unearned	87,327,991	88,171,861
Retirement allowance payable	3,991,674	4,842,360
Accounts payable	3,571,167	5,296,975
Contributions refundable	119,214	92,690
Other liabilities	1,495,624	2,903,026
Total liabilities	858,520,387	1,171,330,725
Net Assets Held In Trust for Pension Benefits	**$3,749,698,812**	**$5,199,116,582**

(A schedule of funding progress is presented on page 48.)

See accompanying notes to financial statements.

Statement of Changes in Plan Net Assets

for the Years Ended December 31, 2008 and 2007

Additions:	**2008**	**2007**
Contributions:		
Employer	$ 206,518,693	$ 196,929,570
Employee	76,452,406	75,590,807
Total contributions	282,971,099	272,520,377
Investment income:		
Net depreciation in fair value of investments	(1,393,191,146)	228,343,977
Net depreciation in fair value of real estate	(238,834,596)	(64,214,839)
Interest	123,068,231	104,468,481
Dividends	41,677,052	41,628,123
Real estate income, net	18,662,399	18,440,430
Investment expense	(26,941,899)	(26,321,571)
Other income and expense	7,687,753	4,114,514
Net investment income/(loss), before securities lending	(1,467,872,206)	306,459,115
Securities lending income:		
Earnings	13,610,350	25,050,411
Rebates	(8,741,433)	(22,947,361)
Fees	(1,477,157)	(894,494)
Net securities lending income	3,391,760	1,208,556
Net investment income/(loss)	(1,464,480,446)	307,667,671
Total additions/(declines)	(1,181,509,347)	580,188,048
Deductions:		
Benefits paid	250,444,562	235,656,024
Contribution prepayment discount	7,624,193	7,030,972
Administrative	5,601,126	5,941,814
Refunds of contributions	3,730,320	3,113,234
Other	508,222	339,053
Total deductions	267,908,423	252,081,097
Net Increase (Decrease)	(1,449,417,770)	328,106,951
Net Assets Held in Trust for Pension Benefits:		
Balance beginning of year	5,199,116,582	4,871,009,631
End of year	**$3,749,698,812**	**$5,199,116,582**

See accompanying notes to financial statements.

Notes To The Financial Statements

For The Year-ended December 31, 2008

Note 1. Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is governed by the Board of Retirement (Board) under the County Employees' Retirement Law of 1937 (1937 Act), as amended. Members should refer to the 1937 Act for more complete information.

General

CCCERA is a contributory defined benefit plan (the Plan) initially organized under the provisions of the 1937 Act on July 1, 1945. It provides benefits upon retirement, death or disability of members. CCCERA operates as a cost-sharing, multiple employer defined benefit pension plan that covers substantially all of the employees of the County of Contra Costa (the County) and 16 other member agencies. CCCERA's membership as of December 31, 2008 and 2007 is presented below.

	2008	2007
Retirees and Beneficiaries Receiving Benefits	7,012	6,896
Inactive Vested Members entitled to but not yet receiving benefits	2,153	2,015
Current Employees:		
Vested:		
General Employees	5,257	5,271
Safety Employees	1,221	1,220
Non-Vested:		
General Employees	2,524	2,537
Safety Employees	383	393
Total Membership	**18,550**	**18,332**

CCCERA, with its own governing board, is an independent governmental entity, separate and distinct from the County of Contra Costa. CCCERA is a component unit of the County and is presented in the County's basic financial statements as a pension trust fund. Costs of administering the Plan are financed through contributions and investment earnings.

Benefit Provisions

The Plan is currently divided into eight benefit sections in accordance with the 1937 Act. These sections are known as General Tier I, enhanced and non-enhanced; Tier II; Tier III enhanced and non-enhanced; Safety Tier A and Safety Tier C enhanced and Safety non-enhanced. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3% at 50 for safety members and 2% at 55 for general members, effective on July 1, 2002 and January 1, 2003, respectively. Effective January 1, 2005, the enhanced benefits were applied to the bargaining units represented by the California Nurses Association and the nonrepresented employees within similar classifications as employees in bargaining units represented by the California Nurses Association, as well as the supervisors and managers of those employees. Effective July 1, 2005, East Contra Costa Fire Protection District adopted the enhanced benefit structure for its employees.

In addition, each Special District that is a participant of CCCERA, and whose staff are not County employees covered by Resolution No. 2002/608, may elect to participate in the enhanced benefits. As of December 31, 2008, nine (9) general member agencies and four (4) safety member agencies have adopted enhanced benefits for their employees. The ninth general member agency adopted the enhanced benefit structure effective October 1, 2008.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created on October 1, 1998 and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elected Tier I membership. As of December 31, 2008, there are no active Tier II member accounts. All members who moved to Tier III with five or more years of service prior to October 1, 2002, or were moved to Tier III effective October 1, 2002, January 1, 2005 or February 1, 2006, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Effective January 1, 2007, Contra Costa County and the Deputy Sheriff's Association agreed to adopt a new Safety Tier C for sworn employees hired by the County after December 31, 2006. A Deputy Sheriff hired on or after January 1, 2007 will have a 3% at 50 benefit formula with a 2% maximum COLA and a 36 month final average salary period.

Benefits are administered by the Board under the provisions of the 1937 Act. Annual cost-of-living adjustments (COLA) to retirement benefits may be granted by the Board as provided by State statutes. Service retirements are based on age, length of service and final average salary. Employees may withdraw contributions plus interest credited or leave them on deposit for a deferred retirement when they terminate or transfer to a reciprocal retirement system.

Pertinent provisions for each section follow:

General - Tier I

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

General - Tier II

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with ten years of service credit required. Those members who elected in 1980 to transfer from General -Tier I to General - Tier II are eligible for non-service connected disability retirement with five years of service.The definition of a disability is stricter under General - Tier II than in the General - Tier I plan. The retirement benefit is based on a three-year final average salary in accordance with Government Code Section 31462.

General Tier III

Members may elect service retirement at age 70 regardless of service, at age 50 with 10 years of service, or with 30 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit or non-service connected with ten years of service credit required. The definition of disability is the same as Tier II. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

Safety Tier A

Members may elect service retirement at age 50 with 10 years of service, or with 20 years of service regardless of age. Disability retirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a one-year final average salary in accordance with Government Code Section 31462.

Safety Tier C

Members may elect service retirement at age 50 with 10 years of service, or with 20 years of service regardless of age. Disability requirements may be granted as service connected with no minimum service credit required or non-service connected with five years of service credit required. The retirement benefit is based on a three-year final average salary in accordance with Goverment Code Section 31462.

Cost of Living Adjustments (COLA)

The 1937 Act authorizes the Retirement Board to grant annual automatic and ad hoc cost-of-living increases to all eligible retired members. Article 16.5 requires the Board to grant an annual automatic COLA effective April 1st. This benefit is based on the San Francisco-Oakland-San Jose area Consumer Price Index and is limited to the maximum of two percent for Safety Tier C members, three percent for Tier I, Tier III and Safety Tier A members, and four percent for Tier II members. Government Code Section 31874.3 allows the granting of a supplemental cost-of-living benefit, on a prefunded basis to eligible retirees whose unused Consumer Price Index increase accumulations equal or exceed 20 percent. This supplemental increase is a permanent part of the retirees' monthly benefit and is known as "New Dollar Power."

Terminations

Effective January 1, 2003, a member with less than five years of service may elect to leave accumulated contributions on deposit in the retirement fund indefinitely as a result of the passing of AB2766, which amends Section 31629.5 of the Retirement Law of 1937. A member who continues membership under this ruling is granted a deferred non-vested status and is subject to the same age, service, and disability requirements that apply to other members for service or disability retirement.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

CCCERA's financial statements are prepared using the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized in the period in which they are incurred. Employee and employer contributions are recognized as revenue when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds of prior contributions are recognized when due and payable in accordance with the terms of the Plan. All investment purchases and sales are recorded on the trade date. The net appreciation (depreciation) in fair value of investments held by CCCERA is recorded as an increase (decrease) to investment income based on the valuation of investments at June 30th and December 31st.

Cash Equivalents

Cash equivalents include deposits in the County Treasurer's commingled cash pool and certain investments held by the County Treasurer, custodian bank and other investment managers. Cash equivalents are highly liquid investments with maturity of three months or less when purchased. Short-term investments with the custodian bank include foreign currencies, cash held in short-term investment funds and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value.

Methods Used to Value Investments

Investments are reported at fair value. Fair value is the amount that CCCERA can reasonably expect to receive in a current sale between a willing buyer and a willing seller - that is, other than in a forced or liquidation sale. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. Investments listed as alternative investments are comprised of a U.S. timberland fund and private equity partnerships, that invest in a diversified portfolio of venture capital, buyout and other special situations partnerships, and the U.S. power industry.

Receivables

Receivables consist primarily of interest, dividends, installment contracts, investments in transition, i.e., traded but not yet settled, and contributions owed by the employing entities as of December 31, 2008 and 2007.

Capital Assets

Capital assets, consisting of leasehold improvements, furniture and office equipment, are presented at historical cost, less accumulated depreciation. Capital assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year are capitalized and depreciated. In 2008, CCCERA implemented the expensing of certain costs for software, hardware and computer technology consulting services as allowed in Government Code Section 31580.3. For 2008, this amount totaled $238,213. Depreciation is calculated using the straight-line method, with estimated lives of ten years for all leasehold improvements and pension administration system assets purchased prior to 2008, and ranging from four to five years for office equipment. Depreciation for the years ended December 31, 2008 and 2007 were $218,031 and $178,641, respectively.

Compensated Absences

The December 31, 2008 and 2007 liability for accumulated annual leave earned by CCCERA employees totaling $200,957 and $180,538, respectively, included in the other liabilities on the *Statement of Plan Net Assets*, is recorded when earned by the employee. Upon termination of employment, an employee receives compensation for hours of unused annual leave limited by the number of annual leave hours that can be accumulated in two years of employment.

Pre-1981 Retiree Health Care Benefits

Government Code Section 31592.2 authorizes the Retirement Board to pay for healthcare costs of County retired members from the County (Employer) Advance Reserves. In December 2002, the Board transferred $11 million from its excess earnings to the Employer Advance Reserve to cover the reimbursement of health care costs of approximately 383 pre-1981 retirees who previously were not eligible for health care coverage. The County extended an offer of health care coverage to this group and approximately 40 retirees or their beneficiaries elected coverage. Starting with January 2004, and continuing through December 2008, CCCERA reduced the County employer contributions by the amount owed for the pre-1981 retiree's health insurance premiums.

Use of Estimates

The preparation of CCCERA's financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Implementation of New Accounting Pronouncements

CCCERA adopted the Governmental Accounting Standards Board's (GASB) Statement No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*, effective for the year ended December 31, 2008. This disclosure is presented in Note 7.

NOTE 3. DEPOSITS AND INVESTMENT RISK DISCLOSURES

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the Board may, at its discretion, invest, or delegate CCCERA to invest the assets of CCCERA through the purchase, holding, or sale of any form or type of instrument, or financial transaction when prudent in the informed opinion of the Board. In addition, the Board has established an investment policy, which places limits on the compositional mix of cash, fixed income and equity securities, alternative investments and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the County's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk), and foreign currency risk. The following describes those risks:

Interest Rate Risk
The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

CCCERA does not have a general policy to manage interest rate risk. However, to help manage interest rate risk, the Core Plus Fixed Income portfolios that have holdings in CMOs greater than 15 years or less than negative 15 years in duration (based on a 100 basis point move in rates) are limited to no more than 2% of the fixed income portfolio at cost.

Holdings of Fixed Income Futures are allowed, on an unleveraged basis, such that the market notional value of all long contracts shall be covered by cash, cash receivables, or cash equivalents with one-year or less in duration.

The following schedule is a list of fixed income and short-term investments and the related maturity schedule for CCCERA as of December 31, 2008:

Investment Maturities (in years)

Investment Type	Less than 1 year	1-5 years	5 -10 years	More than 10 years	Fair Value
Collateralized Mortgage Backed Securities (CMBS)	$ 5,634,051	$ 28,044,665	$ 29,833,789	$ 36,809,473	$ 100,321,978
Collateralized Mortgage Obligations (CMO)	-	691,593	12,831	119,576,168	120,280,592
Corporate Bonds	11,183,230	136,920,349	135,881,910	25,001,972	308,987,461
Private Placements	229,843,849	19,630,036	54,238,277	62,731,222	366,443,384
Short-term Investment Fund (STIF) Instruments	-	-	-	124,294,568	124,294,568
US Treasury Notes & Bonds	39,016,038	23,038,229	35,846,773	173,652,106	271,553,146
US Agencies (GNMA, FNMA, FHLMC)	4,024,999	58,100,322	46,754,322	301,795,279	410,674,922
TOTALS:	**$289,702,167**	**$266,425,194**	**$302,567,902**	**$ 843,860,788**	**$1,702,556,051**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution's failure, CCCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. Under California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local government units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is held by the pledging financial institution's trust department or agent in CCCERA's name.

At year-end, the carrying amount of CCCERA's cash deposits was $89,686 (which are included in cash equivalents) and the bank balance was $956,376. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $100,000 was covered by federal depository insurance, and $856,376 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, CCCERA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in CCCERA's name, and held by the counterparty. CCCERA's investment securities are not exposed to custodial credit risk because all securities held by CCCERA's custodial bank are in CCCERA's name. CCCERA has no general policy on custodial credit risk for deposits.

Concentration of Credit Risk

The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net assets.

Credit Risk

CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions and defraying reasonable expenses of administering the Trust. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so.

Nationally recognized statistical rating organizations provide ratings of debt securities' quality based on a variety of factors. For example, the financial condition of the issuers provides investors with some idea of the issuer's ability to meet its obligations. Fixed-maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and are often referred to as "high-yield." This is due to the fact that lower rated debt securities generally carry a higher interest rate to compensate the buyer for taking on additional risk. To control credit risk, credit quality guidelines have been established.

The Domestic Core Plus Fixed Income Portfolio must meet the following credit qualities:

- Obligations of the U.S. Treasury.
- Obligations guaranteed by an agency of the United States.
- Corporate bonds, asset backed securities or other evidence of debt, rated BAA or better by Moody's Investor Services (Moody's) or rated BBB or better by Standard & Poor's Corporation (Standard & Poor's).
- Commercial paper (including variable rate notes) of issuers rated P-1 by Moody's or A-1 by Standard & Poor's.
- Lower risk planned amortization class (PAC) collateralized mortgage obligations (CMO) and Sequential CMOs. CMOs other than PACs and Sequentials are limited to a maximum of 10% of the fixed income portfolio at cost.
- Other securities as detailed in accordance with the manager's investment agreement with CCCERA.

The Domestic High Yield Bond Portfolio must meet the same credit qualities as the Core Plus fixed income portfolio listed above and/or:

- High yield securities as specified in accordance with the manager's investment agreement with CCCERA.

The International Fixed Income Portfolio must meet the same credit qualities as the Core Plus fixed income portfolio listed on page 35 and/or:

- Government bonds issued in benchmark countries.
- Government bonds issued in non-benchmark countries, up to 10% of the total account, provided each security is rated Baa by Moody's or BBB by Standard & Poor's.
- Corporate and asset-backed securities issued in benchmark countries.
- Corporate and asset-backed securities issued in non-benchmark countries, up to 10% of the total account, provided each security is rated Baa by Moody's or BBB by Standard & Poor's, or better.
- Eligible instruments issued pursuant to SEC Rule 144(a) or Regulation S.
- Other fixed income instruments as specified by the Board.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short-term investments as of December 31, 2008 as rated by Standard & Poor's:

Quality Ratings	Fair Value
AAA	$ 1,033,768,917
AA+	37,669,170
AA	23,310,113
AA-	74,709,829
A+	22,178,687
A	38,210,738
A-	16,233,002
BBB+	26,342,008
BBB	33,702,952
BBB-	29,279,646
BB+	28,478,770
BB	17,700,130
BB-	19,925,167
B+	14,803,510
B	29,636,457
B-	20,555,507
CCC+	8,231,515
CCC	2,084,540
CCC-	24,352
CC	12,831
D	3,574,294
NR	222,123,915
Total Credit Risk Fixed Income Securities	**$ 1,702,556,050**

Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's Investment Guidelines pertaining to these types of investments.

CCCERA's exposure to Foreign Currency Risk in U.S. dollars as of December 31, 2008 is as follows:

Currency	Fixed Income	Equity	Total
Australian Dollar	$ 1,613,251	$ 9,015,330	$ 10,628,581
Brazilian Dollar	3,827,187	-	3,827,187
British Pound Sterling	10,262,101	55,140,053	65,402,154
Canadian Dollar	4,356,321	5,154,370	9,510,691
Columbian Peso	1,605,491	-	1,605,491
Czech Koruna	-	1,539,345	1,539,345
Danish Krone	1,786,545	2,475,162	4,261,707
Egyptian Pound	2,091,312	-	2,091,312
Euro	63,300,371	96,309,362	159,609,733
Ghanaian Cedi	2,531,385	-	2,531,385
Hong Kong Dollar	-	19,945,453	19,945,453
Indian Rupee	2,207,869	-	2,207,869
Indonesian Rupiah	1,433,797	-	1,433,797
Japanese Yen	(74,133)	87,835,297	87,761,164
Maldive Rufiyaa	1,907,504	-	1,907,504
Mexican Peso	3,437,284	-	3,437,284
New Zealand Dollar	4,596,428	187,590	4,784,018
Nigerian Naira	2,288,105	-	2,288,105
Norwegian Krone	3,462,675	750,359	4,213,034
Polish Zloty	8,218,300	-	8,218,300
Singapore Dollar	-	3,376,614	3,376,614
Swedish Krona	1,795,467	1,875,896	3,671,363
Swiss Franc	-	42,897,507	42,897,507
Total Securities Subject to Foreign Currency Risk	**$120,647,260**	**$326,502,338**	**$447,149,598**

Note 4. Securities Lending Transactions

The investment policy, adopted by the Board, permits the use of a securities lending program with its principal custodian bank. CCCERA lends domestic bonds and equities, and non-domestic equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short-Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by CCCERA without borrower default. Securities on loan must be collateralized at 102% and 105% of the fair value of domestic securities and non-domestic securities, respectively, plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of the securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year-end, additional funds of $3,522,490 are due as collateral for CCCERA's securities on loan. This is known as the "calculated mark" and will settle on the first business day of January, 2009. CCCERA has no credit risk exposure to borrowers because the collateral will exceed the amount borrowed. The fair value of investments on loan at December 31, 2008 is $276,872,781, which was collateralized by cash and securities in the amount of $280,762,800. The fair value of the cash collateral in the amount of $280,747,586 has been reported as an asset and liability in the accompanying Statement of Plan Assets.

SECURITIES LENDING

The following securities were on loan and collateral received as of December 31, 2008:

Securities on Loan	Market Value of Securities on Loan	Cash Collateral*	Non-Cash Collateral	Collateral -Percentage
US Corporate Fixed and Equity	$218,534,629	$219,758,154	$15,214	100.6%
US Government	34,438,062	35,651,909	-	103.5%
International Equities	23,900,090	25,337,523	-	106.0%
Total	**$276,872,781**	**$280,747,586**	**$15,214**	**101.4%**

* Additional funds known as the "calculated mark" are due from/to the borrower to bring collateral to 102% for domestic securities and 105% for international securities.

NOTE 5. DERIVATIVE FINANCIAL INSTRUMENTS

As permitted by the California Government Code and the investment policy, CCCERA uses forward settlement contracts, forward currency contracts, futures and options contracts, and other derivative products within fixed income financial instruments. These derivative financial instruments are used to reduce financial market risks, enhance yields and to participate in all market areas without increasing investment costs. At December 31, 2008, the following derivative financial instruments were held by investment managers:

Various investment managers for CCCERA manage fixed income portfolios that contain derivative type financial instruments. These instruments include government and corporate obligations consisting of asset-backed securities, call and put options, floating rate notes, constant maturity index, Adjustable Rate Mortgages (ARMs), Collateralized Mortgage Obligations (CMOs), Collateralized Mortgage Backed Securities (CMBS) and LIBOR Indexed ARMs. The fair value of derivative financial instruments at December 31, 2008 is $682,538,178.

PIMCO and Lazard have made investments in forward currency contracts, which are unrecorded commitments to purchase or sell stated amounts of foreign currency. Gains or losses on the disposition of the commitments are recorded at the time of settlement. The fair values of forward currency contracts are determined by quoted currency prices from national exchanges. As of December 31, 2008, total commitments in forward currency contracts to purchase and sell foreign securities were $189,959,742 and $189,959,742, respectively, with market values of $195,768,098 and $193,950,305, respectively.

Note 6. Contributions

Employer and member basic and COLA contributions are based on statute and rates recommended by an independent actuary and adopted by the Retirement Board. Covered employees are required by statute to contribute toward their pensions. The rates are set to provide a retirement benefit equal to a fractional part of the highest year(s) salary, based on membership and tier. CCCERA members are required to contribute between 4.63% and 20.20% of their annual covered salary, depending on their Tier and benefit. Certain County Safety and all Moraga-Orinda Fire Protection District Safety members contribute an additional 9.0% of the employer's increase in contributions attributed to the adoption of the enhanced benefit package commonly known as 3% at 50. Effective October 1, 2006, Contra Costa County and the Deputy Sheriff's Association agreed to modify the employee subvention of the employer rate from 9% to 3% for the Safety Tier A group only. Safety Tier C members pay or subvent 2.1% of the employer rate. Member contributions are refundable upon termination of employment.

Employers are required to contribute at an actuarially determined rate calculated on the alternate funding method permitted by Government Code Section 31453.5. Pursuant to provisions of the 1937 Act, the Retirement Board recommends annual contribution rates for adoption by the Board of Supervisors. The “Entry Age Normal” funding method is used to calculate the rate required to provide benefits to members.

During the year ended December 31, 2008, contributions totaled $282,971,099, which included $206,518,693 in employer contributions, and $76,452,406 in employee contributions. The contribution figures also include employee and employer purchase, redeposit and conversion amounts.

Government Code Section 31582(b) allows the Board of Supervisors to authorize the County auditor to make an advance payment of all or part of the County's estimated annual contribution to the retirement fund. Code Section 31585 makes the same appropriations and transfers available to Districts. Contra Costa County and 10 participating employers "prepay" or make advance payments of all of the employer's estimated annual contributions discounted by the assumed interest rate in effect on July 1. At the end of the fiscal year, a "true-up" is completed and employers are either billed for an underpayment or apply their overpayment towards the following year contributions.

Six-year historical trend information, designed to provide information about CCCERA's progress in accumulating sufficient assets to pay benefits when due, is presented as required supplementary information on page 48.

Employer contributions for 2002 are less than 100% due to action taken by the Board to phase-in, over a three-year period, increased contribution requirements associated with the December 31, 1997 actuarial experience study, as well as the *Ventura Decision* (see following paragraph). The Retirement Board, at its meeting on July 11, 2000, deferred for one year, the third year phase-in from the experience study and the second year phase-in of the *Ventura Decision*. This action had the effect of keeping contribution rates lower currently, while extending the time for the phase-in of rates.

On August 14, 1997, the Supreme Court of the State of California issued a decision in a case entitled *Ventura County Deputy Sheriff's Association vs. Board of Retirement of Ventura County Employees' Retirement Association* (Ventura Decision). On October 1, 1997, the Ventura Decision became final. The Supreme Court held that a County Retirement System operating under provisions of the County Employees Retirement Law of 1937 must include certain types of cash incentive payments and additional pay elements received by an employee, within the employee's "compensation earnable" and "final" compensation when calculating the employee's retirement benefits. The Board voted to implement the changes to the retirement benefits as of October 1, 1997, the date the decision became final.

NOTE 7. FUNDED STATUS

CCCERA's funded status based on the most recent actuarial valuation performed by The Segal Company as of December 31, 2007, is as follows:

SCHEDULE OF FUNDED STATUS (DOLLARS IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/07	$5,016,137	$5,581,048	$564,911	89.9%	$671,618	84.1%

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

<u>Disclosure of Information about Actuarial Methods and Assumptions</u>

The required Schedule of Funding Progress immediately following the Notes to the Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employers and plan members to that point.

The projection of benefits for financial reporting does not explicitly incorporate the potential effect of legal or contractual funding limitations on the pattern of cost-sharing between the employer and the plan members in the future.

Actuarial calculations reflect a long-term prospective. Actuarial methods and assumptions used include techniques to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

LATEST ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

Valuation Date	December 31, 2007
Actuarial Cost Method	Entry Age Normal Funding Method
Amortization Method	Level Percent of payroll for total unfunded liability (4.25% payroll growth assumed)
Remaining Amortization Period	20 year closed amortization period with 15 years remaining as of December 31, 2007.
Asset Valuation Method	5 year Smoothed Market, excluding non-valuation reserves and designations*
Actuarial Assumptions	
Investment Rate of Return	7.80%
Inflation Rate	3.75%
Real Across-the-Board salary increases	.50%
Projected Salary Increases - General	5.00% to 11.75%**
Projected Salary Increases - Safety	5% to 12.25%

Post Retirement Cost-of-Living Adjustments contingent upon CPI Increases

Tier 1 Service and Disability	3% maximum
Tier 2 Service and Disability	4% maximum (valued at 3.75%)
Tier 3 Service	3% maximum
Tier 3 Disability	4% maximum (valued at 3.75%)
Safety Tier A	3% maximum
Safety Tier C	2% maximum

*Market value of assets less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized semi-annually over a five year period. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves and designations.

**Includes inflation at 3.75% plus "across the board" salary increases of 0.50%, plus merit and promotional increases.

Note 8. Reserves and Designations

Reserves are established from member and employer contributions and the accumulations of investment income after satisfying investment and administrative expenses. The reserves are not fully funded to satisfy retirement and other benefits as they become due, as noted in the *Schedule of Funding Progress*. Following are brief explanations of the major classes of reserves and designations used by CCCERA:

Member Deposits Reserve represents the balance of member contributions. Additions include member contributions and related earnings; deductions include refunds of member contributions and transfers to Retired Member Reserve.

Employer Advance Reserve represents the balance of employer contributions for future retirement payments to current active members. Additions include contributions from the employer and related earnings; deductions include transfers to Retired Member Reserve, lump sum death benefits and supplemental disability payments under legislated rehabilitation programs.

Retired Member Reserve represents the balance of transfers from Member Deposits Reserve and Employer Advance Reserve and related earnings, less payments to retired members. Included in the Retired Member Reserve is the Retirement Board Reserve for the New Dollar Power cost of living supplement for Retirees.

Smoothed Market Value Valuation represents the accumulated difference between the Actuarial Value of Assets for valuation and the accumulated balances in the valuation reserves. This was a one-time adjustment to increase the valuation reserves as a result of implementing Governmental Accounting Standards Board Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans.

Contra Tracking Account (CTA) represents the amount of interest credited to the reserve accounts that has not been paid for out of current or excess earnings. A balance in this account is the result of applying the full interest crediting policy of the Board and will be replenished in subsequent periods when there are sufficient earnings.

Statutory Contingency Reserve represents investment earnings accumulated for future earnings deficiencies, investment losses and other contingencies. Additions include investment income and other revenues; deductions include investment expenses, administrative expenses, interest allocated to other reserves, funding of Supplemental COLA and transfers of excess earnings to other Reserves and other Designations. The Statutory Contingency Reserve is used to satisfy the California Government Code requirement that CCCERA reserve one percent of its assets against deficiencies in interest earnings in other years, losses on investments, and other contingencies. As of December 31, 2003, the Statutory Contingency Reserve was completely used to pay interest to the reserve accounts.This acccount will be replenished in subsequent periods when there are sufficient earnings according to the interest crediting policy for CCCERA.

Market Stabilization Account represents the deferred return developed by the smoothing of realized and unrealized gains and losses based on a five-year smoothing.This method smoothes only the semi-annual deviation of total market return (net of expenses) from the return target, 7.8 percent per annum.

Reserved and designated net assets as of December 31, 2008 and December 31, 2007 are as follows:

	2008	**2007**
Valuation Reserves:		
Member Deposits	$ 450,683,276	$ 402,308,679
Member Cost of Living	183,722,077	150,321,127
Employer Advance	1,420,881,191	1,255,462,859
Employer Cost of Living	941,378,185	853,911,376
Retired Member	1,624,797,602	1,580,626,451
Retired Cost of Living	686,649,902	652,971,328
New Dollar Power Cost of Living Supplement and Pre-Fund	20,191,143	22,895,560
Smoothed Market Value Valuation	198,874,477	184,150,047
Contra Tracking Account	(244,672,694)	(86,510,892)
Total Valuation Reserves	5,282,505,159	5,016,136,535
Supplemental Reserves:		
Post Retirement Death Benefit	13,455,741	13,139,253
Other Reserves/Designations:		
Statutory Contingency Reserve (one percent)	0	0
Total Allocated Reserves/Designations	5,295,960,900	5,029,275,788
Market Stabilization Account	(1,546,262,088)	169,840,794
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	**$ 3,749,698,812**	**$ 5,199,116,582**

Note 9. Post Employment Benefits Other than Pensions (OPEB)

Plan Description
Contra Costa County is the plan sponsor and administers a single-employer defined benefit post employment medical and dental insurance benefit to retired employees and their dependents (County of Contra Costa Post Retirement Health Benefit Plan). Contra Costa County contracts with Contra Costa Health Plan (CCHP), Kaiser, and Health Net and the California Public Employees' Retirement System (CalPERS) to provide medical benefits, and Delta Dental and PMI Deltacare for dental benefits. The insurers charge the same premium for active and retired members. Benefit provisions are established and may be amended through negotiations between Contra Costa County and the respective bargaining units. The Plan may be modified, altered, or terminated at any time and for any reason as provided in the plan documents.

Trust Agreement
On September 25, 2007, the Board of Supervisors approved the selection of an irrevocable trust structure (Internal Revenue Service Code Section 115) for OPEB funding for Contra Costa County. The purpose of the Trust is to hold assets to pay post retirement health benefits. The Trust was legally established effective January 1, 2008.

Annual OPEB Cost and Net OPEB Obligation
The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period at December 31, 2008 is 29 years. Each employer shall determine, in its sole discretion, the amount of contributions (if any) made to the trust for any period from time to time. CCCERA's personnel are employees of the County.

CCCERA's portion of the total County's ARC is shown in the following table:

Annual required contribution 2008	$ 223,500
Interest on Net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	223,500
Contribution made	(105,388)
Increase in Net OPEB obligation	118,112
Net OPEB obligation - beginning of year	795,000
Adjustment to Net OPEB obligation - beginning of year	(154,000)
Net OPEB obligation - end of year	$ 759,112

Calendar Year-ended	Annual OPEB Cost	Percentage of Annual OPEB COST Contributed	Net OPEB Obligation
12/31/2007*	$320,500	10.6%	$286,448
12/31/2008	$544,000	13.1%	$472,664
Totals	$864,500	12.2%	$759,112

*Six month period

Funded Status and Funding Progress

The following dollar amounts represent the status of the entire program, which is administered by Contra Costa County, not CCCERA. As of January 1, 2008, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	$2,367,274,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$2,367,274,000
Funded ratio (actuarial value of plan assets)	0.0%
Covered payroll (active plan members)	$609,856,000
UAAL as a percentage of covered payroll	388.13%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements of the County of Contra Costa Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used in the techniques are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns of the County's own investments calculated, and an annual healthcare cost trend rate of 10 percent initially, reduced by 1 percent decrements to an ultimate rate of 5 percent after five years. Both rates include a 3.5 percent inflation assumption. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period at December 31, 2008 is 29 years.

The County began pre-funding benefits in the fiscal year ended June 30, 2008. Funding will be increased to $20 million in the fiscal year ending June 30, 2009. As soon as practical, the Trustee shall engage a Custodian to hold Trust assets. All custodial accounts and annuity contracts and other investments held under the Plan shall be titled in the name of the Trust and shall be deemed part of the Trust.

As of December 31, 2008, there is no separate, audited GAAP-basis postemployment benefit plan report available.

Note 10. Lease Obligation

CCCERA owns the Willows Office Park located at 1355 Willow Way, Concord, California and has held this property as a real estate investment since 1984. The property manager for the Willows Office Park is CB Richard Ellis. CCCERA has entered into a fair market lease to occupy a portion of the building. A commitment under an operating lease agreement for office facilities provides for minimum future rental payments through July 31, 2011. These future minimum rental payments as of December 31, 2008 are as follows:

Year ending December 31	Amount
2008	$ 344,606
2009	344,606
2010	344,606
2011*	201,020
Total	$ 1,234,838

*Lease expires July 31, 2011

Note 11. Risk Management

CCCERA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. CCCERA manages and finances these risks by purchasing commercial insurance. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded CCCERA's commercial insurance coverage in any of the past three years.

Note 12. Paulson Lawsuit Settlement

During the year ended December 31, 1999, CCCERA settled its litigation, entitled *Vernon D. Paulson, et al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al*. The lawsuit was brought on behalf of a class of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating member's retirement benefits as a result of the Ventura Decision (see Note 6). A settlement agreement was entered into with all parties and each employer was invoiced for their share of the $34.2 million additional liability plus interest up to the date of the payment. All employers except Contra Costa County have paid off their liability. Contra Costa County chose to pay its share of the liability due over 19.5 years and entered into an agreement with CCCERA. These employers entered into contracts with CCCERA. The following summary lists the pertinent details of the County's agreement plus the amounts due at December 31, 2008.

Installment Payments Due from Paulson Final Liability

	Contra Costa County
Agreement Details:	
Effective Date of Agreement	December 16, 2003
First Payment Due	August 1, 2004
Last Payment Due	February 1, 2024
Rate of Interest	8%
Annual Principal and Interest Payment	$ 2,759,911
Original Principal	$ 28,064,981
Receivable at December 31, 2008:	
Future Principal Payments	$ 24,033,948
Interest Accrued for 2008	$ 801,132
	$ 24,835,080

Note 13. Litigation, Commitments and Contingencies

CCCERA is subject to legal proceedings and claims arising in the ordinary course of its operations. CCCERA's management and legal counsel estimate that the ultimate outcome of such litigation will not have a material effect on CCCERA's financial statements.

Required Supplementary Information

Schedule of Funding Progress (Dollars In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/02	$3,296,736	$3,677,624	$380,888	89.6%	$580,415	65.6%
12/31/03	3,538,722	4,141,390	602,668	85.4%	600,274	100.4%
12/31/04	3,673,858	4,481,243	807,385	82.0%	619,132	130.4%
12/31/05	4,062,057	4,792,428	730,371	84.8%	627,546	116.4%
12/31/06	4,460,871	5,293,977	833,106	84.3%	653,953	127.4%
12/31/07	$5,016,137	$5,581,048	$564,911	89.9%	$671,618	84.1%

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2002	$ 58,319,678**	98.6%
2003	108,728,047***	100.0%
2004	118,245,418	100.0%
2005	147,165,108****	100.0%
2006	179,755,315*****	100.0%
2007	$ 196,929,570	100.0%

** The contribution percentage is less than 100% due to actions taken by the Board of Retirement to phase-in, over three years, increased contribution requirements associated with the significant actuarial assumption changes and the expansion of earnable compensation required by the "Ventura Decision," which is discussed in Note 6 of the *Notes to Financial Statements*.

*** Excludes Contra Costa County pension obligation bond proceeds of $319,094,719.

****Excludes Consolidated Fire and Moraga-Orinda Fire District's pension obligation bond proceeds of $124,917,000 and $28,217,911, respectively.

*****Excludes City of Pittsburg pension obligation bond proceeds of $11,693,396.

Actuarial valuations of CCCERA are normally carried out as of December 31 of each year and contribution requirements resulting from such valuations become effective on July 1 of the following fiscal year, except as follows: The contribution requirements from the December 31, 2001 valuation became effective on January 1, 2003 per Retirement Board action and remained in effect through June 30, 2004. The contribution requirements resulting from subsequent valuations will become effective 18 months after the valuation date (i.e., December 31, 2006 became effective on July 1, 2008).

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Other Supplementary Information

Schedule of Administrative Expenses

For the Years Ended December 31, 2008 and 2007

	2008	2007
Personnel Services:		
Salaries and Wages	$ 2,510,045	$ 2,326,527
Employee Retirement	1,480,364	2,161,807
Total Personnel Services	3,990,409	4,488,334
Professional Services:		
Actuary - Benefit Statement	65,000	67,344
Computer and Software Services and Support	256,535	38,354
County Counsel - Disability	78,779	84,033
Disability Hearing Officer/Medical Reviews	19,675	28,056
External Audit Fees	48,500	36,154
Contra Costa Dept of Information Technology	97,675	227,607
Newsletters	28,213	34,935
Other Professional Services	87,896	67,870
Total Professional Services	682,273	584,353
Office Expenses:		
Office Leases	343,892	300,620
Office Supplies	35,533	42,835
Minor Equipment and Computer Supplies	21,154	18,655
Postage	46,756	49,973
Equipment Lease	21,607	16,801
Requested Maintenance	2,868	6,800
Communications/Telephone	24,979	17,852
Printing and Publications	19,106	14,431
Total Office Expenses	515,895	467,967
Miscellaneous:		
Fiduciary and Staff - Education/Travel	66,448	78,842
Fiduciary and Staff - Meetings/Other Travel	4,856	5,078
Insurance	106,372	124,045
Memberships	16,842	14,554
Total Miscellaneous	194,518	222,519
Depreciation and Amortization	218,031	178,641
Total Administrative Expenses	**$ 5,601,126**	**$ 5,941,814**

Schedule of Investment Expenses

For the Years Ended December 31, 2008 and 2007

	2008	2007
Investment Management Fees, by portfolio:		
Stocks	$ 8,263,432	$ 10,117,577
Bonds	5,268,462	6,324,406
Real Estate	4,285,152	4,272,890
Alternative	7,087,164	3,994,029
Cash and Short-term	5,030	10,147
Total Investment Management Fees	24,909,240	24,719,049
Investment Consulting Fees:		
Consulting Services	255,038	254,796
Attorney Services	175,423	195,509
Actuarial Services	284,195	170,779
Total Investment Consulting Fees	714,656	621,084
Investment Custodian Fees	783,023	559,293
Other Investment Related Expenses	534,980	422,145
Total Investment Expenses	**$ 26,941,899**	**$ 26,321,571**

Investment Section

What was once an oil-slicked dumping ground bordered by Interstate 680, a railroad track , a sewage treatment facility and Contra Costa's ubiquitous refineries, is now McNabney Marsh, considered by researchers to be one of the most productive wetland systems in the San Francisco Bay Area. Dedicated public agencies and private citizens turned blight into beauty by restoring the marsh over an eleven year period.

CCCERA

Investment

Report On Investment Activity

contra costa county
Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax: 925.646.5747

March 9, 2009

Trustees, Board of Retirement
Contra Costa County Employees' Retirement Association

Re: *Chief Investment Officer Review of 2008 Investment Returns*

Members of the Board:

The Contra Costa County Employees' Retirement Association (CCCERA) experienced negative performance for the calendar year ending December 31, 2008, and under-performed performance objectives and under-performed in comparison to the universe of peer funds.

Total Fund Performance

CCCERA's Total Fund returned -26.5% for the one-year period ending December 31, 2008, trailing the 7.8% actuarial interest rate and the 4.2% return for the performance objective of the CPI plus 400 basis points. For 2008, the median total fund returned -23.0% and the median public fund returned -22.9%. CCCERA trailed both medians, ranking in the 68th percentile in the universe of total funds and ranking in the 74th percentile in the universe of public funds.

Domestic Equity Performance

CCCERA's domestic equities returned -37.5% for 2008, versus the -37.3% return of the Russell 3000 Index and the -37.0% return of the S&P 500 Index. CCCERA's domestic equities slightly trailed the -37.0% return of the median equity manager for the one-year period ending December 31, 2008, ranking in the 55th percentile in the universe of domestic equity managers.

International Equity Performance

CCCERA's international equities were down sharply for the calendar year of 2008 with a return of -44.1%. This performance is slightly better than the 2008 return of -45.2% for the MSCI ACWI ex-US Index, and slightly below the return of -43.1% for the MSCI EAFE Index. The median international equity manager returned -43.4% for 2008, and CCCERA's international equities ranked in the 55th percentile in the universe of international equity portfolios.

Domestic Fixed Income Performance

For the one year period ending December 31, 2008, CCCERA's total domestic fixed income returned -8.1%, below the 2.4% return of the Barclay's Universal Index and the 3.9% return of the median domestic fixed income manager. This under-performance is primarily the result of exposure to credit securities and commercial mortgage backed securities, which have been significantly impacted by the financial credit crisis. For 2008, CCCERA's domestic fixed income performance ranked in the 92nd percentile in the universe of domestic fixed income managers.

Trustees, Board of Retirement
March 9, 2009
Page 2

Real Estate Performance
In 2008, CCCERA's combined real estate portfolio also experienced negative performance. This negative performance is partially due to exposure to publicly traded real estate investment trusts (REITs), which were off sharply for the year. The return for the publicly traded DJ Wilshire REIT Index was -39.2% for the calendar year 2008. CCCERA's combined real estate portfolio returned -34.2% for the calendar year 2008, trailing the -15.2% return for the real estate benchmark and the -10.2% return of the median real estate portfolio.

Alternative Investment Performance
For the one-year period ending December 31, 2008, CCCERA's combined alternative investment portfolio returned 1.8%. (Several components of the combined alternative investment composite are reported on a lagging quarter basis due to financial data reporting constraints, and we expect the results to be negatively impacted when valuations are reported for year end.)

Asset Allocation
As of December 31, 2008, CCCERA's market value of assets is $3.8 billion, a decrease of approximately $1.4 billion from the December 31, 2007 market value of $5.2 billion. This sharp decline in value is the result of large negative investment returns experienced in 2008.

CCCERA assets, as of December 31, 2008, were over-weighted in investment grade fixed income at 33.4% versus the target of 29.0%. CCCERA was under-weighted in global equities at 47.2% versus the target of 49.0%, real estate at 10.3% versus the target of 11.5%, and alternative investments at 5.2% versus the target of 7.0%. All other asset classes are near their respective targets. (Assets earmarked for alternative investments are temporarily invested in domestic equities.)

Assets have been rebalanced to targets since year-end in accordance with CCCERA's investment policy guidelines.

All return figures mentioned in this review are presented gross of fee and time-weighted, and are calculated by CCCERA's investment consultant, Milliman.

Sincerely,

Cary Hally, CFA
Chief Investment Officer

General Information

CCCERA's investment program objective is to provide CCCERA participants and beneficiaries with benefits as required by the County Employees Retirement Law of 1937. The Plan's main investment objective is for the total fund return to exceed the CPI plus 400 basis points over a market cycle (four or five years). This is accomplished by the implementation of a carefully planned and executed long-term investment program.

The California Constitution and Government Code Section 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion. Investment decisions are to be made in the sole interest and for the exclusive purpose of providing benefits, minimizing employer contributions and defraying reasonable expenses for administering the system. Investments are to be diversified to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment policies and objectives and defines the principal duties of the Board, custodian bank and investment managers. For the year-ended December 31, 2008, the total fund loss was -26.5%, less than the targeted return of 4.2% (CPI plus 400 basis points), and less than the median public fund return of -22.9%.

Summary of Proxy Voting Guidelines and Procedures

Voting of proxy ballots shall be in accordance with CCCERA's Proxy Voting Guidelines. CCCERA utilizes the services of Risk Metrics Group to research and vote CCCERA's U.S. proxy ballots in order to protect and enhance our returns.

Investment Results Based on Fair Value*

As of December 31, 2008

		Current		Annualized	
		Year	3 Year	5 Year	10 Year
Domestic Equity		-37.50%	-8.90%	-1.50%	-0.80%
Benchmarks:	S&P 500	-37.00%	-8.30%	-2.20%	-1.40%
	Russell 2000	-33.80%	-8.30%	-0.90%	3.00%
	Russell 3000	-37.30%	-8.60%	-2.00%	-0.80%
International Equity		-44.10%	-6.50%	3.00%	3.60%
Benchmarks:	MSCI EAFE Index	-43.10%	-6.90%	2.10%	1.20%
	MSCI ACWI ex-US	-45.20%	-6.60%	3.00%	2.30%
Domestic Fixed Income		-8.10%	1.50%	2.90%	4.80%
Benchmarks:	Barclays Aggregate	5.20%	5.50%	4.70%	5.60%
	Barclays Universal	2.40%	4.60%	4.30%	5.50%
	Merrill Lynch HY II	-26.20%	-5.60%	-0.80%	2.00%
	T-Bills	2.10%	4.00%	3.30%	3.50%
International Fixed Income**		-0.40%	-	-	-
Benchmark:	Barclays Global Aggregate	4.80%	7.00%	5.00%	-
Real Estate		-34.20%	-5.20%	6.00%	9.40%
Benchmarks:	NCREIF Property Index	-6.50%	8.10%	11.70%	10.50%
	DJ Wilshire REIT	-39.20%	-12.00%	0.70%	7.60%
Alternative Investments		1.80%	15.80%	18.20%	12.60%
S&P 500 + 400 bps		-34.40%	-4.70%	1.70%	2.60%
Total Fund		-26.50%	- 3.10%	2.70%	4.00%
CPI + 400 bps		4.20%	6.30%	6.80%	6.90%

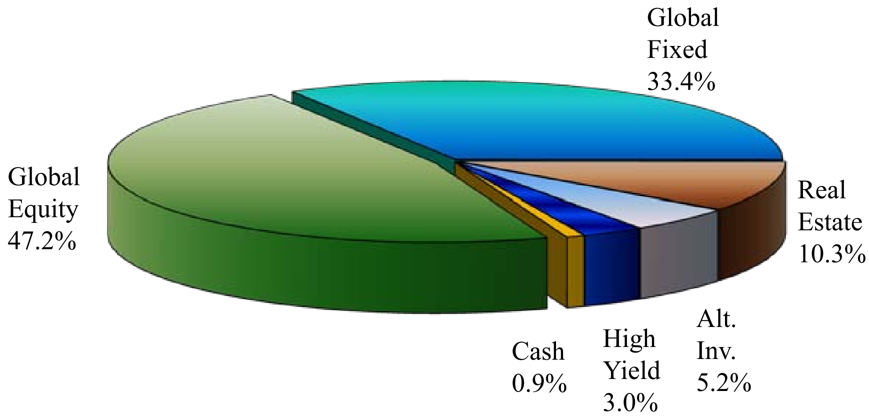
* Using time-weighted rate of return based on the market rate of return

** International Fixed Income Manager hired in December 2007

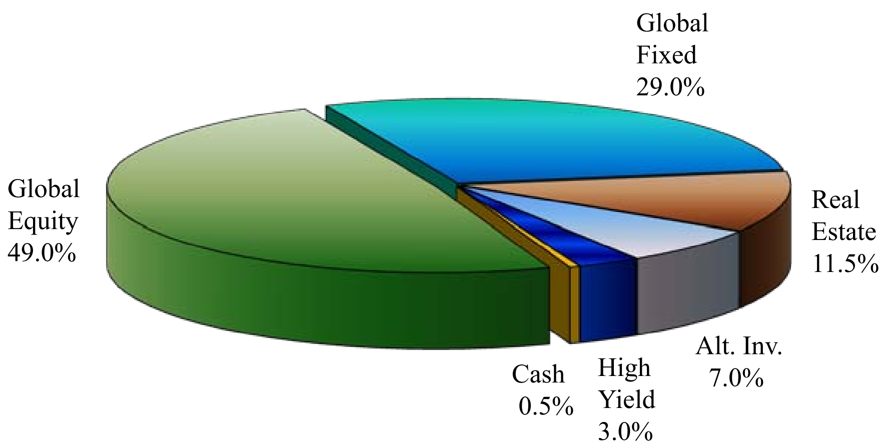
Asset Allocation

The Asset Allocation is an integral part of the Investment Policy. If a new asset class is implemented or a current asset class is expanded, the Plan's policy is modified to reflect the change or revision. The Board implements the asset allocation plan by hiring active investment managers to invest assets on CCCERA's behalf, subject to investment guidelines incorporated into each firm's investment manager contract. CCCERA's Chief Investment Officer and the outside investment consultant (Milliman) assist the Board with the design and implementation of the asset allocation as depicted in the following chart:

As of December 31, 2008



Actual Asset Allocation



Target Asset Allocation

10 Largest Equity Holdings as of 12/31/08

CUSIP	Shares	Security Name	Fair Value
461202103	372,700	EXXON MOBIL CORP	$ 29,752,641
50540R409	420,452	PROCTER AND GAMBLE CO	25,992,343
931142103	485,811	QUALCOM INC	17,406,608
087628905	993,110	GENERAL ELEC CO	16,088,382
037833100	258,435	JOHNSON & JOHNSON	15,462,166
12572Q105	271,517	WAL MART STORES INC	15,221,243
742718109	46,700	GOOGLE INC	14,367,255
92343E102	406,481	JPMORGAN CHASE & CO	12,816,346
57636Q104	150,000	GENENTECH INC	12,436,500
68389X105	280,097	TEVA PHARMACEUTICAL INDS LTD	11,923,712
		Total Largest Equity Holdings	**$171,467,196**

10 Largest Fixed Holdings as of 12/31/08

CUSIP	Security Name	Cost	Fair Value
722005808	PIMCO FDS PAC INVT MGMT SER	$ 202,194,190	$ 192,012,652
722005873	PIMCO FDS PAC INVT MGMT SER	62,608,767	54,238,277
722005600	PIMCO FDS PAC INVT MGMT SER	56,913,755	51,505,815
01F052615	FNMA TBA JAN 30 SINGLE FAM	35,477,578	35,907,813
722005857	PIMCO FDS PAC INVT MGMT SER	30,475,583	27,929,517
02R050416	FHLMC TBA JAN 15 GOLD SINGLE	20,217,531	20,858,250
99S03S7E1	GR011088 IRS USD R F 3.25	18,564,489	18,820,160
O1F060410	FNMA TBA JAN 30 SINGLE FAM	15,390,312	15,578,907
02R052412	FHLMC TBA JAN 15 GOLD SINGLE	14,150,992	14,427,657
36296RFJ1	GNMA POOL 698669	12,310,919	12,405,517
		Total Largest Fixed Holdings	**$443,684,565**

A complete list of portfolio holdings is available on request.

Schedule of Investment Management Fees

For the year ended December 31, 2008

Investment Activity	
Stock Managers	
Domestic	$ 7,053,908
International	1,209,524
Subtotal	8,263,432
Bond Managers	
Domestic	4,706,576
International	561,886
Subtotal	5,268,462
Real Estate Managers	4,285,152
Alternative Investment Managers	7,087,164
Cash & Short-term with County Treasurer	5,030
Total Fees from Investment Activity (see page 50)	24,909,240
Securities Lending Activity	
Management Fee	1,477,157
Borrower Rebate	8,741,433
Total Fees from Securities Lending Activity	10,218,590
Total Investment Management Fees	**$ 35,127,830**

Investment Summary

As of December 31, 2008

Type of Investment	Fair Value	Percent of Total Fair Value
Deposit	$ 89,686	0.00%
Short-term Investments held by Fiscal Agent	445,626,022	10.63%
Short-term Investments held by the County	1,307,000	0.03%
Total Short-term Investments	447,022,708	10.66%
US Government and Agency Instruments	802,828,185	19.15%
Private Placement Bonds	366,443,386	8.74%
Domestic Corporate Bonds	251,881,817	6.01%
International Bonds	148,551,554	3.54%
Total Bonds	1,569,704,942	37.44%
Domestic Stocks	1,181,871,199	28.19%
International Stocks	402,572,193	9.60%
Total Stocks	1,584,443,392	37.79%
Real Estate	372,959,638	8.90%
Alternative Investments	218,175,131	5.20%
Total Investments	**$4,192,305,811**	**100.00%**

Investment Managers

As of December 31, 2008

Alternative Assets
Adams Street Partners
Bay Area Equity Fund
Carpenter Bancfund
Energy Investors Funds Group (EIF/Liberty)
Hancock PT Timber Investments Inc
Nogales Investors LLC
Paladin Capital Management
Pathway Capital Management

Equity - Domestic
Boston Partners
Delaware Investment Advisors
Emerald Advisors, Inc
ING Aeltus Investment Management
Intech
PIMCO
Progress Investment Management
Rothschild Asset Management
Wentworth, Hauser and Violich

Equity - International
Grantham, Mayo, Van Otterloo & Co. LLC (GMO)
McKinley Capital Management

Fixed Income - International
Lazard Asset Management

Cash & Short-term
Contra Costa County Treasurer
State Street Corporation

Fixed Income - Domestic
AFL-CIO Housing Investment Trust
Goldman Sachs
ING Clarion Investment Management
Lord Abbett
Nicholas-Applegate Capital Management
PIMCO

Real Estate
Adelante Capital Management
Blackrock Realty
DLJ Real Estate Capital Partners LP
Fidelity Management Trust Company
Hearthstone Advisors
Invesco Realty Advisors
Prudential Investment Management Service

Securities Lending Program
State Street Corporation

Actuarial Section

Beavers have their choice of accommodations, either man made or paw built at the Dow Wetlands Restoration Project in Pittsburg, California.

A modern alternative energy windfarm in the background reflects its predecessor, a wooden windmill from earlier times.

Actuary Certification Letter

SEGAL

THE SEGAL COMPANY
120 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 F 415.263.8290 www.segalco.com

February 25, 2009

Board of Retirement
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Contra Costa County Employees' Retirement Association

Dear Members of the Board:

The Segal Company (Segal) prepared the December 31, 2007 actuarial valuation of the Contra Costa County Employees' Retirement Association (CCCERA). We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25.

As part of the December 31, 2007 actuarial valuation, Segal conducted an examination of all participant data for reasonableness; however, the scope of this examination does not qualify as an audit. Summaries of the employee data used in performing the actuarial valuations over the past several years are included in the Actuarial Section. We did not audit the Association's financial statements. For actuarial valuation purposes, Plan assets are valued at Actuarial Value. Under this method, the assets used to determine employer contribution rates take into account market value by recognizing the semi-annual differences between the actual and expected market investment return over a five-year period.

One of the general goals of an actuarial valuation is to establish contribution rates that fully fund the Association's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current (normal) cost plus a level percentage of payroll to amortize any unfunded actuarial accrued liability (UAAL). Actuarial gains and losses are incorporated into the UAAL and are amortized over the same period. Members also contribute to the Plan according to statutory requirements.

Benefits, Compensation and HR Consulting ATLANTA BOSTON CHICAGO CLEVELAND DENVER HARTFORD HOUSTON LOS ANGELES MINNEAPOLIS NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO SEATTLE TORONTO WASHINGTON, DC

Multinational Group of Actuaries and Consultants AMSTERDAM BARCELONA GENEVA HAMBURG JOHANNESBURG LONDON MELBOURNE MEXICO CITY OSLO PARIS

Board of Retirement
Contra Costa County Employees' Retirement Association
February 25, 2009
Page 2

The total UAAL is amortized as a level percentage of payroll over a decreasing 20-year period. The progress being made towards meeting the funding objective through December 31, 2007 is illustrated in the Actuarial Solvency Test that is included in the Actuarial Section.

For the Financial Section of the Comprehensive Annual Financial Report, Segal provided the trend data shown in the Required Supplementary Information. The schedules presented in the Actuarial Section have also been prepared and/or reviewed by our firm.

The valuation assumptions included in the Actuarial Section are those adopted by the Retirement Board considering recommendations made by us following the December 31, 2006 Experience Analysis. It is our opinion that the assumptions used in the December 31, 2007 valuation produce results which, in the aggregate, reasonably reflect the future experience of the Plan.

Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years. The next experience analysis is due to be performed as of December 31, 2009.

Sincerely,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice-President & Actuary

John Monroe, ASA, MAAA, EA
Vice President & Associate Actuary

CZI/bqb

CCCERA Actuarial

Summary of Assumptions and Funding Methods

The following assumptions have been adopted by the Board for the fiscal year 2007-2008 and were used for the December 31, 2005 valuation. The rates produced by this valuation were implemented on July 1, 2007 and continued to be in effect through June 30, 2008.

Assumptions

Valuation Interest Rate	7.90%
Inflation Assumption	3.75%
Real "Across the Board" Salary Increases	0.50%
Merit Salary Increase Assumption	2.41%
Projected Salary Increases	6.66%
Cost of Living Adjustments	2% for Safety Tier C 3% for Tiers 1,3 and Safety (Tier A) 4% (valued at 3.75%) for Tier 3 Disability and Tier 2
Interest Rate Credited to Active Member Accounts	7.90%

The following assumptions have been adopted by the Board for the fiscal year 2008-2009 and were used for the December 31, 2006 valuation. The rates produced by this valuation were implemented on July 1, 2008 and will continue to be in effect through June 30, 2009.

Assumptions

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Merit Salary Increase Assumption	2.41%
Projected Salary Increases	6.66%
Cost of Living Adjustments	2% for Safety (Tier C) 3% for Tiers 1,3 and Safety (Tier A) 4% (valued at 3.75%) for Tier 3 Disability and Tier 2
Interest Rate Credited to Active Member Accounts	7.80%

Post-Retirement Mortality

A. Healthy:

General Tier 1, Tier 2 and Tier 3	RP-2000 Combined Healthy Mortality Table set back 2 years
Safety Members	RP-2000 Combined Healthy Mortality Table set back 2 years

B. Disabled:

General Tier 1, Tier 2 and Tier 3	RP-2000 Combined Healthy Mortality Table set forward 6 years
Safety Members	RP-2000 Combined Healthy Mortality Table

C. Employee Contribution Rate:

RP-2000 Combined Healthy Mortality Table set back 2 years for General Members (weighed 30% male and 70% female)

RP-2000 Combined Healthy Mortality Table set back 2 years for Safety Members (weighed 85% male and 15% female)

Pre-Retirement Mortality	Based upon the Experience Analysis as of 12/31/06
Withdrawal Rates	Based upon the Experience Analysis as of 12/31/06
Disability Rates	Based upon the Experience Analysis as of 12/31/06
Service Retirement Rates	Based upon the Experience Analysis as of 12/31/06
Salary Scales	Total increases of 6.66% per year reflecting approximately 3.75% for inflation, .50% for additional real "across the board" salary increases and approximately 2.41% for merit and longevity
Marriage Assumption At Retirement	80% for male members 55% for female members
Value of Assets for Contribution Rate Purposes	Actuarial Value as described in Actuarial Valuation Methods Section of Valuation Report

Funding Method and Amortization of Actuarial Gains or Losses

The employer's liability is being funded on the Entry Age Normal Method and with an Unfunded Actuarial Accrued Liability (UAAL). The current amortization period for the UAAL is 15 years as of December 31, 2007.

Probability of Occurrence

Termination Rates (%) Before Retirement

Mortality

	General		Safety	
Age	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.06	0.04	0.06	0.04
40	0.10	0.06	0.10	0.06
45	0.13	0.09	0.13	0.09
50	0.19	0.14	0.19	0.14
55	0.29	0.22	0.29	0.22
60	0.53	0.39	0.53	0.39
65	1.00	0.76	1.00	0.76

Withdrawal
(<5 years of Service)

Service Years	General	Safety
0	14.00	11.00
1	9.00	7.00
2	8.00	5.00
3	6.00	4.00
4	5.00	3.00

Disability

	General		
Age	Tier 1	Tier 2 & 3	Safety
20	0.03	0.00	0.06
25	0.08	0.02	0.22
30	0.22	0.04	0.39
35	0.36	0.06	0.63
40	0.46	0.09	0.90
45	0.56	0.16	1.30
50	0.69	0.26	2.40
55	0.84	0.36	3.30
60	0.96	0.46	0.00

Withdrawal
(5+ years of Service)

Age	General	Safety
20	5.00	3.00
25	5.00	3.00
30	5.00	3.00
35	4.92	2.20
40	4.23	1.61
45	3.54	1.05
50	1.68	0.00
55	0.37	0.00
60	0.00	0.00

Retirement Rates (%)

Non-Enhanced Benefits

Age	Tier 1	Safety
50	3.00	1.00
55	10.00	2.00
60	25.00	17.00
65	40.00	100.00
70	100.00	100.00

Enhanced Benefits

Age	Tier 1	Tier 3	Safety A	Safety C
50	3.00	3.00	25.00	15.00
55	20.00	10.00	30.00	20.00
60	25.00	15.00	100.00	100.00
65	35.00	35.00	100.00	100.00
70	100.00	100.00	100.00	100.00

Summary of December 31, 2007 Valuation Results

	December 31, 2007		December 31, 2006	
Employer Contribution Rates (County and District combined):	Total Rate	Estimated Annual Amount*	Total Rate	Estimated Annual Amount**
General Tier 1 Non-enhanced	32.38%	$ 1,888,819	34.54%	$ 2,078,309
General Tier 1 Enhanced	27.41%	21,054,162	29.88%	23,805,088
General Tier 3 Enhanced	23.03%	100,480,952	26.01%	109,102,205
Safety Tier A Non-enhanced	34.38%	731,240	41.90%	836,113
Safety Tier A Enhanced	40.96%	60,873,463	46.20%	67,822,516
Safety Tier C Enhanced	38.89%	777,493	43.33%	N/A
All Employers Combined	**27.67%**	**$ 185,806,129**	**31.14%**	**$203,644,231**

Average Member Contribution Rates:

	Total Rate	Estimated Annual Amount*	Total Rate	Estimated Annual Amount**
General Tier 1 Non-enhanced	7.25%	$ 422,913	7.26%	$ 436,969
General Tier 1 Enhanced	6.41%	4,924,155	6.38%	5,083,207
General Tier 3 Enhanced	6.25%	27,263,808	6.28%	26,342,885
Safety Tier A Non-enhanced	12.76%	271,397	12.78%	255,024
Safety Tier A Enhanced	12.49%	18,562,348	12.45%	18,275,607
Safety Tier C Enhanced	7.68%	153,539	7.37%	N/A
All Categories Combined	**7.68%**	**$ 51,598,160**	**7.71%**	**$ 50,393,692**

Key Actuarial Assumptions

	December 31, 2007	December 31, 2006
Annual Interest Rate:	7.80%	7.80%
Annual Inflation Rate:	3.75%	3.75%
Average Annual Salary Increase:	6.66%	6.66%

* Based on December 31, 2007 projected annual payroll.

** Based on December 31, 2006 projected annual payroll.

Summary of Significant Results

Association Membership	**December 31, 2007**	**December 31, 2006**	**Increase/ (Decrease)**
Active Members			
1. Number of Members	9,421	9,210	2.3%
2. Average Age	45.6	45.7	-0.2%
3. Average Service	10.2	10.4	-1.9%
4. Total Active Payroll	$ 671,617,932	$ 653,953,163	2.7%
5. Average Monthly Salary	$ 5,941	$ 5,917	0.4%
Retired Members			
1. Number of Members:			
Service Retirement	4,873	4,615	5.6%
Disability Retirement	923	913	1.1%
Beneficiaries	1,115	1,118	-0.3%
2. Average Age	69.0	69.0	0.0%
3. Actual Retired Payroll	$ 235,656,024	$ 216,057,476	9.1%
4. Average Monthly Pension	$ 2,943	$ 2,815	4.5%
Inactive Vested Members			
1. Number of Members*	2,008	1,919	4.6%
2. Average Age	45.4	45.4	0.0%
Asset Values (Net)			
Market Value	$ 5,199,116,582	$ 4,871,009,631	6.7%
Return on Market Value	6.03%	14.23%	
Actuarial Value	$ 5,029,275,788	$ 4,473,657,139	12.4%
Return on Actuarial Value	11.63%	8.63%	
Valuation Assets	$ 5,016,136,535	$ 4,460,871,033	12.4%
Return on Valuation Assets	11.64%	8.64%	
Liability Values			
Actuarial Accrued Liability	$ 5,581,048,225	$ 5,293,977,010	5.4%
Unfunded Actuarial Accrued Liability (UAAL)	$ 564,911,690	$ 833,105,977	-32.2%
Funding Ratio			
GASB No. 25	89.9%	84.3%	5.6%

*Only includes members who are not active in any other tier.

Schedule of Active Member Valuation Data

Valuation Date	Plan Type	Number	Annual Salary	Average Annual Salary	% Increase in Average Salary
12/31/02	General	7,854	$449,362,523	$57,214	7.19%
	Safety	1,757	131,052,957	74,589	4.15%
	Total	**9,611**	**$580,415,480**	**$60,391**	**6.44%**
12/31/03	General	7,778	$462,351,361	$59,443	3.90%
	Safety	1,698	137,922,547	81,226	8.90%
	Total	**9,476**	**$600,273,908**	**$63,347**	**4.89%**
12/31/04	General	7,675	$472,100,272	$61,511	3.48%
	Safety	1,683	147,031,946	87,363	7.55%
	Total	**9,358**	**$619,132,218**	**$66,161**	**4.44%**
12/31/05	General	7,594	$480,015,003	$63,210	2.76%
	Safety	1,611	147,531,405	91,578	4.82%
	Total	**9,205**	**$627,546,408**	**$68,175**	**3.04%**
12/31/06	General	7,602	$505,165,640	$66,452	5.13%
	Safety	1,608	148,787,523	92,530	1.04%
	Total	**9,210**	**$653,953,163**	**$71,005**	**4.15%**
12/31/07	General	7,806	$518,874,107	$66,471	0.03%
	Safety	1,615	152,743,825	94,578	2.21%
	Total	**9,421**	**$671,617,932**	**$71,289**	**0.40%**

Retirants and Beneficiaries Added To and Removed From Retiree Payroll

Year	At Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	At End of Year	Retiree Payroll	% Increase in Retiree Payroll	Average Annual Allowance
2002	5,487*	267	$18,430,647	(135)	($4,524,000)	5,619	$140,096,811	11.02%	24,933
2003	5,619	541	28,635,293	(224)	(4,809,000)	5,936	163,923,104	17.01%	27,615
2004	5,936	316	18,212,193	(134)	(3,156,000)	6,118	178,979,297	9.18%	29,255
2005	6,118	494	22,298,799	(175)	(5,171,802)	6,437	196,106,294	9.57%	30,465
2006	6,437	357	23,469,814	(148)	(3,518,632)	6,646	216,057,476	10.17%	32,509
2007	6,646	492	$24,184,795	(227)	($4,586,247)	6,911	$235,656,024	9.07%	34,099

*Adjusted to reflect a single record for members receiving benefit payments from multiple tiers.

Solvency Test

(Dollar Amounts in Thousands)

Valuation Date	Aggregate Accrued Liabilities (AAL) for:			Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	1 Active Member Contributions	2 Retirants and Beneficiaries	3 Active Members Employer Portion		1	2	3
12/31/02	$ 258,072	$ 1,749,725	$ 1,669,827	$ 3,296,736	100%	100%	77%
12/31/03	273,175	2,072,929	1,795,286	3,538,722	100%	100%	66%
12/31/04	351,578	2,212,082	1,947,583	3,673,858	100%	100%	59%
12/31/05	354,585	2,468,601	1,969,242	4,062,057	100%	100%	63%
12/31/06	399,864	2,820,634	2,073,479	4,460,871	100%	100%	60%
12/31/07	$ 446,284	$ 3,070,770	$ 2,063,994	$ 5,016,137	100%	100%	73%

Actuarial Analysis of Financial Experience

For Years Ended December 31

(Dollar Amounts In Thousands)

Type of Activity	2007	2006	2005	2004	2003	2002
Composite Gain (or Loss) During Year	$268,194	($102,735)	$77,014	($204,717)	($221,780)	($10,557)

Summary of Major Pension Plan Provisions

Major Provisions of the Present System
Benefit Sections 31676.11, 31676.16, 31751, 31664 and 31664.1 of the 1937 County Act

Briefy summarized below are the major provisions of the County Employees Retirement Law of 1937, as amended through December 31, 2008, and as adopted by Contra Costa County and special district employers.

A. GENERAL MEMBERS -

Tier 1 and Tier 3 Plans (Non-Enhanced Section 31676.11 or Enhanced Section 31676.16)

Coverage

Tier 1:

a. All General Members hired before July 1, 1980 and electing not to transfer to Tier 2 Plan.
b. Participating agencies who have elected Tier 1.

Tier 3:
All county general members (except CNA employees) hired on or after October 1, 2002 are placed in Tier 3. All CNA employees hired on or after January 1, 2005 are placed in Tier 3. All Contra Costa Mosquito and Vector Control District employees hired on or after February 1, 2006 are placed in Tier 3.

All Tier 2 members for each of the agencies listed above, were placed in Tier 3 as of the above respective dates.

Final Average Salary (FAS)

a. One-year final average salary

Service Retirement

a. Requirement

Age 50 and 10 years of service, age 70 regardless of service, or 30 years of service regardless of age.

Tier 2 Plan (Section 31751)

Tier 2:

a. All General members hired on or after July 1, 1980 and all General members hired before August 1, 1980 electing to transfer to the Tier 2 Plan. Effective October 1, 2002, Tier 2 was eliminated for all county employees (except CNA employees); employees were placed in Tier 3.
CNA employees in Tier 2 were placed in Tier 3 as of January 1, 2005.

One special district's Tier 2 employees were placed in Tier 3 effective February 1, 2006.

a. Three-year final average salary

a. Requirement

Age 50 and 10 years of service, age 70 regardless of service, or 30 years of service regardless of age.

b. Non-Enhanced Benefit (Section 31676.11)

Retirement (Tier 1 and Tier 3 plans)

Age	Benefit Formula
50:	(1.24%xFAS-1/3x1.24%x$350)x Yrs
55:	(1.67%xFAS-1/3x1.67%x$350)x Yrs
60:	(2.18%xFAS-1/3x2.18%x$350)x Yrs
62:	(2.35%xFAS-1/3x2.35%x$350)x Yrs
65:	(2.61%xFAS-1/3x2.61%x$350)x Yrs

b. Benefit

Retirement (Tier 2 plan)

Age	Benefit Formula
50:	(0.83%xFASxYrs-0.57%xYrs*xPIA)
55:	(1.13%xFASxYrs -0.87%xYrs*xPIA)
60:	(1.43%xFASxYrs-1.37%xYrs*xPIA)
62:	(1.55%xFASxYrs-1.67%xYrs*xPIA)
65:	(1.73%xFASxYrs-1.67%xYrs*xPIA)

Maximum Benefit 100% of FAS.

*Not greater than 30 years, where PIA is the Social Security Primary Insurance Amount.

c. Tier 1 and 3 Plan Enhanced Benefits (Section 31676.16)

Retirement

Age	Benefit Formula
50:	(1.43%xFAS-1/3x1.43%x $350x12)xYrs
55:	(2.00%xFAS-1/3x2.00%x $350x12)xYrs
60:	(2.26%xFAS-1/3x2.26%x $350x12)xYrs
62:	(2.37%xFAS-1/3x2.37%x $350x12)xYrs
65:	(2.42%xFAS-1/3x2.42%x $350x12)xYrs**

Maximum Benefit - 100% of FAS

**Current Tier 1 and 3 members retiring at age 62½ or older will receive the higher benefits formula under 31676.11. Employees with membership dates on or after the benefit enhancement effective date will retire with benefits computed under 31676.16.

Disability Retirement

Tier 1:

a. Requirements
   (1) Service-connected: None
   (2) Nonservice-connected: five years of service

b. Benefit
   (1) Service-connected: 50% FAS or Service Retirement benefit, if greater.
   (2) Nonservice-connected: 1.5% x FAS x years of service. Future service years projected to age 65. Generally leads to1/3 FAS benefit.

Tier 2 and Tier 3:

a. Requirements
   (1) Service-connected: None
   (2) Nonservice-connected: ten years of service
   (3) Definition of disability is more strict than in Tier 1 Plan.

b. Benefit
   (1) Service-connected or nonservice-connected is 40% FAS plus 10% FAS for each minor child (maximum of three).
   (2) Disability benefits are offset by other plans of the County except Workers Compensation and Social Security.

Death Before Retirement

Tier 1 and 3

a. Prior to disability retirement eligibility (less than five years):
  (1) One month's salary for each year of service
  (2) Return of contributions

b. While eligible to retire (after five years) 60% of Service or Disability Retirement Benefit. Generally the benefit is 20% of FAS.

c. Line of Duty Death - 1/2 FAS

Tier 2

a. Prior to eligibility to retire (less than ten years):
  (1) $2,000 lump sum benefit offset by any Social Security payment
  (2) Return of contributions

b. While eligible to retire (ten years or service-connected death) 60% of Service or Disability Retirement Benefit (minimum benefit is 24% of FAS) plus, for each minor child, 20% of the allowance otherwise paid to the member. Minimum family benefit is 60% of the member's allowance. Maximum family benefit is 100% of member's allowance.

Death After Retirement

Tier 1 and 3 Plans Non-enhanced (Section 31676.11) and Enhanced (Sec. 31676.16)

a. After Service Retirement or Nonservice-Connected Disability- 60% of the allowance continued to the spouse or to minor children.

b. After Service-Connected Disability- 100% of the allowance continued to the spouse or minor children.

c. Lump sum payment of $5,000.

Tier 2 Plan (Section 31751)

a. After Service or Disability Retirement 60% of allowance continued to spouse plus 20% of allowance to each minor child. Minimum benefit is 60% of allowance. Maximum benefit is 100% of allowance.

b. Lump sum payment of $7,000 less any Social Security lump sum payment.

Withdrawal Benefits

Tier 1 and Tier 3

a. If less than five years of service, return of contributions, but can leave funds to earn interest, or earned benefit at age 70.

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire.

Tier 2

a. If less than five years of service, return of contributions, but can leave funds to earn interest, or earned benefit at age 70.

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire.

Cost of Living Benefit

Tier 1 and Tier 3:

3% maximum change per year except for Tier 3 disability benefits which can increase 4% per year.

Tier 2:

4% maximum change per year.

Employee's Contribution Rates

Tier 1 and Tier 3:

Non-enhanced 31676.11

a. Basic: to provide for 1/2 of the Section 31676.11 benefit at age 55.

b. COL: to pay for 1/2 of future COL costs.

Enhanced 31676.16

a. Basic: to provide for an average annuity at age 60 equal to 1/120 of FAS.

Tier 2:

a. 40% of the full Section 31676.11 employee contribution rate.

b. COL: to pay for 1/2 of future COL costs.

Employer Contribution Rates

Tier 1 and Tier 3:

Enough to make up for the balance of the basic and COL contributions needed.

Tier 2:

Enough to make up the balance of the basic and COL contributions needed.

Transfers from the Tier 1 Plan to the Tier 2 Plan were made on an individual, voluntary, irrevocable basis. Credit was given under the Tier 2 Plan for future service only. The COL maximum is 4% only for the credit under the Tier 2 Plan. Transferred Tier 2 Plan members keep the five year requirement for nonservice-connected disability. Those who were members before April 1, 1973 will be exempt from paying member contributions after 30 years of service.

B. SAFETY MEMBERS (31664 and 31664.1)

Coverage

a. All Safety members not in Tier C

b. All County Sheriff's Department Safety members hired on or after January 1, 2007 will be placed in Safety Tier C Enhanced

Final Average Salary (FAS)

a. One-year final average salary

b. Three-year FAS for Safety Tier C

Service Retirement

a. Requirement

Age 50 and 10 years of service, or with 20 years of service regardless of age.

b. Non-enhanced Benefit at Retirement (Section 31664)-(Rodeo-Hercules Fire Protection District)

Age	Benefit Formula
50	2.00% x FAS x Yrs
55	2.62% x FAS x Yrs
60	2.62% x FAS x Yrs

Maximum Benefit: 100% of FAS

c. Enhanced Benefit at Retirement (Section 31664.1)-(All others)

Age	Benefit Formula
50	3.00% x FAS x Yrs
55	3.00% x FAS x Yrs
60	3.00% x FAS x Yrs

Maximum Benefit: 100% of FAS

Disability Retirement

a. Requirements

(1) Service-connected: None

(2) Nonservice-connected: five years of service

b. Benefit

(1) Service-connected: 50% FAS or Service Retirement benefit if greater.

(2) Nonservice-connected: 1.8% x FAS x Yrs of service. Future service years projected to age 55. Generally leads to 1/3 FAS benefit.

Death Before Retirement

a. Prior to retirement eligibility (less than 5 years)

(1) One month's salary for each year of service

(2) Return of contributions

b. While eligible to retire (after five years)

60% of Service or Disability Retirement Benefit.
Generally the benefit is 20% of FAS.

c. Line of Duty death - 50% of FAS

Death After Retirement

a. After Service Retirement or Nonservice-Connected Disability-
60% of the allowance continued to the spouse or to minor children

b. After Service-Connected Disability -
100% of the allowance continued to the spouse or to minor children

c. Lump sum payment of $5,000

Withdrawal Benefits

a. If less than five years of service, return of contributions, but can leave funds to earn interest or earned benefit at age 70.

b. If greater than five years of service, right to have vested deferred retirement benefit commencing at any time after eligible to retire.

Cost of Living Benefit

a. 3% maximum change per year for Safety members not in Tier C

b. 2% maximum change per year for Safety Tier C

Employees' Non-enhanced (Section 31664) Contribution Rates

a. Basic - to provide for 1/2 of the Section 31664 benefits at age 50

b. COL - to pay for 1/2 of future COL costs

Employees' Enhanced (Section 31664.1) Contribution Rates

a. Basic - to provide for an average annuity at age 50 equal to 1/100 of FAS

b. COL - to provide for 1/2 of future COL costs

Employer Contribution Rate

Enough to make up the balance and COL costs

Statistical Section

At one time, it was a common site to see coveys of California Quail crossing neighborhood streets in Contra Costa. With the state bird's populations in decline, county groups began restoring brushy areas favored by quail.

The view above shows the Borges Ranch in the Walnut Creek Open Space with new quail habitat in the foreground.

Summary of Statistical Data

The objective of the Statistical Section is to provide users with additional detailed information in order to promote a more comprehensive understanding of CCCERA's financial statements, note disclosures and supplemental information. In addition, the multi-year trend information for the financial and operating segments of CCCERA provided in this section is intended to facilitate understanding of how the financial activities and positions have changed over time. The information is presented in two major categories: Financial Trends Information and Operating Information.

Financial Trends Information is intended to assist readers in understanding how CCCERA's financial activities and positions have changed over time. The Changes in Plan Net Assets for Years 1999 - 2008 presents additions by source, deductions by type, and the total change in net assets for each year. The Schedule of Benefit Expenses by Type for the Last Ten Years presents benefit deductions by type of benefit, such as by Service Retirement and Disability Retirement as well as by General and Safety benefits.

Operating Information is intended to provide contextual information about CCCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate CCCERA's fiscal condition. This section includes the Schedule of Retired Members by Type of Benefit, which presents information for the current year. The Schedule of Average Benefit Payment Amounts for the Last Ten Years shows the average monthly benefit, and number of retirees and beneficiaries, organized by five-year increments. Participating Employers and Active Members for Years 1999 - 2008 presents the employers and number of their corresponding covered employees.

Changes in Plan Net Assets For Years 1999 - 2008

Additions	2008	2007	2006	2005	2004
Employer Pension Obligation Bond Proceeds	$ -	$ -	$ 11,693,396	$ 153,134,911	$ -
Employer Contributions	206,518,693	196,929,570	179,755,315	147,165,108	118,245,418
Employee Contributions	76,452,406	75,590,807	73,468,648	73,474,816	65,297,397
Net Investment Income	(1,467,872,206)	306,459,115	614,912,800	341,877,365	415,668,827
Security Lending Income	3,391,760	1,208,556	657,577	505,829	344,167
Total Additions	**$(1,181,509,347)**	**$ 580,188,048**	**$ 880,487,736**	**$ 716,158,029**	**$599,555,809**
Deductions					
Pension Benefits*	$ 250,444,562	$ 235,656,024	$ 216,057,476	$ 196,106,294	$178,979,297
Refunds	3,730,320	3,113,234	3,231,903	2,074,426	909,468
Retiree Healthcare Benefit Reimbursement**	-	-	-	-	-
Administrative Expense	5,601,126	5,941,814	4,859,287	4,896,325	4,089,459
Other Expenses	8,132,415	7,370,025	7,051,691	6,440,182	5,776,115
Membership Withdrawal	-	-	-	3,534,446	4,680,521
Total Deductions	**$ 267,908,423**	**$ 252,081,097**	**$ 231,200,357**	**$ 213,051,673**	**$194,434,860**
Change in Plan Net Assets	**$(1,449,417,770)**	**$ 328,106,951**	**$ 649,287,379**	**$ 503,106,356**	**$405,120,949**

Additions	2003	2002	2001	2000	1999
Employer Pension Obligation Bond Proceeds	$ 319,094,719	$ -	$ -	$ -	$ -
Employer Contributions	108,728,047	57,474,043	55,182,505	52,986,645	49,254,260
Employee Contributions	51,602,939	26,605,875	18,681,239	15,463,367	14,460,506
Net Investment Income	608,336,466	(268,163,039)	(114,846,451)	30,297,678	402,876,035
Security Lending Income	238,147	182,490	314,604	111,709	-
Total Additions	**$ 1,088,000,318**	**$ (183,900,631)**	**$ (40,668,103)**	**$ 98,859,399**	**$466,590,801**
Deductions					
Pension Benefits*	$ 163,923,104	$ 140,096,811	$ 126,190,164	$ 113,149,480	$100,519,544
Refunds	1,036,599	643,103	858,013	1,060,249	856,620
Retiree Healthcare Benefit Reimbursement**	-	4,637,588	12,342,644	12,408,770	8,625,395
Administrative Expense	4,292,028	4,268,952	3,745,158	3,128,624	2,675,125
Other Expenses	5,021,267	2,541,293	3,527,656	3,904,263	3,845,689
Membership Withdrawal	-	-	10,791,085	-	-
Total Deductions	**$ 174,272,998**	**$ 152,187,747**	**$ 157,454,720**	**$ 133,651,386**	**$ 116,522,373**
Final Paulson Cost Reimbursement	**$ 34,230,204**	-	-	-	-
Change in Plan Net Assets	**$ 947,957,524**	**$ (336,088,378)**	**$ (198,122,823)**	**$ (34,791,987)**	**$350,068,428**

* The benefit amounts do not reflect the benefit payments made as a result of the Paulson settlement previously reported in the 2000, 2001 & 2002 CAFR. The total of the prior period adjustments recorded over the three-year period was $50,518,255 and resulted from the recalculation and payment of the "Paulson Benefit" (see footnote 12). Payments are attributed to periods back to 1994.

**Direct reimbursements were made for 1/2 year only in 2002 per Retirement Board direction.

Schedule of Benefit Expenses by Type

Annual Benefit Amounts
as of December 31, of Each Year

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Service Retirement Payroll:										
General	$113,954,760	$104,163,987	$ 94,017,872	$ 83,342,598	$ 83,082,384	$ 75,541,280	$ 69,426,588	$ 57,580,704	$ 53,205,888	$49,150,068
Safety	62,705,560	56,215,280	49,532,401	44,667,705	42,524,880	32,150,949	25,534,956	22,648,836	19,218,240	16,618,140
Total	176,660,320	160,379,267	143,550,273	128,010,303	125,607,264	107,692,229	94,961,544	80,229,540	72,424,128	65,768,208
Disability Retirement Payroll:										
General	11,898,763	11,909,848	11,608,329	11,854,576	11,718,156	10,628,529	9,561,036	8,052,996	7,478,112	6,540,395
Safety	23,529,251	21,282,969	19,867,011	18,737,169	17,850,060	13,852,780	12,770,940	10,830,432	9,925,116	8,385,012
Total	35,428,014	33,192,817	31,475,340	30,591,745	29,568,216	24,481,309	22,331,976	18,883,428	17,403,228	14,925,407
Beneficiary Payroll:										
General	15,312,056	14,449,348	13,850,208	13,400,362	12,794,592	10,603,910	9,825,504	7,600,296	7,078,608	6,685,716
Safety	8,255,634	8,036,044	7,230,473	6,976,887	6,586,944	5,148,537	4,982,532	3,635,004	3,151,620	2,814,048
Total	23,567,690	22,485,392	21,080,681	20,377,249	19,381,536	15,752,447	14,808,036	11,235,300	10,230,228	9,499,764
Total Benefit Expense:										
General	141,165,579	130,523,183	119,476,409	108,597,536	107,595,132	96,773,719	88,813,128	73,233,996	67,762,608	62,376,179
Safety	94,490,445	85,534,293	76,629,885	70,381,761	66,961,884	51,152,266	43,288,428	37,114,272	32,294,976	27,817,200
Total	**$235,656,024**	**$216,057,476**	**$196,106,294**	**$178,979,297**	**$174,557,016**	**$147,925,985**	**$132,101,556**	**$110,348,268**	**$100,057,584**	**$90,193,379**

Schedule of Retired Members by Type of Benefit

Summary of Monthly Allowances Being Paid as of December 31, 2007

Amount of Monthly Benefit General Members	Number of Retirees & Beneficiaries	Service	Disability	Beneficiary
$0 to $749	1,166	896	8	262
$750 to 1,499	1,263	904	94	265
$1,500 to 2,249	989	620	208	161
$2,250 to 2,999	648	457	111	80
$3,000 to 3,749	402	332	35	35
$3,750 to 4,499	243	207	12	24
$4,500 to 5,249	178	161	5	12
$5,250 & Over	446	428	4	14
Totals	**5,335**	**4,005**	**477**	**853**

Safety Members	Number of Retirees & Beneficiaries	Service	Disability	Beneficiary
$0 to $749	58	28	3	27
$750 to 1,499	73	24	2	47
$1,500 to 2,249	117	41	34	42
$2,250 to 2,999	200	51	94	55
$3,000 to 3,749	241	82	122	37
$3,750 to 4,499	149	79	48	22
$4,500 to 5,249	120	85	20	15
$5,250 & Over	618	478	123	17
Totals	**1,576**	**868**	**446**	**262**

Schedule of Average Benefit Payment Amounts

Estimates Based on Years of Credited Service

Years of Credited Service

Retirement Effective Date	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+	Totals
1/1/2007 - 12/31/2007								
Average monthly benefit	$ 862	$1044	$1685	$2350	$3044	$6010	$7608	$3287
Number of retired members	21	65	71	79	64	66	51	417
1/1/2006 - 12/31/2006								
Average monthly benefit	$ 624	$1066	$1170	$2365	$3981	$5511	$6864	$3684
Number of retired members	16	24	50	53	44	48	65	300
1/1/2005 - 12/31/2005								
Average monthly benefit	$ 722	$1143	$1394	$2095	$3611	$5910	$5834	$3418
Number of retired members	23	38	82	83	59	62	107	454
1/1/2004 - 12/31/2004								
Average monthly benefit	$ 738	$1089	$1302	$2406	$3065	$5486	$6105	$3431
Number of retired members	12	27	40	39	38	40	57	253
1/1/2003 - 12/31/2003								
Average monthly benefit	$ 638	$1306	$1468	$1978	$3538	$5110	$6232	$3639
Number of retired members	21	41	76	53	52	86	112	441
1/1/2002 - 12/31/2002								
Average monthly benefit	$ 1215	$ 780	$1066	$1932	$2792	$4561	$6696	$3610
Number of retired members	10	23	39	41	36	45	79	273

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 1	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2007 Average Monthly Benefit	$3905	$3326	$2611	$2314	$1874	$1836	$1670	$1295	$1324
Number Retirees & Beneficiaries	632	631	537	607	578	478	241	59	18
2006 Average Monthly Benefit	$3856	$3139	$2575	$2164	$1783	$1660	$1604	$1138	$1376
Number Retirees & Beneficiaries	617	649	584	584	607	480	223	54	14
2005 Average Monthly Benefit	$3679	$2903	$2453	$2077	$1643	$1641	$1496	$1209	$1550
Number Retirees & Beneficiaries	659	619	587	594	628	467	194	48	19
2004 Average Monthly Benefit	$3399	$2698	$2304	$1831	$1563	$1585	$1360	$1092	$ 875
Number Retirees & Beneficiaries	639	609	604	638	621	450	182	45	10
2003 Average Monthly Benefit	$3245	$2553	$2224	$1764	$1548	$1561	$1299	$1152	$ 865
Number Retirees & Beneficiaries	675	583	629	669	620	390	154	35	11
2002 Average Monthly Benefit	$2885	$2381	$2064	$1603	$1497	$1319	$1110	$ 921	$ 560
Number Retirees & Beneficiaries	546	567	671	703	632	388	154	42	10
2001 Average Monthly Benefit	$2271	$1956	$1781	$1459	$1164	$1106	$ 810	$ 823	$ 566
Number Retirees & Beneficiaries	895	817	699	675	533	269	80	15	9
2000 Average Monthly Benefit	$2076	$1727	$1530	$1211	$ 873	$ 664	$ 469	$ 428	$1053
Number Retirees & Beneficiaries	830	822	704	696	505	228	74	12	43
1999 Average Monthly Benefit	$1850	$1679	$1401	$1103	$ 843	$ 588	$ 458	$ 328	$ 319
Number Retirees & Beneficiaries	902	796	736	683	472	208	59	10	7
1998 Average Monthly Benefit	$1689	$1584	$1300	$1029	$ 776	$ 555	$ 437	$ 304	$ 412
Number Retirees & Beneficiaries	883	827	761	679	445	182	46	12	2

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 2	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2007 Average Monthly Benefit	$751	$887	$967	$1014	$ 906	$ 468			
Number Retirees & Beneficiaries	89	176	210	83	13	2			
2006 Average Monthly Benefit	$731	$956	$849	$ 895	$ 829	$ 592			
Number Retirees & Beneficiaries	89	225	176	58	12	1			
2005 Average Monthly Benefit	$749	$978	$778	$ 986	$ 726				
Number Retirees & Beneficiaries	120	232	155	33	12				
2004 Average Monthly Benefit	$840	$676	$948	$ 738	$1076	$ 768			
Number Retirees & Beneficiaries	540	122	257	128	25	8			
2003 Average Monthly Benefit	$857	$814	$887	$ 855	$ 778	$1009			
Number Retirees & Beneficiaries	530	155	242	109	18	6			
2002 Average Monthly Benefit	$809	$836	$829	$ 759	$1134				
Number Retirees & Beneficiaries	157	228	97	20	4				
2001 Average Monthly Benefit	$673	$644	$580	$ 480	633				
Number Retirees & Beneficiaries	373	186	58	14	2				
2000 Average Monthly Benefit	$675	$571	$550	$ 288					
Number Retirees & Beneficiaries	316	160	32	13					
1999 Average Monthly Benefit	$654	$521	$584	$ 191					
Number Retirees & Beneficiaries	310	127	25	9					
1998 Average Monthly Benefit	$614	$535	$453	$ 216					
Number Retirees & Beneficiaries	268	107	22	6					

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Tier 3	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2007 Average Monthly Benefit	$ 2020	$ 1327	$ 1115	$ 1287					
Number Retirees & Beneficiaries	752	224	2	3					
2006 Average Monthly Benefit	$ 1831	$ 1211							
Number Retirees & Beneficiaries	600	177							
2005 Average Monthly Benefit	$ 1667	$ 1170							
Number Retirees & Beneficiaries	538	97							
2004 Average Monthly Benefit	$ 1438	$ 1126							
Number Retirees & Beneficiaries	396	46							
2003 Average Monthly Benefit	$ 1304	$ 429							
Number Retirees & Beneficiaries	346	1							
2002 Average Monthly Benefit	$ 1178								
Number Retirees & Beneficiaries	230								
2001 Average Monthly Benefit	$ 490								
Number Retirees & Beneficiaries	182								
2000 Average Monthly Benefit	$ 388								
Number Retirees & Beneficiaries	92								
1999 Average Monthly Benefit	$ 397								
Number Retirees & Beneficiaries	47								
1998* Average Monthly Benefit	$ 244								
Number Retirees & Beneficiaries	4								

*Tier 3 started October 1998

Schedule of Average Benefit Payment Amounts

Estimates Based on Annualized Benefit Amounts at December 31 of Each Year

Years Since Retirement

Safety	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
2007 Average Monthly Benefit	$6517	$5758	$4573	$4438	$3625	$3909	$3397	$2830	$2420
Number Retirees & Beneficiaries	465	362	229	168	128	107	76	22	19
2006 Average Monthly Benefit	$6475	$5143	$4442	$4039	$3451	$3771	$3379	$2508	$2135
Number Retirees & Beneficiaries	467	301	244	150	132	105	62	25	10
2005 Average Monthly Benefit	$5984	$5042	$4171	$3911	$3339	$3684	$3160	$3053	$1635
Number Retirees & Beneficiaries	455	289	243	140	115	103	61	20	9
2004 Average Monthly Benefit	$5550	$4598	$4182	$3298	$3278	$3520	$2731	$2299	$1459
Number Retirees & Beneficiaries	406	272	237	135	135	106	5	18	7
2003 Average Monthly Benefit	$5477	$4214	$4153	$3345	$3381	$3478	$2540	$2044	$1679
Number Retirees & Beneficiaries	431	241	215	133	109	100	42	17	5
2002 Average Monthly Benefit	$5117	$3837	$3982	$3086	$3200	$2688	$1998	$1525	$1287
Number Retirees & Beneficiaries	324	226	214	128	120	100	35	18	5
2001 Average Monthly Benefit	$4004	$3265	$3218	$2944	$2914	$2399	$1609	$1149	
Number Retirees & Beneficiaries	326	278	156	144	100	56	23	5	
2000 Average Monthly Benefit	$3763	$3021	$3061	$2591	$2328	$1554	$1102	$ 704	
Number Retirees & Beneficiaries	307	262	150	130	96	51	17	5	
1999 Average Monthly Benefit	$3261	$2912	$2518	$2338	$2186	$1266	$ 977	$ 751	
Number Retirees & Beneficiaries	307	260	145	123	96	41	16	3	
1998 Average Monthly Benefit	$2866	$2795	$2437	$2248	$1854	$1190	$ 737	$ 884	$ 801
Number Retirees & Beneficiaries	285	237	145	117	89	37	14	2	1

Participating Employers and Active Members For Years 1999-2008

	2008	% of Totals	2007	2006	2005	2004	2003	2002	2001	2000	1999*
County of Contra Costa:											
General Members	6,802	72.48%	6,871	6,668	6,699	7,082	7,133	6,850	6,610	6,397	
Safety Members	1,020	10.87%	1,023	1,025	1,027	1,089	1,104	1,606	1,517	1,496	
TOTAL:	7,822	83.35%	7,894	7,693	7,726	8,171	8,237	8,456	8,127	7,893	-
Participating Agencies:											
Bethel Island Municipal Improvement District	3	0.03%	3	5	4	3	3	2	2	2	
Byron, Brentwood, Knightsen Union Cemetery District	3	0.03%	5	5	5	4	4	4	4	4	
Central Contra Costa Sanitary District	266	2.83%	257	258	249	253	242	244	246	237	
City of Pittsburg**	-	-	-	-	-	-	-	-	-	243	
Contra Costa County Employees' Retirement Association	37	0.39%	35	35	35	34	35	33	30	26	
Contra Costa Housing Authority	90	0.96%	92	97	98	109	112	113	95	90	
Contra Costa Mosquito and Vector Control District	37	0.39%	35	35	31	28	29	28	24	24	
Delta Diablo Sanitation District**	-	-	-	-	-	-	57	57	58	57	
Diablo Water District**	-	-	-	-	-	13	13	11	11	11	
Local Agency Formation Commission (LAFCO)	2	0.02.%	1	1	1	1	1	1	1	1	
Ironhouse Sanitary District**	-	-	-	-	-	28	27	24	23	22	
Rodeo Sanitary District	8	0.09%	7	7	7	7	7	6	7	6	
In-Home Supportive Services Authority (IHSS)	13	0.14%	16	15	12	11	12	10	6	6	
First 5 - Children & Families Commission	16	0.17%	14	14	13	10	11	9	6	6	
Bethel Island Fire District***	-	-	-	-	-	-	-	-	-	3	
Contra Costa County Fire Protection District	354	3.77%	344	354	361	373	367	387	366	258	
East Contra Costa Fire Protection District	50	0.53%	52	55	55	55	55	55	55	-	
Moraga-Orinda Fire District	71	0.76%	71	66	73	69	70	69	65	66	
Rodeo-Hercules Fire Protection District	21	0.22%	21	21	21	21	21	21	21	22	
Superior Court****	407	4.35%	395	370	342	-	-	-	-	-	
San Ramon Valley Fire District	185	1.97%	179	179	172	168	169	170	170	169	
TOTAL:	1,563	16.65%	1,527	1,517	1,479	1,187	1,235	1,244	1,190	1,253	-
Total Active Membership	9,385	100.00%	9,421	9,210	9,205	9,358	9,472	9,700	9,317	9,146	8,798

* Detail not readily available for 1999

** Districts that terminated their membership with CCCERA

*** Fire District merged with others to form East Contra Costa Fire Protection District

**** Superior Courts were part of County prior to January 1, 2005

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