

BRIEF SUMMARY OF PLAN PROVISIONS

(Please refer to the Retirement Ordinance for a complete description)

Eligibility	Amount										
REGULAR RETIREMENT (no reduction factor for age)											
Sheriffs - 25 years of service regardless of age.	Modified plan members: Final Average Compensation (FAC) multiplied by:										
Others - Age 55 with 25 years of service.	<table><thead><tr><th><u>Years of Service</u></th><th><u>Annual Multiplier</u></th></tr></thead><tbody><tr><td>1-10</td><td>1.75%</td></tr><tr><td>11-19</td><td>2.00</td></tr><tr><td>20-24</td><td>2.00</td></tr><tr><td>25-29</td><td>2.40 (2.50 for Sheriff Department Supervisors)</td></tr></tbody></table>	<u>Years of Service</u>	<u>Annual Multiplier</u>	1-10	1.75%	11-19	2.00	20-24	2.00	25-29	2.40 (2.50 for Sheriff Department Supervisors)
<u>Years of Service</u>	<u>Annual Multiplier</u>										
1-10	1.75%										
11-19	2.00										
20-24	2.00										
25-29	2.40 (2.50 for Sheriff Department Supervisors)										
All - Age 60 with 8 years of service. When age plus service equals 80 and service is at least 25 years.											
For various union groups within General County, new hires are no longer covered by the defined benefit plan.	Before 20 years of service, separate multipliers are used for the first 10 years of service and service over 10 years. After 20 years of service, the multiplier will apply to all years of service. Maximum benefit: See Appendix in December 31, 2010 valuation report. Original plan members: Total service times 2.0% of FAC. Maximum benefit: See Appendix in December 31, 2010 valuation report. Type of FAC - Highest 3 years out of last 10 (highest 5 years out of last 10 for Mental Health and Friend of the Court). Base pay only for certain General County and Sheriff's Department members.										
DEFERRED RETIREMENT											
8 or more years of service, benefit begins at age 60. With 25 or more years of service, benefit begins at age 55.	Computed as a regular retirement but based upon service and final average compensation at termination date.										
DEATH IN SERVICE											
10 or more years of service.	Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election. Payable to the spouse for life. If no eligible spouse, unmarried children under 18 receive equal shares of 50% of the benefit.										
NON-DUTY DISABILITY											
10 or more years of service.	Computed as a regular retirement. Offsets apply.										
DUTY DISABILITY											
Sheriff's Department - 10 or more years of service.	50% of compensation at the time of disability. Offsets apply.										
Others - No age or service requirements. Must be in receipt of Worker's Compensation payments.	Computed as a regular retirement. Upon termination of Worker's Compensation payments, additional service credit is granted and benefit is recomputed. Offsets apply.										
MEMBER CONTRIBUTIONS											
All members.	5% of annual compensation.										
COUNTY CONTRIBUTIONS											
Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded accrued benefit values over a selected period of future years.											

POST-RETIREMENT LIFE INSURANCE

The Retirement System provides \$3,500 of life insurance to retirees.

SUPPLEMENTAL PAYMENTS TO RETIREES AGE 65 AND OLDER

If a retiree had less than 20 years of service at retirement, an annual payment of \$14.00
per month will be made for the life of the retiree. For members with 20 or more years
of service at retirement, an annual payment of \$16.00 per month.

St. Clair County Employees' Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 2010

Dear Retirement System Members and Retirants:

The Retirement System, which is managed by the Retirement Board of Trustees, is designed to help you meet your financial needs should you become disabled, retire, or die. *The County also supports a retiree health insurance program, which is separate from the Retirement System.*

The Retirement Board's fiduciary responsibility to you is to oversee the general administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties.

We have prepared this summary report to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, a summary cannot cover all the details of the System, which is governed by the provisions of the County's Retirement Ordinance and the Retirement Board's official rules and regulations. Additional information about the System, including the Retirement Ordinance and the actuarial valuation, is available in the Finance Office or can be accessed via the County's website.

Respectfully submitted,

Board of Trustees
St. Clair County Employees' Retirement System

Gabriel Roeder Smith & Company
Consultants & Actuaries

SUMMARY RESULTS OF ACTUARIAL VALUATION

Your Retirement System's financial objective is to accumulate the assets necessary to pay the promised benefits in an orderly manner. To accomplish this, contribution rates are established in a manner that is designed to keep those rates approximately level as a percentage of payroll or as a level dollar amount from year to year.

The Board of Trustees of the St. Clair County Employees' Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel Roeder Smith & Company, conducts annual actuarial valuations.

These valuations are based on the System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2010 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 2012 Employer Contributions

Contributions For	General County	Mental Health	Road Comm.
Normal Cost			
Total	\$4,005,332	12.72%	15.78%
Member	<u>1,417,315</u>	<u>5.00</u>	<u>5.00</u>
Employer	2,588,017	7.72	10.78
Amort. of UAL	<u>1,901,989</u>	<u>2.64</u>	<u>8.12</u>
Computed Employer Rate*	\$4,490,006	10.36%	18.90%

Funded Status	General County	Mental Health	Road Comm.
AAL#*	\$138.0	\$32.2	\$39.2
Applied assets * (smoothed market value)	119.7	27.5	32.9
% funded	86.8%	85.2%	84.0%

Actuarial Accrued Liabilities

* \$ millions

Actuary's Opinion

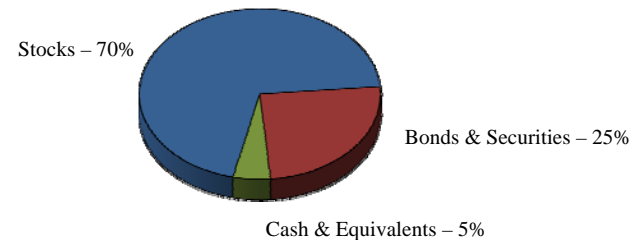
It is the actuary's opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet the System's financial objective.

SUMMARY FINANCIAL INFORMATION

Revenues & Disbursements

	<u>2010</u>
Market Value - January 1	\$184,214,533
Revenues:	
Member contributions	2,838,298
Employer contributions	8,098,607
Interest and dividends	4,415,417
Gain on investments	<u>23,673,258</u>
Total	<u>39,025,580</u>
Disbursements:	
Refunds of member contributions	357,120
Pensions paid	10,351,447
Death benefits paid	63,000
Health benefits	6,044,047
Investment expenses	1,059,543
Administrative expenses	<u>81,936</u>
Total	<u>17,957,093</u>
Market Value - December 31	<u>\$205,283,020</u>

Investments (Market Value)



The market rate of return on System assets net of expenses for the year ended December 31, 2010 was 14.91%.