Brief Summary of Plan Provisions*

Eligibility	Amount
REGULAR RETIREMENT (no reduction factor for age)	
Age 55 with 25 years of service or age 60 with 8 or more years of service.	Service multiplied by 2.25% of final average compensation (FAC). Maximum total benefit is 75% of FAC. Type of FAC – Highest 5 years out of last 10, ending with the last month of credited service before retirement date.
REDUCED EARLY RETIREMENT	
	None.
DEFERRED RETIREMENT	
8 or more years of service.	Computed as a regular retirement but based upon service, FAC, and compensation factor in effect at date of termination.
DEATH-IN-SERVICE	
Automatic Provision: 10 or more years of service or death within 3 years of duty disability.	Spouse benefit is straight life allowance times the sum of a) 30%, plus b) 3% times years of service in excess of 10 years, with benefit maximum of 75% of straight life allowance. If no spouse, children under age 21 receive equal shares of straight life allowance times the sum of a) 20%, plus b) 2% per year of service in excess of 10 years, with a maximum benefit of 50% of straight life allowance.
Non-Duty Death Provision: 25 years of service or age 60 with 10 years of service.	Computed as regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.
NON-DUTY DISABILITY	
10 or more years of service.	Computed as regular retirement. Minimum benefit is 17% of FAC.
DUTY DISABILITY	
No age or service requirements.	Computed as a regular retirement benefit with additional service credited to the age at which the member would have first been eligible for retirement. Minimum benefit is 17% of FAC. Maximum benefit including Worker's Compensation is 75% of FAC.

DEATH BENEFIT AFTER RETIREMENT

A lump sum post-retirement benefit is included. The amount varies from $100 to $2,000 based upon retirement date and years of service.

*** NON-REPRESENTED EMPLOYEES HIRED AFTER FEBRUARY 29, 2012**
Must attain age 62 with 10 years of service for Regular Retirement and 10 or more years of service for Deferred Retirement. These members contribute 6% of annual member compensation and have a 1.5% multiplier.

Road Commission for Oakland County Retirement System

Summary Annual Report to Members
December 31, 2012

Dear Retirement System Member:

The Retirement System, which is managed by the Retirement Board, is designed to help you meet your financial needs should you become disabled, retire or die. The Road Commission also supports a Retiree Health Insurance Program, which is separate from the Retirement System.

The Retirement Board's fiduciary responsibility to you is to supervise 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 Road Commission's retirement resolution and the Retirement Board's procedures. Additional information about the System and its financial operation is available in the Finance Director's office.

Respectfully submitted,

Road Commission for Oakland County Retirement System
Board of Trustees

D'Arcy Gonzales, Chairperson
Citizen Member Trustee

Dennis A. Lockhart, Secretary
Ex-Officio Member Trustee

Ralph Ordiway, Vice-Chairperson
Salaried Member Trustee

Cheryl Hutchins
Retired Member Trustee

Pamela Cahill
Ex-Officio Member Trustee

Michael Strzelecki
Hourly Member Trustee

Consultants & Actuaries
Gabriel Roeder Smith & Company

Investment Consultants
Independent Portfolio Consultants

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 the rates approximately level as a percentage of payroll from year to year. The Board of Trustees of the Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728 of 2002.

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, financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2012 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning October 1, 2013
Employer Contribution Rates
Expressed as a % of Active Member Payroll

Contributions for	**All Members**
Normal Cost of Benefits	
Total	13.13%
Member portion	0.03
Employer portion	13.10
Amortization of unfunded liability	5.88
Computed Employer Rate	**18.98%**

Funded Status	$ Millions
• Actuarial accrued liabilities	$193.1
• Applied assets (smoothed market value)	166.0
• % funded	85.9 %

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.

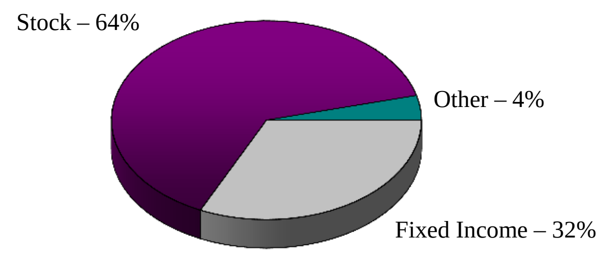
Summary of Current Asset Information

Revenues & Expenditures

	2012
Market Value - January 1	$159,767,195
Revenues	
Member contributions	2,554
Employer contributions	4,595,029
Interest, dividends and other income	4,999,505
Net realized and unrealized gains (losses)	15,127,996
Total	24,725,084
Expenditures	
Benefits paid	12,014,391
Administrative expenses	16,747
Investment expenses	1,362,833
Total	13,393,971
Market Value - December 31	$171,098,308

The Board of Trustees has confirmed that the employer contributions shown above represent the required employer contribution for the year covered.

Investments



The market rate of return on System assets, net of expenses, for the year ended December 31, 2012 was 12.02%.